

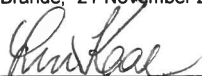
BESTSELLER UNITED A/S
Fredskovvej 5
DK-7330 Brande
CVR No. 26508347

ANNUAL REPORT

2017/18

The Annual Report was presented and approved
at the Annual General Meeting of the Company

Brande, 21 November 2018



Chairman

Contents

Management's Statement	3
Independent Auditor's Report	4
Company Information	6
Management's Review	7
Key Figures and Financial Ratios	8
Accounting Policies	9
Income Statement	12
Balance Sheet	13
Statement of changes in Equity	15
Notes	16

Management's Statement

Today, Management has considered and adopted the Annual Report of BESTSELLER UNITED A/S for the financial year 1 August 2017 - 31 July 2018.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 July 2018 and of the results of the Company's operations for the financial year 1 August 2017 - 31 July 2018.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Brande, 21 November 2018

Executive Board



Anders Holch Povlsen

Board of Directors



Merete Bech Povlsen
Chairman



Niels Holch Povlsen



Troels Holch Povlsen



Anders Holch Povlsen

Independent Auditor's Report

To the shareholders of BESTSELLER UNITED A/S

Opinion

We have audited the financial statements of BESTSELLER UNITED A/S for the financial year 1 August 2017 - 31 July 2018, which comprise an summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2018 and of the results of the Company's operations for the financial year 1 August 2017 - 31 July 2018 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- * Conclude on the appropriateness of Management's of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

Independent Auditor's Report

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- * Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 21 November 2018

Ernst & Young
Godkendt Revisionspartnerselskab
CVR-no. 30700228



Jens Weiersøe Jakobsen
State Authorised Public Accountant
MNE no.: mne30152



Søren Jensen
State Authorised Public Accountant
MNE no.: mne34132

Company details

Company	BESTSELLER UNITED A/S Fredskovvej 5 7330 Brande
CVR No.	26508347
Date of formation	4 March 2002
Registered office	Ikast-Brande
Financial year	1 August 2017 - 31 July 2018
Board of Directors	Merete Bech Povlsen , Chairman Niels Holch Povlsen Anders Holch Povlsen Troels Holch Povlsen
Executive Board	Anders Holch Povlsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25 8000 Aarhus C CVR-no.: 30700228
Annual General Meeting	The Annual General Meeting is held on the 21 November 2018.

Management's Review

The Company's main activities

The Company's main activities are holdings of equity and other securities in fashion and clothing.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 August 2017 - 31 July 2018 shows a result of tDKK 1.862.824 and the Balance Sheet at 31 July 2018 a balance sheet total of tDKK 12.327.463 and an equity of tDKK 12.025.110.

The profit for the year is above expectations, as expressed in the annual report last year.

Expectations for the future

For the coming year, a minor improvement in earnings is expected compared to current year.

Risks

The management believes that the company is not affected by particular risks beyond the usual risks in the industry.

Environmental issues

The management believes that the activities do not affect the external environment.

Research and development activities

There is no research and development in the company.

Treasury shares

In the current year, the company has disposed of all treasury shares.

Statement on Corporate Social Responsibility

The company is subject to cf. section 99a of the Danish Financial Statements Act regarding corporate social responsibility. The company has chosen to apply the derogation in cf. section 99a, no 6 of the Danish Financial Statements Act and are therefore not including the information in the management's review, because the company is part of the group consolidated financial statement for HEARTLAND A/S which are subject to the disclosure requirements.

Statutory statement regarding the target figures for the underrepresented gender in the Board of Directors, cf. section 99b of the Danish Financial Statements Act

BESTSELLER UNITED A/S is subject to the rules on target figures and policies for the gender composition of management. BESTSELLER UNITED A/S is, however, of the opinion that qualifications and experience should be the decisive factor behind any job position.

In order to comply with the legislation, BESTSELLER UNITED A/S has - in spite of the above comment - formulated target figures for equal representation of men and women in the Board of Directors of BESTSELLER UNITED A/S .

The 2018 target figure for the representation of women in the Board of Directors of BESTSELLER UNITED A/S is 40%. Today, the Board of Directors consists of 4 members, one woman and three men. The target figure has not been reached, as a present change in the composition of the Board of Directors has not been considered appropriate, taking the qualifications and experience of potential candidates into consideration. The target figure will be reinstated with an expected fulfilment time horizon of 4 years.

BESTSELLER UNITED A/S has less than 50 employees why no policy has been established to increase the proportion of the underrepresented gender in the other management levels of the company.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

Numbers appear in millions

	2017/18	2016/17	2015/16	2014/15	2013/14
Profit and loss:					
Operating profit/loss	-1	-3	-2	-2	-2
Net financial income and expenses	1.874	1.419	1.199	365	765
Profit/loss for the year	1.863	1.410	1.196	365	763
Balance:					
Total assets	12.327	11.735	12.062	11.604	9.998
Investment in property, plant and equip.	0	0	0	0	0
Total equity	12.025	11.328	11.111	10.567	9.556
Key ratios:					
Return on equity (ROE) (%)	16	13	11	4	8
Solvency ratio (%)	98	97	92	91	96

For definitions of key ratios, see Accounting and Valuation Principles

Accounting Policies

Reporting Class

The Annual Report of BESTSELLER UNITED A/S for financial year 2017/18 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied remain unchanged from last year.

Consolidated Financial Statements

The Company meets the conditions for not preparing Consolidated Financial Statements due to Danish Financial Statements Act §112, 1.

Cash flow statement

The Company has decided not to include a cash flow statement due to Danish Financial Statements Act §86, 4.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the principal activity of the Company.

Other external costs

Other external costs comprise expenses regarding administration.

Staff costs

Staff costs comprise wages and salaries, pensions, social security cost and other employee related expenses.

Accounting Policies

Amortisation and impairment of tangible assets

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Income from equity investments in group enterprises and associates

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortisation of consolidated goodwill.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Equity investments in group enterprises and associates

Investments in subsidiaries and associates are measured according to the equity method.

Investments in subsidiaries and associates are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealized intra-group profits and losses and minus or plus any residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0, and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the Parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognized as a provision.

Net revaluation of investments in subsidiaries and associates are recognized in the reserve for net revaluation according to the equity method in equity to the extent the carrying amount exceeds cost. The reserve for net revaluation can be neutralized by deficits, sale of investments or changes in accounting estimates. The reserve for net revaluation cannot be recognized with a negative balance.

The purchase method is applied on acquisition of enterprises cf. above-section "Business combinations".

Investments in subsidiaries and associates are written down to its recoverable amount if this is lower than the carrying amount.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is reviewed in general to determine whether there is any indication of impairment in addition to that expressed by amortisation or depreciation. The impairment test is performed for each individual asset or group of assets. The recoverable amount of the asset is

Accounting Policies

calculated as the value in use or the fair value less disposal costs, whichever is higher.

If it is not possible to determine the recoverable amount for individual assets, the assets are reviewed jointly in the smallest identifiable group of assets to determine a reliable recoverable amount.

Domicile properties and other assets, for which it is not possible to calculate an individual capital value as the asset, in itself, does not generate future cash flows, are subject to a test for indication of impairment together with the group of assets, to which they may be attributed.

Previously recognised impairment losses are reversed when the reason for recognition no longer exist. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Other short-term investments

Other securities and equity investments that are listed are measured at market value at the balance sheet date.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Financial liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Explanation of financial ratios

Key figures and financial ratios are determined based on "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts.

Return on equity (ROE) (%)	=	$\frac{\text{Profit/loss for the year}}{\text{Avg. equity}}$
Equity interest (equity ratio) (%)	=	$\frac{\text{Total equity X 100}}{\text{Total liabilities}}$

Income Statement

	Note	2017/18 tDKK	2016/17 tDKK
Other operating income		0	4.532
Other external costs		-679	-1.693
Gross profit		-679	2.839
Staff costs	1	-482	-5.780
Depreciation of property, plant and equipment		29	-29
Profit from ordinary operating activities		-1.132	-2.970
Income from investments in group enterprises and associates		1.825.240	1.339.725
Finance income	2	49.243	80.405
Finance expenses	3	-528	-1.331
Profit from ordinary activities before tax		1.872.823	1.415.829
Tax expense on ordinary activities		-9.999	-5.744
Profit		1.862.824	1.410.085
Proposed distribution of results	4		
Proposed dividend recognised in equity		1.600.000	1.400.000
Reserve for net revaluation according to equity method		1.825.240	1.339.725
Retained earnings		-1.562.416	-1.329.640
Distribution of profit		1.862.824	1.410.085

Balance Sheet as of 31 July

	Note	2018 tDKK	2017 tDKK
Assets			
Operating equipment	5	0	403
Property, plant and equipment		0	403
Investments in group enterprises	6, 7	11.705.287	11.155.357
Investments in associates	8, 9	33.866	44.308
Investments		11.739.153	11.199.665
Fixed assets		11.739.153	11.200.068
Receivables from group enterprises		17.763	20.489
Other receivables		1.796	63
Receivables		19.559	20.552
Other short-term investments		559.097	488.121
Cash and cash equivalents		9.654	26.467
Current assets		588.310	535.140
Assets		12.327.463	11.735.208

Balance Sheet as of 31 July

	Note	2018 tDKK	2017 tDKK
Liabilities and equity			
Share capital	10	4.500	5.000
Reserve for net revaluation according to equity method		2.683.753	2.443.906
Retained earnings		7.736.857	7.479.096
Proposed dividend		1.600.000	1.400.000
Equity		12.025.110	11.328.002
Deferred tax	11	0	19
Provisions for investments in group enterprises		11.004	0
Provisions		11.004	19
Debt to banks		0	6
Trade payables		103	97
Payables to group enterprises		279.879	400.139
Tax payables		10.498	5.299
Other payables		869	1.646
Short-term liabilities other than provisions		291.349	407.187
Liabilities other than provisions		291.349	407.187
Liabilities and equity		12.327.463	11.735.208
Significant events occurring after end of reporting period	12		
Contingent liabilities	13		
Collaterals and assets pledged as security	14		
Related parties	15		
Fees for auditors elected on the general meeting	16		

BESTSELLER UNITED A/S

Statement of changes in Equity

	Contributed capital	Reserve for net reval- uation ac- cording to equity method	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 August 2017	5.000	2.443.906	7.479.096	1.400.000	11.328.002
Decrease of capital	-500	0	-664.400	0	-664.900
Dividend	0	-1.643.500	1.643.500	0	0
Dividend paid	0	0	140.000	-1.400.000	-1.260.000
Change of investments through net exchange differences	0	-118.528	0	0	-118.528
Other adjustments of equity	0	176.635	0	0	176.635
Profit (loss)	0	1.825.240	-1.562.416	1.600.000	1.862.824
Contribution from group	0	0	701.077	0	701.077
Equity 31 July 2018	4.500	2.683.753	7.736.857	1.600.000	12.025.110

Notes

	2017/18	2016/17
1. Employee benefits expense		
Wages and salaries	479	5.071
Post-employment benefit expense	0	473
Social security contributions	1	68
Other employee expense	2	168
	<u>482</u>	<u>5.780</u>
Average number of employees	<u>1</u>	<u>8</u>
2. Finance income		
Other finance income from group enterprises	234	0
Other finance income	49.009	80.405
	<u>49.243</u>	<u>80.405</u>
3. Finance expenses		
Finance expenses arising from group enterprises	176	253
Other finance expenses	352	1.078
	<u>528</u>	<u>1.331</u>
4. Distribution of profit		
Proposed dividend recognized in equity	1.600.000	1.400.000
Reserve for net revaluation according to equity method	1.825.240	1.339.725
Retained earnings	-1.562.416	-1.329.640
	<u>1.862.824</u>	<u>1.410.085</u>
	2018	2017
5. Operating equipment		
Cost at the beginning of the year	432	414
Addition during the year	0	432
Disposal during the year	-432	-414
Cost at the end of the year	<u>0</u>	<u>432</u>
Depreciation at the beginning of the year	-29	-118
Depreciation for the year	0	-29
Reversal of depreciation of disposals	29	118
Depreciation at the end of the year	<u>0</u>	<u>-29</u>
Carrying amount at the end of the year	<u>0</u>	<u>403</u>

Notes

	2018	2017
6. Investments in group enterprises		
Cost at the beginning of the year	8.703.611	8.313.911
Addition during the year	283.536	415.580
Disposal during the year	-1.000	-25.880
Cost at the end of the year	8.986.147	8.703.611
Value adjustment at the beginning of the year	2.451.746	3.537.713
Other movement on equity	176.635	-60.531
Change due to a foreign currency translation adjustment	-118.594	-250.339
Profit for the year	1.841.849	1.347.120
Reversal of value adjustment of disposals	0	23.783
Dividends	-1.643.500	-2.146.000
Value adjustment at the end of the year	2.708.136	2.451.746
Carrying amount at the end of the year	11.694.283	11.155.357
Carrying amount at the end of the year	11.694.283	11.155.357
Negative balances recognized in provisions	11.004	0
Investments in group enterprises	11.705.287	11.155.357
Hereof not-amortizeed-goodwill	125.816	28.871
	125.816	28.871

7. Disclosure in investments in group enterprises

Group enterprises

Name	Registered office	Share held in %
BESTSELLER A/S	Brande, Denmark	100,00
BESTSELLER Birlesik Tekstil Ltd.	Istanbul, Turkey	10,00
BESTSELLER Rus LLC	Moscow, Russia	1,00
VILA A/S	Skanderborg, Denmark	50,00
VILA Wholesale A/S	Skanderborg, Denmark	50,00
BESTSELLER Wholesale A/S	Brande, Denmark	100,00
Aktieselskabet af 21. November 2001	Brande, Denmark	100,00
United Insurance 01.08.2011 A/S	Brande, Denmark	100,00
United Capital 2009 A/S	Aarhus, Denmark	100,00
BESTSELLER Lease Management A/S	Brande, Denmark	100,00
Aktieselskabet af 5.6.2014	Brande, Denmark	100,00
Aktieselskabet af 5.5.2010	Aarhus, Denmark	100,00
Foreseen Fashion A/S	Brande, Denmark	100,00
Aktieselskabet af 14.10.2012	Aarhus, Denmark	100,00
Aktieselskabet af 1.2.2017	Aarhus, Denmark	100,00
Bianco Footwear A/S	Kolding, Denmark	75,00
Miinto Holding ApS	Copenhagen, Denmark	60,20
Toast (Mail Order) Limited	London, UK	100,00

Notes

	2018	2017
8. Investments in associates		
Cost at the beginning of the year	52.149	22.397
Addition during the year	6.101	29.752
Cost at the end of the year	58.250	52.149
Value adjustment at the beginning of the year	-7.841	1.782
Change due to a foreign currency translation adjustment	66	-2.228
Profit for the year	-16.609	-7.395
Value adjustment at the end of the year	-24.384	-7.841
Carrying amount at the end of the year	33.866	44.308

9. Disclosure in investments in associates

Associates

Name	Registered office	Share held in %
Neocles B.V.	Amsterdam, Netherlands	50,00
Fashiontrade.com B.V.	Amsterdam, Netherlands	50,00

10. Share capital

The shares are not divided into classes.

The nominal value of DKK 4,500,000 is distributed on 4,500 shares of DKK 1,000.

	2018	2017	2016	2015	2014
Balance, beginning of the year	5.000	5.000	5.000	5.000	5.000
Disposals during the year	-500	0	0	0	0
Balance, end of the year	4.500	5.000	5.000	5.000	5.000

11. Deferred tax

Deferred tax at the beginning of the year	19	19
Adjustment of deferred tax for the year	-19	0
Balance at the end of the year	0	19

12. Events after the balance sheet date

No events materially affecting the financial position have occurred after the balance sheet date.

Notes

13. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation. The total amount appears from the annual report of HEARTLAND A/S, which is the administration company in the joint taxation.

14. Collaterals and securities

As collateral for the bank debt in subsidiary the company has provided security in short-term shares with a booked value of DKK 492 millions.

15. Related parties

BESTSELLER UNITED A/S is included in the consolidated financial statements of:

HEARTLAND A/S
Inge Lehmanns Gade 2
8000 Aarhus C

Transactions the related parties:	2017/18
Interest income from subsidiaries	234
Interest expense to subsidiaries	176
Received capital contribution	701.078
Paid capital contribution etc.	131.434
Paid dividend, decrease in capital etc.	1.924.900
Sale of property, plant and equipment	432
Receivables from group companies	17.763
Payables to group enterprises	279.879

16. Fees for auditors elected on the general meeting

	2017/18	2016/17
Statutory audit	88	70
Other services	34	5
	<u>122</u>	<u>75</u>