

Trendsales ApS  
Langebrogade 6 E, 2.  
1411 København K

# Trendsales ApS

**Annual report 2015**

The annual report was presented and adopted at the  
Company's annual general meeting  
on 7. oktober 20 16  
chairman [Signature]

CVR no. 27 98 41 69

**Trendsales ApS**  
Annual report 2015  
CVR no. 27 98 41 69

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Trendsales ApS for the financial year 1 January – 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report should be approved at the annual general meeting.

Copenhagen, 7 October 2016  
Executive Board:



Ole Højriis Kristensen



Eva Kemp

Board of Directors:



Nicola Antonio Alberto  
Ciagluna  
Chairman



Urs Hügli



Martin Falslev  
Andersen



Bo Eriksen



## **Independent auditor's report**

### **To the shareholders of Trendsales ApS**

#### **Independent auditor's report on the financial statements**

We have audited the financial statements of Trendsales ApS for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### *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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's activities for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

#### *Emphasis of matter affecting the financial statements*

Without modifying our opinion, we draw attention to the disclosures in note 1, in which Management describes material uncertainties regarding the recognition and measurement of the carrying amount of a number of assets and liabilities related to the investigation and clarification of matters related to the fraud case.

Following further loss in 2016, the Company's equity has been lost. We refer to note 1, in which Management explains that it has received shareholder confirmation of continued financial support if necessary at least until 31 December 2016.



## Independent auditor's report

### *Emphasis of matter regarding other issues*

By virtue of the above-mentioned fraud case; see note 1, the Company did not comply with the requirements of the Danish Bookkeeping Act regarding registration and retention of accounting records. Moreover, company-related and private expenses have been mixed. Consequently, the Company has not made correct VAT and corporation tax payments and reporting of wages. The Company's Management may incur liability for the non-compliance with the Danish Bookkeeping Act and tax legislation.

By virtue of the above-mentioned fraud case; see note 1, the Company's annual report has not been submitted to the Danish Business Authority before the deadline stipulated in the Danish Financial Statements Act, and Management may incur liability in this respect.

The Company has carried out financial services abroad without holding a proper licence, and, consequently, the Company's Management may incur liability in this respect.

### Statement on the Management's review

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 7 October 2016

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'ME', on a light-colored rectangular background.

Martin Eiler  
State Authorised  
Public Accountant

**Trendsales ApS**  
Annual report 2015  
CVR no. 27 98 41 69

## **Management's review**

### **Company details**

Trendsales ApS  
Langebrogade 6 E, 2.  
1411 København K

Website: [www.trendsales.dk](http://www.trendsales.dk)  
CVR no.: 27 98 41 69  
Registered office: Copenhagen  
Financial year: 1 January – 31 December

### **Board of Directors**

Nicola Antonio Alberto Clagluna (Chairman)  
Urs Hügli  
Bo Eriksen  
Martin Falslev Andersen

### **Executive Board**

Ole Højriis Kristensen  
Eva Kemp

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø  
Denmark

### **Annual general meeting**

The annual general meeting will be held on 7 October 2016.

## Management's review

### Operating review

#### Principal activities

The Company's principal activity is to offer an online trading platform and associated services.

#### Significant matters

In May 2016, the CEO at the time was dismissed and reported to the police for fraud against the Company. As a result, the Company has been undergoing a process of rebuilding the financial records dating back to 2012. Reference is made to the introduction in the section on fundamental errors in the accounting policies.

#### Disclosure of uncertainties regarding recognition and measurement

##### *Fraudulent transactions*

A number of accounting and tax issues related to the above-mentioned fraud are still being investigated, and a final claim against the former CEO is still under investigation. When presenting the annual report for 2015, assessments and estimates of these issues have been made in connection with the recognition and measurement of the carrying amount of a number of assets and liabilities related to the investigation and clarification of matters related to the above-mentioned fraud case.

The annual report has been prepared based on Management's best estimates and assessments at the date of the presentation of the annual report. The outcome may differ from Management's assessment, and the difference may be significant.

##### *Contingent liabilities*

The Company has carried out financial services abroad without holding the proper licence. Further, the Company has not complied with certain requirements in Danish and foreign VAT regulation for which the Company may be fined. Due to the preliminary basis of these matters, Management cannot assess the potential financial implications or the level thereof.

#### Subsequent events

Following further loss in 2016, the Company's equity has been lost. Management has received shareholder confirmation of continued financial support if necessary at least until 31 December 2016.

## Financial statements 1 January – 31 December

### Accounting policies

The annual report of Trendsales ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

From 1 January 2015, Trendsales ApS has opted for early adoption of the part of Act no. 738 of 1 June 2015 related to disclosure requirements.

### Fundamental errors

The Executive Board has identified fraud committed by the CEO at the time. The fraud comprised misappropriation of assets, falsification of documents and fraudulent financial reporting in the period 2012-2016. Consequently, financial figures reported for 2012-2014 have previously been stated significantly incorrectly. Following thorough investigations, financial figures for the opening balance sheet at 1 April 2014 and the period 2014 (income statement and balance sheet) have been restated to adjust for the fraudulent financial reporting, while the financial impact from misappropriation of assets has been recognised as part of "Special items".

The financial impact can be specified as follows:

DKK'000	Opening balance at 1 April 2014	1 April – 31 Decem- ber 2014
Originally reported net profit	N/A	2,428
Adjusted net profit	N/A	-6,663
Originally reported balance sheet	52,406	52,943
Adjusted balance sheet	40,861	39,490
Originally reported equity	38,375	40,803
Adjusted equity	24,469	17,162

The adjustments regarding the financial years 2012/13 and 2013/14 have been recognised with an opening balance sheet effect at 1 April 2014.

The adjustments mostly comprise decreased revenue/receivables, VAT, corporation tax, costs not associated with the Company (misappropriation of assets recognised as special items) and obvious accounting errors not in compliance with regulations or good governance.



## Financial statements 1 January – 31 December

### Accounting policies

#### Income statement

##### Gross profit

The Company refers to the provision in section 32 of the Danish Financial Statements Act, under which the Company's revenue is not stated.

Gross profit comprises revenue, cost of sales and other external costs.

##### Revenue

Income comprises membership fees and fees for goods that are put up for auction and sales fees as well as any other relevant end-of-auction commission. Income from membership fees is recognised as revenue when the membership is purchased. All other fees are recognised as revenue when the transactions are completed.

Moreover, the Company recognises advertising packages that are offered to the sellers of products on the Company's website. The Company recognises advertising revenue when the relevant advertising service has been delivered.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

##### Other external costs

Other external costs comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

##### Special items

Special items comprise items associated with the fraud case.

##### Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment losses on property, plant and equipment.

## Financial statements 1 January – 31 December

### Accounting policies

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities, etc.

#### Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Company is jointly taxed with wholly-owned Danish affiliated companies. The tax effect of the joint taxation is allocated to Danish entities in proportion to their taxable incomes.

### Balance sheet

#### Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

## Financial statements 1 January – 31 December

### Accounting policies

#### Investments

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entities prior to the approval of the Company's annual report, are not tied up in the revaluation reserve.

Other receivables and deposits are recognised at amortised cost.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

## Financial statements 1 January – 31 December

### Accounting policies

#### Cash and cash equivalents

Cash and cash equivalents comprise cash.

#### Equity

##### *Dividends*

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Liabilities other than provisions

Other liabilities are measured at net realisable value.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2015	2014 (1 Apr – 31 Dec)
<b>Gross profit/loss</b>		9,993	12,635
Staff costs	2	-21,022	-16,637
Depreciation and impairment losses on property, plant and equipment	3	-590	-614
Special items	4	-1,566	-1,877
<b>Operating profit/loss</b>		-13,185	-6,493
Financial income		24	58
Financial expenses		-273	-228
<b>Profit/loss before tax</b>		-13,434	-6,663
Tax on profit/loss for the year		0	0
<b>Profit/loss for the year</b>		-13,434	-6,663
 <b>Proposed distribution of loss</b>			
Retained earnings		-13,434	-6,663
		-13,434	-6,663

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2015	2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>	5		
Fixtures and fittings, tools and equipment		999	805
		<u>999</u>	<u>805</u>
<b>Investments</b>			
Equity investments in group entities	6	0	0
Deposits		662	599
		<u>662</u>	<u>599</u>
<b>Total non-current assets</b>		<u>1,661</u>	<u>1,404</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		1,624	2,932
Prepayments		2,484	3,244
Customer credit balances		4,861	4,256
Other receivables		59	3
		<u>9,028</u>	<u>10,435</u>
<b>Cash at bank and in hand</b>		<u>17,995</u>	<u>27,651</u>
<b>Total current assets</b>		<u>27,023</u>	<u>38,086</u>
<b>TOTAL ASSETS</b>		<u>28,684</u>	<u>39,490</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2015	2014
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	7		
Share capital		125	125
Retained earnings		3,603	17,037
<b>Total equity</b>		<u>3,728</u>	<u>17,162</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Customer deposits		11,031	10,276
Trade payables		1,201	547
Joint taxation		4,768	4,768
Other payables		7,956	6,737
<b>Total liabilities other than provisions</b>		<u>24,956</u>	<u>22,328</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>28,684</u>	<u>39,490</u>
<b>Disclosure of uncertainties regarding recognition and measurement</b>	1		
<b>Contractual obligations, contingencies, etc.</b>	8		
<b>Related parties</b>	9		

## Financial statements 1 January – 31 December

### Notes

#### 1 Other disclosures

##### Disclosure of uncertainties regarding recognition and measurement

In May 2016, the CEO at the time was dismissed and reported to the police for fraud against the Company.

A number of accounting and tax issues are still being investigated, and a final claim against the former CEO is still under investigation. When presenting the annual report for 2015, assessments and estimates of these issues have been made in connection with the recognition and measurement of the carrying amount of a number of assets and liabilities related to the investigation and clarification of matters related to the above-mentioned fraud case. EY's Forensic team has been engaged to conduct an investigation which is still ongoing, and the special items are based on their report.

The annual report has been prepared based on Management's best estimates and assessments at the date of the presentation of the annual report. The outcome may differ from Management's assessment, and the difference may be significant.

The Company has carried out financial services abroad without holding the proper licence. Further, the Company has not complied with certain requirements in Danish and foreign VAT regulation for which the Company may be fined. Due to the preliminary basis of these matters, Management cannot assess the potential financial implications or the level thereof.

##### Subsequent events

Following further loss in 2016, the Company's equity has been lost. Management has received shareholder confirmation of continued financial support if necessary at least until 31 December 2016.

DKK'000	2015	2014 (1 Apr – 31 Dec)
<b>2 Staff costs</b>		
Wages and salaries	18,257	15,030
Pensions	905	713
Other social security costs	312	397
Other staff expenses	1,548	497
	<u>21,022</u>	<u>16,637</u>
Average number of employees	<u>41</u>	<u>38</u>



## Financial statements 1 January – 31 December

### Notes

DKK'000	2015	2014 (1 Apr – 31 Dec)
<b>3 Depreciation and impairment losses on property, plant and equipment</b>		
Depreciation	590	503
Gains and losses on sold assets	0	111
	<u>590</u>	<u>614</u>
<b>4 Special items</b>		
Fraudulent expenses and expenses without proper documentation	1,599	1,877
	<u>1,599</u>	<u>1,877</u>
<b>5 Property, plant and equipment</b>		Fixtures and fittings, tools and equipment
DKK'000		
Cost at 1 January 2015		1,892
Additions		784
Disposals		-196
Cost at 31 December 2015		<u>2,480</u>
Depreciation and impairment losses at 1 January 2015		1,087
Depreciation for the year		590
Depreciation on disposals		-196
Depreciation and impairment losses at 31 December 2015		<u>1,481</u>
<b>Carrying amount at 31 December 2015</b>		<u>999</u>

## Financial statements 1 January – 31 December

### Notes

#### 6 Equity investments in group entities

Name/legal form	Registered office	Voting rights and ownership interest	Equity DKK'000	Profit/loss for the year DKK'000
Trendsales Finland OY	Finland	51%	-625	-77

#### 7 Equity

	Share capital	Retained earnings	Total
Balance at 31 March 2014	125	38,250	38,375
Fundamental error adjustment	0	-14,550	-14,550
Restated balance 1 April 2014			
Transferred; see the distribution of loss	0	-6,663	-6,663
Balance at 1 January 2015	125	17,037	17,162
Transferred; see the distribution of loss	0	-13,434	-13,434
Balance at 31 December 2015	125	3,603	3,728

The share capital consists of 125 shares of nom. DKK 1,000 each. All shares rank equally. There have been no changes in the share capital during the last five years.

#### 8 Contractual obligations, contingencies, etc.

##### Lease obligations

The Company has entered into a property lease, which is non-terminable for the lessee for 36 months. The rent for this period amounts to DKK 1,160 thousand.

The Company has entered into operating leases with the latest expiration date being April 2016. Lease payments due within one year amount to DKK 521 thousand.

##### Joint taxation

Trendsales ApS is jointly taxed with the other Danish company in the Tamedia Group. The joint taxation also covers withholding tax in the form of tax on dividends, royalties and interest. The Danish companies are jointly and severally liable for the joint taxation. Any subsequent corrections to the taxable income subject to joint taxation or withholding tax may lead to a higher liability.

## Financial statements 1 January – 31 December

### Notes

#### 8 Contractual obligations, contingencies, etc. (continued)

##### Contingencies

The Company has carried out financial services abroad without holding the proper licence. Further, the Company has not complied with certain requirements in Danish and foreign VAT regulation for which the Company may be fined. Due to the preliminary basis of these matters, Management cannot assess the potential financial implications or the level thereof.

##### Contingent assets

The Company's tax asset, mostly from tax losses, DKK 3 million, has not been recognised as the utilisation is uncertain.

#### 9 Related parties

Trendsales ApS' related parties comprise the following:

##### Control

Tamedia AG, Werdstrasse 21, Postfach, 8021 Zurich, Switzerland

##### Other related parties that the Company has had transactions with

MetroXpress Denmark A/S

##### Consolidated financial statements

The consolidated financial statements of Tamedia AG can be obtained at the Company's website: [www.tamedia.ch](http://www.tamedia.ch)