Unisport A/S

Bådehavnsgade 38, DK-2450 København SV

CVR no. 30 80 06 80

Annual report 2016

Godkendt på selskabets ordinære generalforsamling, den 29 May 2017

Dirigent:

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Contents

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 Unisport A/S for the financial year 1 January - 31 December 2016.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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 be approved at the annual general meeting.

Copenhagen, 29 May 2017
Executive Board:

Filip Domagala CEO	Jesper Rechter Christensen CFO

Board of Directors:

Michael Christiansen Chairman	Chris Bigler	Jens Høgsted

Independent auditors' report

To the shareholder of Unisport A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Unisport A/S for the financial year 1 January – 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

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

Management's responsibilities 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 a material misstatement 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 risks of material misstatement of 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 the 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.

Independent auditor's report

- 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 use 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 conclusion is 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 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 the 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 our procedures, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 May 2017
Ernst & Young
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Henrik Kronborg Iversen
State Authorised
Public Accountant

Søren Christiansen
State Authorised
Public Accountant

Management's review

Company details

Name	Unisport A/S
Address, zip code, city	Bådehavnsgade 38, DK-2450 København SV
CVR no.	30 80 06 80
Established	29 June 2007
Registered office	Copenhagen
Financial year	1 January – 31 December
Board of Directors	Michael Christiansen, Chairman
	Chris Bigler
	Jens Høgsted
Executive Board	Filip Domagala, CEO
	Jesper Rechter Christensen, CFO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, DK-2000 Frederiksberg

Management's review

Financial highlights

	2016	2015	2014	2013	2012
Key figures (DKK'000)					
Gross profit	60,821	50,437	44,608	28,079	22,041
Operating profit/loss before depreciation and amortisation (EBITDA)	18,955	16,465	20,450	10,503	10,429
Operating profit	14,184	12,993	17,342	7,526	7,551
Profit/loss from financial income and expenses	-1,445	-455	-1,062	-874	-536
Profit for the year	9,875	9,556	12,378	5,393	5,247
Total assets	97,422	84,899	61,093	52,898	45,137
Investment in property, plant and equipment	767	6,792	345	2,560	563
Equity	43,158	33,283	23,727	17,349	21,956
Financial ratios (%)					
Solvency ratio	44.2	39.1	38.8	32.8	48.6
Return on equity	25.8	33.5	60.3	27.4	24.0
FTE (employees)	110	89	69	53	43

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Operating review

Primary activities

The activity in the Company is trade of football equipment from leading brands and clubs, mainly through the internet (e-commerce).

Unusual conditions

The Company has not been influenced by unusual conditions in the financial year.

Development in activities and finances

Gross profit for 2016 amounts to DKK 60.8 million (2015: DKK 50.4 million).

The revenue was positively impacted by high growth from sales and marketing activities that has led to a net increase in number of customers.

The Company has during the last two years entered new markets. Investments in these markets have had a negative impact to gross profit in 2015 and 2016.

The Company´s profit after tax amount to DKK 9.9 million (2015: DKK 9.6 million), which is considered satisfactory given the above mentioned conditions.

Outlook

The Company expects to grow revenue as well as profits in 2017.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would significantly influence the evaluation of this annual report.

Currency risks

The Company´s revenue is generated in DKK, SEK, NOK and EUR. Purchases and other costs are primarily made in DKK.

According to an approved risk policy, the currency risk is not hedged.

Research- and development activities

A substantial part of the business IT-system is developed and managed internally.

Branches abroad

The Company has a registered branch in Sweden without permanent establishment.

Financial statements for the period 1 January – 31 December

Income statement

Note	DKK '000	2016	2015
	Gross profit	60,821	50,437
2	Staff costs	-41,865	-33,972
	Depreciation and amortisation	-4,771	-3,472
	Operating profit	14,185	12,993
3	Financial expenses	-1,445	-455
	Profit before tax	12,740	12,538
4	Tax on profit for the year	-2,865	-2,982
	Profit for the year	9,875	9,556

Financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK '000	2016	2015
	ASSETS		
	Non-current assets		
5	Intangible assets		
	Goodwill	19,495	21,363
	Development costs	3,033	1,108
		22,528	22,471
6	Property, plant and equipment		
	Plant and equipment	917	848
	Leasehold improvements	5,013	6,646
		5,930	7,494
	Financial assets		
	Deposits	2,400	1,855
		2,400	1,855
	Total non-current assets	30,858	31,820
	Current assets		
	Inventories		
	Goods for resale	36,384	31,605
	Total non-current assets	36,384	31,605
	Current assets		
	Receivables		
	Trade receivables	851	2,570
	Other receivables	168	100
	Prepayments	323	419
		1,342	3,089
	Cash at bank and in hand	28,838	18,385
	Total current assets	66,564	53,079
	TOTAL ASSETS	97,422	84,899

Financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK '000	2016	2015
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	5,626	5,626
	Reserve for development costs	1,899	0
	Retained earnings	35,633	27,657
	Total equity	43,158	33,283
	Non-current liabilities		
8	Deferred tax	3,993	3,355
9	Provisions	1,228	1,228
	Total non-current liabilities	5,221	4,583
	Current liabilities		
	Prepayments from customers	1,475	1,206
	Trade payables	10,066	8,595
	Amounts owed to group companies	16,097	15,096
	Corporation tax	2,126	3,255
	Other payables	15,358	12,914
	Deferred income	3,921	5,967
	Total current liabilities	49,043	47,033
	Total liabilities	54,264	51,616
	TOTAL EQUITY AND LIABILITIES	97,422	84,899

1 Accounting policies
10 Mortgages and collateral
11 Contractual obligations and contingencies, etc.
12 Related party disclosures

Financial statements for the period 1 January – 31 December

Statement of changes in equity

Note	DKK '000	Share capital	Reserve for deve-lopment costs	Retained earnings	Total
	Equity at 1 January 2015	5,626	0	18,101	23,727
13	Transferred, see appropriation of profit		0	9,556	9,556
	Equity at 1 January 2016	5,626	0	27,657	33,283
13	Transferred, see appropriation of profit		0	9,875	9,875
	Transferred to reserve for development costs	0	1,899	-1,899	0
	Equity at 31 December 2016	5,626	1,899	35,633	43,158

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Unisport A/S for 2016 has been prepared in accordance with the provisions applying to reporting class C middle sized enterprises under the Danish Financial Statements Act.

Effective 1 January 2016, the Company has adopted act no. 738 of 1 June 2015. This implies changes in the recognition and measurement in the following areas:

1. Yearly reassessment of residual values of property, plant and equipment
2. Reserve for development costs

Re 1: In future, residual values of property, plant and equipment are subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment. Consequently, the change is made in accordance with section 4 of the executive order on transitional provisions with future effect only as a change in accounting estimates with no impact on equity.

Re 2: An amount corresponding to development costs recognised are in future tied up in a special reserve under equity called "Reserve for development costs". The amount is tied up in a special reserve, which cannot be used to distribute dividend or cover losses. If the development costs recognised are sold or in some other way no longer form part of the Company's operations, the reserve will be dissolved or reduced by a transfer directly to distributable reserves under equity. If the recognised development costs are written down, part of the reserve for development costs must be reversed. The reversed portion corresponds to the write-down of the development costs. If a write-down of the development costs is subsequently reversed, the reserve for development costs must be re-established. The reserve for development costs is also reduced by amortisation charges. In doing so, the equity reserve will not exceed the amount recognised in the balance sheet as development costs.

In connection with the adoption of act no. 738 of 1 June 2015 and in connection with the Group's change of accounting policies to IFRS for the consolidated financial statements for Unisport Holding SNG ApS, provisions for restoration of leasehold improvements etc. have been recognized. Comparative figures have been adjusted. Result for the year has been affected with DKK -336 thousand in 2015 and DKK -166 thousand in 2016 respectively and Equity at 31 December 2015 and 31 December 2016 is affected with DKK -654 thousand and DKK 820 thousand respectively. The balance sheet is affected with DKK 574 thousand at 31 December 2015 and DKK 408 thousand at 31 December 2016.

Cash in transit from credit card payments have been reclassified from trade receivables to cash in bank and in hand, which affects cash at bank and in hand with DKK 2,338 thousand and trade receivables with DKK -2,338 thousand at 31 December 2015.

In addition, the Company has decided to present its balance sheet in horizontal format where non-current and current assets and liabilities are broken down and comparative figures for 2015 are restated.

Apart from the above changes as well as new and changed presentation and disclosure requirements, which follow from act no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

No cash flow statement has been prepared as the cash flow statement of Unisport A/S is included in the cash flow in the consolidated financial statements of Unisport Holding SNG ApS.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Gross profit

Revenue, cost of goods sold and other external costs are presented in gross profit in accordance with §32 in the Danish Financial Statements Act.

Revenue

Revenue from the sale of goods for resale is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received.

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

Cost of goods sold

Cost of sales includes the cost of goods used in generating the year's revenue.

Cost of goods sold is recognised after deduction of supplier discounts and bonuses.

Other external costs

Other external costs comprise administrative expenses and other costs for operations and maintenance.

Staff costs

Staff costs comprise wages, salaries, pensions and other staff costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on receivables, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The Company is covered by the Danish rules on compulsory joint taxation with Unisport Holding SNG ApS. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

Unisport Holding SNG ApS is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises joint taxation contributions for the year and changes in deferred tax for the year – due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over its estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortised on a straight-line basis over a period of usually 20 years, longest for strategically acquired enterprises.

The amortisation period is 20 years as the business strategy and earning potential is considered long-term.

The depreciation period is determined at the time of acquisition and is reassessed every year. In case of changes in the amortisation period, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Development costs

Development costs comprise costs, salaries and amortisation directly or indirectly attributable to the Company's development activities.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 3 years.

The depreciation period is determined at the time of acquisition and is reassessed every year. In case of changes in the amortisation period, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Property, plant and equipment

Plant and equipment and leasehold improvements 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 when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Plant and equipment	3-5 years

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and is reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the amortisation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gains and losses on the disposal of property, plant and equipment are determined 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 external income and other external costs.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

The net realisable value of inventories is calculated as the sales amount less costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made based on an individual assessment.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or if they are no more part of the Company's operations by a transfer directly to distributable reserves under equity.

Dividends

Proposed dividends are recognised as a liability at the date when 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.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

2 Accounting policies (continued)

Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation.

The amount recognised as a provision is Management's best estimate of the expenses required to settle the obligation.

On measurement of provisions, the costs required to settle the liability are discounted if the effect is material to the measurement of the liability. A pre-tax discount factor is used that reflects the current market interest rate level plus risks specific to the liability. Changes to the discount factor during the year are recognised as financial expenses.

Restructuring costs are recognised as liabilities once a detailed, formal restructuring plan has been published no later than on the balance sheet date to the persons affected by the plan.

Provisions for restoration of leasehold improvements, etc. are measured at the present value of the expected future restoration costs at the end of the reporting period. The provision is calculated on the basis of current public authority orders and estimated costs that are discounted at present value. Specific risks associated with the provision are included in the estimated costs. A discount factor reflecting the general interest rate levels is used. Provisions are recognised as they arise and are adjusted on an ongoing basis in order to reflect changes in requirements and prices, etc. The present value of the costs is recognised in the cost of the property, plant and equipment in question and is depreciated with these assets. The increase of the present value due to the passage of time is recognised in the income statement as financial expenses.

Corporation tax and deferred tax

Joint taxation contribution payable and receivable is recognised in the balance sheet as corporation tax receivable and corporation tax payable.

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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; 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 and jurisdiction.

Deferred tax is measured in accordance with the tax rules and at the tax rate applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Prepayments from customers

Prepayments from customers comprise liabilities regarding issued gift vouchers, recognised at the date of issue.

Prepayments from customers are measured at amortised cost.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial liabilities

Financial liabilities are measured at amortised cost.

Deferred income

Deferred income is measured at cost.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Solvency ratio $$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$$

Return on equity $$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$$

Financial statements for the period 1 January – 31 December

Notes to the financial statements

	DKK '000	2016	2015
2	Staff costs		
	Wages and salaries	38,440	31,091
	Other social security costs	823	674
	Other staff costs	2,602	2,207
		41,865	33,972
	FTE (employees)	110	89

Remuneration of the Executive Board amounts to DKK 2,176 thousand (2015: DKK 3,011 thousand). Remuneration of the Board of directors amounts to DKK 276 thousand (2015: DKK 150 thousand).

	DKK '000	2016	2015
3	Financial expenses		
	Foreign currency adjustments	123	106
	Interest expense to Group Company	900	0
	Other interest expenses	422	232
	Amortisation of financing costs	0	117
		1,445	455

4	Tax on the profit/loss for the year		
	Current tax for the year	2,126	3,256
	Adjustment of current taxes relating to prior years	101	0
	Adjustment of deferred tax	707	-274
	Adjustment of deferred tax relating to prior years	-69	0
		2,865	2,982

5 Intangible assets

DKK '000	Goodwill	Other intangible assets	Development costs	Total
Cost at 1 January 2016	37,369	528	2,853	40,750
Additions	0	0	2,539	2,539
Disposals	0	-528	0	-528
Cost at 31 December 2016	37,369	0	5,392	43,289
Impairment losses and amortisation at 1 January 2016	16,006	528	1,745	18,279
Amortisation	1,868	0	614	2,482
Disposals	0	-528	0	-528
Impairment losses and amortisation at 31 December 2016	17,874	0	2,359	20,233
Carrying amount at 31 December 2016	19,495	0	3,033	22,528
Amortised over	20 years	5 years	3 years	

Financial statements for the period 1 January – 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK '000	Plant and equipment	Leasehold improvements	Total
Cost at 1 January 2016	2,291	7,867	10,158
Additions	640	127	767
Disposals	-224	0	-224
Cost at 31 December 2016	2,707	7,994	10,701
Impairment losses and depreciation at 1 January 2016	1,443	1,221	2,664
Depreciation	528	1,760	2,288
Disposals	-181	0	-181
Impairment losses and depreciation at 31 December 2016	1,790	2,981	4,771
Carrying amount at 31 December 2016	917	5,013	5,930
Depreciated over	3–5 years	3–5 years	

7 Share capital

The share capital comprises 5,626,086 shares of DKK 1 each. The share capital has remained unchanged since the Company's establishment.

No shares contain special rights.

	DKK '000	2016	2015
8	**Deferred tax**		
	Deferred tax assets at the beginning of the period	3,355	3,629
	Adjustment of deferred tax relating to prior years	-69	0
	Adjustment of deferred tax	707	-274
	Deferred tax assets at 31 December	3,993	3,355
	Deferred tax assets relates to:		
	Intangible assets	4,956	4,593
	Property, plant and equipment	-100	75
	Deferred income	-863	-1,313
		3,993	3,355
9	**Provisions**		
	Provisions at 1 January	1,228	1,010
	Provisions for the year	0	218
	Provisions at 31 December	1,228	1,228

Provisions include liabilities for restoration upon the vacation of premises. The liability accumulates as wear and tear increase on the premises and is reassessed annually to determine the state of the premises at the balance sheet date.

Costs are expected to incur upon the expected termination of the premises which depends on potential extensions of the leases.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

10 Mortgages and collateral

As collateral for the Company's bank credit facility, the Company has provided floating charge of DKK 15 million in the Company's receivables, inventories and non-current assets.

11 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company is jointly taxed with the Danish parent company Unisport Holding SNG ApS. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes. At 31 December 2016, the net taxes payable to the Danish Central Tax Administration by the companies included in the joint taxation amounted to DKK 1,635. Any subsequent corrections of the taxable income subject to joint taxation may entail that the companies' liability will increase.

Operating lease obligations

The Company has entered into operating leases with a total obligation of DKK 2,953 thousand at 31 December 2016 (2015: DKK 3,897 thousand) of which DKK 2,953 thousand (2015: DKK 2,839 thousand) is due within a year.

12 Related party disclosures

Unisport A/S' related parties comprise the following:

Parties exercising control

Unisport Holding SNG ApS, c/o Unisport A/S, Bådehavnsgade 38, 2450 København SV, which controls the Company.

The financial statements are included in the consolidated financial statements for Unisport Holding SNG ApS.

Related party transactions

Transactions with related parties in 2016 relate to joint taxation contribution of DKK 3,325 thousand, interest expenses of DKK 900 thousand as disclosed in note 3 and to remuneration of the executive board and board of directors as disclosed in note 2.

13 Proposed profit appropriation

	2016	2015
Retained earnings	9,875	9,556
Profit for the year	9,875	9,556