

ARCA ApS

Griffenfeldsgade 7 A
2200 København N

Business Registration No 31254418

Annual report

1. January 2019 - 31. December 2019

The Annual General Meeting adopted the annual report
on 26. August 2020

Peder Andreas Bang
Chairman of the General Meeting

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Entity details

Entity

ARCA ApS
Griffenfeldsgade 7 A
2200 København N

Registered in: Copenhagen
Central Business Registration No (CVR): 31254418
Financial year: 1. January 2019 - 31. December 2019

Executive Board

Peder Andreas Bang
Klaus Vesti Andersen

Board of Directors

Peder Andreas Bang
Klaus Vesti Andersen

Auditors

Dansk Revision Søborg
Statsautoriseret revisionsaktieselskab
Generatorvej 8D
2860 Søborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of ARCA APS for the financial year 1. January 2019 - 31. December 2019.

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 Entity's financial position at 31. December 2019 and of the results of its operations for the financial year 1. January 2019 - 31. December 2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 26. august 2020

Board of Directors:

Peder Andreas Bang

Klaus Vesti Andersen

Executive Board:

Peder Andreas Bang
Chairman

Klaus Vesti Andersen

Independent auditor's extended review report

To the shareholders of ARCA ApS

Conclusion

We have performed an extended review of the financial statements of ARCA APS for the financial year 1. January 2019 - 31. December 2019, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31. December 2019 and of the results of its operations for the financial year 1. January 2019 - 31. December 2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR – Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Independent auditor's extended review report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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 commentary.

Søborg, 26. august 2020

Dansk Revision Søborg

Statsautoriseret revisionsaktieselskab, CVR-nr. 14649905

Michael Wienberg
Registreret revisor
mne18012

Management commentary

Primary activities

The Company's activity consists in giving classes in gyms.

Development in activities and finances

Profit for the year amounts to DKK 3,988 thousand against a profit of DKK 7,887 thousand last year.

Management considers the results satisfactory.

The company has receivables of TDKK 9,564 at affiliated companies, where the equity is negative. The expectation of management is that the equity in these companies can be re-established through own operations. If it is not possible to re-establish the equity in the companies, it will affect the valuation of the company's receivables.

Events after the balance sheet date

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

		2019	2018
Notes	Income statement	DKK	1.000 DKK
The period 1. January - 31. December			
	Gross profit	35.399.020	38.617
1	Staff costs	-23.802.460	-19.447
	Depreciation and amortisation of non-current assets	-6.883.602	-5.274
	Income or loss before net financials	4.712.958	13.896
2	Financial income	703.014	549
	Financial expenses	-352.115	-3.465
	Profit before tax	5.063.857	10.980
3	Tax on the income or loss for the year	-1.075.817	-3.093
	Net income or loss for the year	3.988.040	7.887
Proposal for distribution of net income:			
	Retained earnings	3.988.040	7.887
	Total distribution of net income	3.988.040	7.887

	2019	2018
Notes	DKK	1.000 DKK
Balance sheet		
Assets as at 31. December		
Goodwill	578.571	771
Intangible assets	578.571	771
Leasehold improvements	9.177.984	9.966
Other fixtures and fittings, tools and equipment	7.483.829	7.149
Property, plant and equipment	16.661.814	17.115
Receivables from group enterprises	9.564.191	5.489
Other receivables	1.386.207	1.195
Fixed asset investments	10.950.398	6.684
Fixed assets	28.190.783	24.570
Manufactured goods and goods for resale	170.911	342
Inventories	170.911	342
Trade receivables	76.701	472
Receivables from group enterprises	2.916.191	629
Receivables from associates	827.642	2.363
Other receivables	142.253	2.762
Prepayments	1.372.429	1.922
Receivables	5.335.216	8.148
Cash	102.618	326
Total current assets	5.608.745	8.816
Total assets	33.799.528	33.386

		2019	2018
Notes	Balance sheet	DKK	1.000 DKK
	Liabilities and equity as at 31. December		
	Contributed capital	125.000	125
	Retained earnings	20.602.211	16.614
	Proposed dividend	-8.600.000	0
4	Total equity	12.127.211	16.739
	Deferred tax	329.271	430
	Provisions	329.271	430
	Finance lease liabilities	3.281.517	4.639
5	Non-current liabilities other than provisions	3.281.517	4.639
	Current portion of long-term liabilities other than provisions	2.011.434	1.744
	Bank loans	3.888.867	1.539
	Prepayments received from customers	3.939.289	2.289
	Trade payables	1.570.495	1.309
	Payables to group enterprises	3.644.138	0
	Joint taxation contribution payable	1.176.689	2.944
	Other payables	1.806.617	1.729
	Deposits	24.000	24
	Current payables	18.061.529	11.577
	Total payables	21.343.046	16.216
	Total liabilities and equity	33.799.528	33.386
6	Contingent liabilities		

Notes

1 Staff costs

Pay and remuneration	22.571.349	18.561
Pensions	122.436	109
Social security contributions and staff costs	238.557	224
Other staff costs/singer	870.118	553
Staff costs	23.802.460	19.447
Average number of employees	42	38

2 Financial income

Interest income, group enterprises	551.668	375
Interest income, associates	150.126	174
Other financial income	1.220	0
Financial income	703.014	549

3 Tax on the income or loss for the year

Tax on net income or loss for the year	1.176.689	3.101
Adjustment of deferred tax	-100.872	-8
Tax on the income or loss for the year	1.075.817	3.093

4 Equity

	Contributed capital	Retained earnings	Proposed dividend	Total
	1.000 DKK	1.000 DKK	1.000 DKK	1.000 DKK
Equity beginning of year	125	16.614	0	16.739
Extraordinary dividend	0	0	-8.600	-8.600
Profit/loss for the year	0	3.988	0	3.988
Equity	125	20.602	-8.600	12.217

5 Non-current payables

Outstanding after 5 years	0	0
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Notes

6 Contingent liabilities

The Company has entered into tenancy agreements with non-cancellable periods of 6, 7, 12 and 24 months respectively. The total rental obligation amounts to DKK 15,884 thousand (2018: DKK 16,804 thousand) at the balance sheet date.

The Entity has guaranteed for banking arrangements of the associated company Grundlagt ApS. At 31 December 2019, the associated company had no debt.

The Entity has guaranteed for banking arrangements of the group company [jo:ga] ApS. At 31 December 2019, the total bank arrangement amounted to DKK 4,476 thousand.

The Company is jointly registered for VAT with the affiliated company [jo:ga] ApS. Therefore, the Company is jointly and severally liable for VAT liabilities.

The Entity participates in a Danish joint taxation arrangement in which OurTribe ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Accounting policies

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Other financial income

Other financial income comprises interest income as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated. Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Accounting policies

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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Klaus Vesti Andersen

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Peder Andreas Bang

Dirigent

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