United Company ApS

Vassingerodvej 147, 3540 Lynge

CVR no. 32 28 99 16

Annual report 2015

Approved at the annual general meeting of shareholders on 31 May 2016

Chairman:

....

Jan Sorensen

Building a better working world

Contents

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of United Company ApS for the financial year 1 January - 31 December 2015.

The annual report is 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 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 be approved at the annual general meeting.

Lynge, 31 May 2016
Executive Board:

Peter Stefan Bengt Bixe	Henrik Lyngbye Pedersen

Independent auditors' report

To the shareholder of United Company ApS

Independent auditors' report on the financial statements

We have audited the financial statements of United Company ApS for the financial year 1 January - 31 December 2015, 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.

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.

Auditors' 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 regulations. 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 auditors' 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 auditors consider 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 financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Emphasis of matter regarding matters in the financial statements

Without modifying our opinion, we refer to note 2 to the financial statements in which Management explain that the Company has obtained a commitment for the necessary funding up to and including 31 December 2016 and consequently prepared the financial statements under the going concern assumption.

Independent auditors' report

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other 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, 31 May 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Peter Gath
State Authorised Public Accountant

Management's review

Company details

Name	United Company ApS
Address, Postal code, City	Vassingerodvej 147, 3540 Lynge
CVR No.	32 28 99 16
Registered office	Alleroed
Financial year	1 January - 31 December
Executive Board	Peter Stefan Bengt Bixe Henrik Lyngbye Pedersen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark

Management's review

Operating review

The Company's business review

The principal activity of the Company is wholesale of leisure and sportswear as well as sports equipment and related activities.

Financial review

The loss for the year amounts to DKK 3,697 thousand which is considered unsatisfying.

The Company has completed its discussions with Bregnerod Investeringsselskab ApS and has obtained a commitment for the necessary financing of the operations up to and including 31 December 2016 In 2016, the financing and equity base will be sufficient for the Company to meet its liabilities for a period of at least 12 months after the presentation of the annual report.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Outlook

Management expects that the Company will also realise a loss in 2016, but that the continued growth in activity will enable the achiement of positive earnings over the next few years.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2015	2014
	Revenue	17,585	12,493
	Cost of sales	-13,950	-9,632
	Other external expenses	-2,743	-3,292
	Gross profit/loss	892	-431
3	Staff costs	-4,709	-4,862
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-211	-156
	Operating profit/loss	-4,028	-5,449
4	Financial income	16	30
5	Financial expenses	-467	-380
	Profit/loss before tax	-4,479	-5,799
6	Tax for the year	782	0
	Profit/loss for the year	-3,697	-5,799

Proposed profit appropriation/distribution of loss		
Retained earnings/accumulated loss	-3,697	-5,799
	-3,697	-5,799

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	ASSETS		
	Non-current assets		
7	Intangible assets		
	Acquired intangible assets	48	66
		48	66
8	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	574	593
	Leasehold improvements	58	108
		632	701
	Investments		
	Deposits	90	90
		90	90
	Total non-current assets	770	857
	Current assets		
	Inventories		
	Finished goods and goods for resale	11,522	9,107
		11,522	9,107
	Receivables		
	Trade receivables	2,195	1,072
	Other receivables	64	960
		2,259	2,032
	Cash	686	202
	Total current assets	14,467	11,341
	TOTAL ASSETS	15,237	12,198

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	100	100
	Retained earnings	979	-324
	Total equity	1,079	-224
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Payables to group entities	10,893	9,627
		10,893	9,627
	Current liabilities other than provisions		
	Trade payables	1,686	1,796
	Payables to group entities	21	0
	Other payables	1,558	999
		3,265	2,795
	Total liabilities other than provisions	14,158	12,422
	TOTAL EQUITY AND LIABILITIES	15,237	12,198

1 Accounting policies
2 Capital ressources
10 Collateral
11 Contractual obligations and contingencies, etc.
12 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2015	100	-324	-224
Capital increase	0	5,000	5,000
Profit/loss for the year	0	-3,697	-3,697
Equity at 31 December 2015	100	979	1,079

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

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

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

Reporting currency

The financial statements are presented in Danish kroner.

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.

Income statement

Revenue

Revenue is measured at net value of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Cost of sales

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

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leasehold improvements	5 years
Other fixtures and fittings, tools and equipment	5 years

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Acquired intangible assets consist of investments in software, which is measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Impairment of non-current assets

Every year, intangible assets and property, plant and equipment are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

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.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is 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 tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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 recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Corporation 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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises 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 alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

2 Capital ressources

The company has completed its discussions with Bregnerod Investeringsselskab ApS and has obtained a commitment for the necessary financing of operations up to and including 31 December 2016. On this basis the financial statements has been prepared under the going concern assumption.

3	Staff costs		
	Wages/salaries	4,337	4,479
	Pensions	199	179
	Other social security costs	74	79
	Other staff costs	99	125
		4,709	4,862
4	Financial income		
	Other interest income	0	9
	Exchange adjustments	0	20
	Other financial income	16	1
		16	30
5	Financial expenses		
	Interest expenses, group entities	395	325
	Exchange adjustments	59	49
	Other financial expenses	13	6
		467	380

Financial statements for the period 1 January - 31 December

Notes to the financial statements

6 Tax for the year

Estimated tax charge for the year	-782	0
	-782	0

7 Intangible assets

DKK'000	Acquired intangible assets
Cost at 1 January 2015	90
Cost at 31 December 2015	90
Impairment losses and amortisation at 1 January 2015	24
Amortisation/depreciation in the year	18
Impairment losses and amortisation at 31 December 2015	42
Carrying amount at 31 December 2015	48

8 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2015	1,089	249	1,338
Additions in the year	124	0	124
Cost at 31 December 2015	1,213	249	1,462
Impairment losses and depreciation at 1 January 2015	496	141	637
Amortisation/depreciation in the year	143	50	193
Impairment losses and depreciation at 31 December 2015	639	191	830
Carrying amount at 31 December 2015	574	58	632

9 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK'000	2015	2014	2013	2012	2011
Opening balance	100	80	80	80	5,000
Capital increase	0	20	0	0	0
Capital reduction	0	0	0	0	-4,920
	100	100	80	80	80

10 Collateral

United Company has deposited DKK 325 thousand as a collateral against company credit card overdraft.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

11 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company has no contractual obligations as of 31 December 2015

The Company is jointly taxed with its parent, Bregnerod Investeringsselskab ApS, which acts as management company, and is jointly and severally with other jointly taxed group entities for payment of income taxes for the income year 2015 onwards as well as withholding taxes on interest, royalties and dividends.

12 Related parties

United Company ApS' related parties comprise the following:

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5%of the share capital:

Name	Domicile
Bregnerod Investeringsselskab ApS	Sankt Anne Gade 16, 1416 Kobenhavn K