

TOP-TOY Holding III A/S
Delta Park 37 – DK-2665 Vallensbæk Strand
CVR no. 37 18 14 47

Annual report

1 July 2017 – 30 June 2018

3rd financial year

Approved at the annual general meeting on 2018

Christian Kofoed Hertz Jakobsen
Chairman

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

Today, the Board of Directors and the Executive Board have discussed the annual report of TOP-TOY Holding III A/S, including going concern and approved the annual report of the Company for the financial year 1 July 2017 – 30 June 2018.

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

The condition for going concern is as stated in Management's Review not fulfilled.

Due to the significant uncertainty regarding going concern of the subsidiary TOP-TOY A/S in reconstruction and TOP-TOY Holding III A/S, the companies may be unable to realise their assets and settle their obligations in the ordinary course of business. We have not been able to quantify the impact on the financial statements at 30 June 2018 for TOP-TOY Holding III A/S. We are consequently not able to express an opinion on whether the financial statements give a true and fair view of the financial position of the Company at 30 June 2018 and of the results of the Company's operations for the financial year 1 July 2017 – 30 June 2018 considering the above circumstances.

In our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Vallensbæk Strand, 30 November 2018

Executive Board:

Pär Sigvardsson
CEO

Christian Kofoed Hertz Jakobsen
CFO

Board of Directors:

Michael Hauge Sørensen
Chairman

Thomas Henrik Gjørup

Lars Gjørup

John Albert Gustafsson

Hans Fredrik Steenbuch

Erik Carl Ragnarsson Lindgren

INDEPENDENT AUDITOR'S REPORT

To the shareholder of TOP-TOY Holding III A/S

Disclaimer of opinion

We have been appointed to audit the financial statements of TOP-TOY Holding III A/S for the financial year 1 July 2017 – 30 June 2018, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

We do not express any audit opinion on the financial statements. Because of the significance of the matters described in the "Basis for disclaimer of opinion" section, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an opinion.

Basis for disclaimer of opinion

As stated in the "Statement by Management on the annual report", Management is not able to express an opinion on whether the financial statements for 2017/18 give a true and fair view of the financial position of the Company at 30 June 2018 and of the results of the Company's operations for the financial year 1 July 2017 – 30 June 2018, due to the significant uncertainty regarding going concern.

As explained in note 1 of the financial statements, Management has negotiated with the Company's lenders to ensure sufficient financing as to continue its operations for 2018/19. It has not been possible to obtain commitments for additional financing and therefore Management of the subsidiary TOP-TOY A/S in reconstruction has filed a request with the Danish court for reconstruction under the Bankruptcy Act at 30 November 2018.

The Company and its subsidiary TOP-TOY A/S in reconstruction has not obtained funding commitment from the lenders or shareholders to ensure sufficient financing to continue its operations for 2018/19, and accordingly, we have not obtained sufficient and appropriate evidence regarding the use of the going concern basis for accounting.

Due to the significant uncertainty regarding going concern of the subsidiary TOP-TOY A/S in reconstruction and TOP-TOY Holding III A/S, the companies may be unable to realize their assets and settle their obligations in the ordinary course of business. We have not been able to quantify the impact on the financial statements for TOP-TOY Holding III A/S.

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 responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark and to issue an audit opinion. However, because of the matters described in the "Basis for disclaimer of opinion" section, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an opinion on the financial statements.

Independence

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)**Statement on the Management's review**

As stated in the "Basis for disclaimer of opinion" section above, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an opinion on the financial statements. Accordingly, we make no statement on the Management's review.

Copenhagen, 30 November 2018

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Torben Bender
State Authorised
Public Accountant
MNE-no: 21332

Ole Becker
State Authorised
Public Accountant
MNE-no: 33732

COMPANY DETAILS

Company

TOP-TOY Holding III A/S
Delta Park 37
DK-2665 Vallensbæk Strand

Phone: +45 46 16 36 56

E-mail: info@top-toy.com

Internet: www.top-toy.com

Company number: 37 18 14 47

Established: 26 October 2015

Domicile: Vallensbæk Kommune

Financial year: 1 July – 30 June

Board of Directors

Michael Hauge Sørensen, Chairman

Thomas Henrik Gjørup

Lars Gjørup

John Albert Gustafsson

Hans Fredrik Steenbuch

Erik Carl Ragnarsson Lindgren

Executive Board

Pär Sigvardsson, CEO

Christian Kofoed Hertz Jakobsen, CFO

Auditor

ERNST & YOUNG

Godkendt Revisionspartnerselskab

Osvald Helmuths Vej 4

Postboks 250

DK-2000 Frederiksberg

COMPANY DETAILS (continued)**Subsidiary**

TOP-TOY A/S in reconstruction (100%), Vallensbæk Strand,
Denmark

Subsidiaries of TOP-TOY A/S in reconstruction:

TOP-TOY (Hong Kong) Ltd (100%) , Hong Kong
TOP-TOY Norge AS (100%), Sandefjord, Norway
BR-Spielwaren GmbH (100%), Hamburg, Germany
TOP-TOY Iceland ehf (100%), Reykjavik, Iceland
NORSTAR A/S (100%), Vallensbæk Strand, Denmark
STARNOR AB (100%), Ängelholm, Sweden

Foreign branches of TOP-TOY A/S

TOP-TOY A/S Danmark, filial in Sweden, Sweden
TOP-TOY A/S, filial in Finland, Finland

KEY FIGURES AND FINANCIAL RATIOS

DKK million	2017/18	2016/17	2015/16
Revenue	26.2	65.9	42.3
Operating result	-0.1	-2.4	2.0
Income from investment in subsidiary	-1,794.9	-90.2	-173.4 *)
Financial income and expenses, net	-7.4	-24.3	-28.1
Result of the year	-1,808.6	-115.2	-194.9
Total assets	37.4	1,794.9	1,932.5
Equity	-802.4	867.7	1,007.6
Number of employees	44	90	74
Key financial ratios:			
Operating margin	-0.5%	-3.6%	4.8%
Solvency	-2,147.0%	48.3%	52.1%

*) Investment in TOP-TOY A/S from 1 January 2016

MANAGEMENT'S COMMENTARY

Principal activities

TOP-TOY Holding III A/S own shares as parent company for TOP-TOY A/S in reconstruction. Until December 2017 it handled administrative and strategic jobs for group companies too.

Financial review

The results for the year 2017/18 based on the Company as a going concern, excluding the results in the subsidiary TOP-TOY A/S in reconstruction and the write-down of the investment show a loss of DKK 13.6 million compared to a loss of DKK 25.0 million in 2016/17.

The results for the year 2017/18 of the subsidiary TOP-TOY A/S in reconstruction as going concern show a loss of DKK 496.6 million compared to a loss of DKK 17.7 million in 2016/17.

The losses and the subsequent filing for reconstruction of TOP-TOY A/S in reconstruction necessitate a write-down of TOP-TOY Holding III A/S' investment in TOP-TOY A/S in reconstruction of total DKK 1,794.9 million. As there is a significant uncertainty related to the write-down, Management has decided to write down the entire investment to zero.

Due to the write-down of the investment to TOP-TOY A/S in reconstruction, equity is negative by DKK 802.4 million at 30 June 2018.

Management has negotiated with the Company's lenders to ensure sufficient financing to continue its operations for 2018/19. It has not been possible to obtain commitments for additional financing, so Management in TOP-TOY A/S in reconstruction has as part of finalizing the annual report for 2017/18 also filed a request with the Danish court for reconstruction under the Bankruptcy Act at 30 November 2018.

The reconstruction plan for TOP-TOY A/S in reconstruction is being prepared and will be presented in a court hearing meeting within 4 weeks from filing date, according to applicable reconstruction procedures. At the court hearing meeting the creditors will vote on such reconstruction plan.

Financing

The investment in TOP-TOY A/S in reconstruction is financed by loans and capital investments. TOP-TOY A/S in reconstruction has got a loan of DKK 175 million from the main shareholders of the ultimate parent TOP-TOY Holding II A/S, which were converted to equity during the year. The 25th March 2018 a new senior facility agreement was signed. The revolving facility was increased with DKK 390 million. At 30 June 2018 a draw of DKK 175 million of this facility has been used. TOP-TOY A/S in reconstruction has due to losses no free reserves to declare dividend to TOP-Toy Holding III A/S. The TOP-TOY Group is in dialogue with the owners and Lenders about future finance structure, as mentioned under Financial review.

Interest and currency risks

TOP-TOY is exposed to common interest and exchange rate movements in the most significant currencies used for our commercial transactions and interest risk on short- and long-term debt. The Company's debt is taken in SEK and NOK. 67% of the company's debt is in accordance with company policy fixed with interest rate derivatives. The Company's risk is hedged by cashflow in underlying subsidiaries in SEK and NOK. 60% of the loans are in SEK and 40% in NOK. The loans are not hedged, since they correlate on long term basis with the net inflow in the currencies.

MANAGEMENT'S COMMENTARY (continued)**Subsequent events**

Management of TOP-TOY A/S in reconstruction has filed a request with the Danish court for reconstruction under the Bankruptcy Act at 30 November 2018. Please refer to note 1 related to the current financial situation.

Expectations for future financial development

The above mentioned reconstruction is expected to be completed in 2019. Due to the uncertainties of the reconstruction plan it is expected that the Company still will realise a significant loss in 2018/19.

ACCOUNTING POLICIES

The annual report of TOP-TOY Holding III A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for medium-sized reporting class C entities.

The accounting policies are consistent with those of last year.

Pursuant to section 86(4) of the Danish Financial Statements Act, the Company has chosen not to prepare a cash flow statement and has decided not to prepare consolidated financial statements pursuant to section 112(1) of the Act. The financial statements of TOP-TOY Holding III A/S and group enterprises are included in the consolidated financial statement of TOP-TOY Holding II A/S, Vallensbæk Strand, registration no. 37 25 47 03.

Translation of foreign currency

Transactions in foreign currencies are translated at the rates of exchange on the date of transaction. Differences in the rates of exchange arising between the rate at the date of transaction and the rates at the date of payment are recognised in the Income Statement as financial income or expenses.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the date of the Balance Sheet are translated at the rates of exchange of the balance sheet date. The difference between the rates at the balance sheet date and the rates at the time when the receivable or the payable arises is recognised in the Income Statement under financial income and financial expenses.

On recognition of foreign branches and subsidiaries which are separate entities income statements are translated at average exchange rates for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign entities to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Derivative financial instruments

Derivative financial instruments are recognised initially in the Balance Sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables or other debt.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the Income Statement in the period in which the hedged item affects the profit/loss for the year.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the Income Statement on a regular basis.

Income Statement

Revenue

Income is recognised in revenue when the service is delivered. Revenue is measured ex VAT.

ACCOUNTING POLICIES (continued)

Other external expenses

Other external expenses include costs and expenses for administration etc.

Employee expenses

Employee expenses comprise wages and salaries including pensions and other costs for social security etc. In employee expenses received refunds from public authorities are offset.

Other operating expenses

Other operating expenses include items secondary to the company's activities, including adjustment to purchase price of subsidiary.

Income from investment in subsidiaries

The proportionate share of the profit/loss after tax of the individual subsidiaries is recognised in the income statement after full elimination of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, capital gains and losses concerning securities, liabilities and transactions in foreign currencies. Includes furthermore surcharges and allowances under the on-account tax-scheme.

Income tax

Tax for the year comprises current tax, 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 re-recognised in the Income Statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

The Company is taxed jointly with TOP-TOY Holding II A/S. The current Danish tax is allocated on the jointly taxed companies in proportion to their taxable profits (full allocation with refund regarding any tax losses).

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised under the equity method.

Investments in subsidiaries are recognised and measured at their proportionate share of net asset value under the equity method, the value being determined on the basis of the accounting policies of the Company less unrealised intra-group profits and losses.

To the extent the carrying amount exceeds the acquisition value, the net revaluation of investments in subsidiaries is transferred to the net revaluation reserve under equity under the equity method.

Impairment of non-current assets

The carrying amount of investments in subsidiaries to an annual test for indications of impairment. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Write-down is made for bad debt losses according to an individual assessment.

ACCOUNTING POLICIES (continued)

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Hedging reserve

The hedge reserve comprises the accumulated net change in fair value of hedging transactions which meet the criteria of hedging future cash flows and for which the hedged transaction is yet to be realised.

Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognized in the Balance Sheet as tax computed on the year's taxable income adjusted for tax on the previous year's taxable income and tax paid on account.

Joint taxation contribution payable and receivable is recognized in the Balance Sheet as "Joint taxation receivable" or "Joint 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. Deferred tax liabilities as well as deferred tax assets are recognised. Deferred tax assets, including the tax value of tax loss carryforwards, are recognised under other non-current assets 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 according to the tax rules at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Liabilities

Liabilities are measured at net realisable value.

ACCOUNTING POLICIES (continued)**Key figures and financial ratios**

Key figures and financial ratios have been prepared in accordance with “Recommendations & Financial Ratios” published by the Danish Finance Society.

The figures in the key figure survey have been found as follows:

Operating margin

Operating result x 100

Revenue

Solvency:

Equity year end x 100

Total assets year end

INCOME STATEMENT OF 1 JULY - 30 JUNE

<u>Note</u> DKK million	<u>2017/18</u>	<u>2016/17</u>
Revenue	26.2	65.9
Other external expenses	-1.2	-1.4
Gross profit	25.0	64.6
2 Employee expenses	-25.0	-61.4
Other operating expenses	-0.1	-5.6
Operating result	-0.1	-2.4
6 Income from investment in subsidiary	-1,794.9	-90.2
3 Financial income	41.9	24.4
4 Financial expenses	-49.3	-48.7
Result before tax	-1,802.4	-116.9
5 Tax on result of the year	-6.2	1.7
RESULT OF THE YEAR	<u><u>-1,808.6</u></u>	<u><u>-115.2</u></u>

BALANCE SHEET AT 30 JUNE**ASSETS**

<u>Note</u> DKK million	<u>2017/18</u>	<u>2016/17</u>
6 Investment in group subsidiary	0.0	1,720.4
Financial assets	0.0	1,720.4
TOTAL NON-CURRENT ASSETS	0.0	1,720.4
7 Deferred tax asset	0.0	6.1
Receivables from group enterprises	32.3	60.5
Other receivables	5.1	7.8
Receivables	37.4	74.5
TOTAL CURRENT ASSETS	37.4	74.5
TOTAL ASSETS	37.4	1,794.9

BALANCE SHEET AT 30 JUNE**EQUITY AND LIABILITIES**

<u>Note</u>	DKK million	2017/18	2016/17
8	Share capital	10.1	10.1
	Retained earnings	-813.0	857.0
	Hedging reserve, net of tax	0.5	0.6
	TOTAL EQUITY	-802.4	867.7
9	Credit institutions	818.6	835.7
	Long-term debt	818.6	835.7
9	Short-term part of credit institutions	0.0	40.9
	Bank overdraft	11.8	26.3
	Trade payables	0.0	0.9
10	Other payables	9.4	23.4
	Short-term debt	21.2	91.5
	Total debt	839.8	927.2
	EQUITY AND LIABILITIES	37.4	1,794.9

- 1 Uncertainty with going concern
- 11 Collaterals, contingencies etc.
- 12 Related parties
- 13 Proposed appropriation of profit for the year
- 14 Events after the balance sheet date

STATEMENT OF CHANGES IN EQUITY

Note	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Value adjustments hedging instruments	Total
	10.1	0.0	997.9	-0.4	1,007.6
13	0.0	-90.2	-25.0	0.0	-115.2
	0.0	-25.6	0.0	0.0	-25.6
	0.0	-75.0	75.0	0.0	0.0
	0.0	190.8	-190.8	0.0	0.0
	0.0	0.0	0.0	1.0	1.0
	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	10.1	0.0	857.0	0.6	867.7
13	0.0	-1,794.9	-13.6	0.0	-1,808.6
	0.0	0.0	0.0	0.0	0.0
	0.0	162.9	0.0	0.0	162.9
	0.0	-64.0	64.0	0.0	0.0
	0.0	0.0	-24.4	0.0	-24.4
	0.0	1,696.0	-1,696.0	0.0	0.0
	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>-0.2</u>	<u>-0.2</u>
	10.1	0.0	-813.0	0.5	-802.4

NOTES TO THE FINANCIAL STATEMENT

1. Uncertainty with going concern

Management has negotiated with the Company's lenders to ensure sufficient financing as to continue the operations of the subsidiary TOP-TOY A/S in reconstruction and the Company for 2018/19. It has not been possible to obtain commitments for additional financing for the current structure and therefore the condition for going concern is not fulfilled at 30 November 2018. Management of TOP-TOY A/S in reconstruction has therefore filed a request with the Danish court for reconstruction under the Bankruptcy Act at 30 November 2018.

Due to the significant uncertainty about going concern, including the outcome of the reconstruction of the subsidiary TOP-TOY A/S in reconstruction, it is further not possible to assess the valuation of the assets and liabilities at 30 June 2018 of TOP-TOY A/S in reconstruction and the possible impact on the financial statements for TOP-TOY Holding III A/S for 1 July 2017 – 30 June 2018.

Management's opinion is consequently that they are not able to express an opinion on whether the financial statements give a true and fair view of the financial position of the Company at 30 June 2018 and of the results of the Company's operations for the financial year 1 July 2017 – 30 June 2018 considering the above circumstances.

DKK million	2017/18	2016/17
2. Employee expenses		
Total employee expenses:		
Wages and salaries	22.5	55.9
Pensions	2.4	5.0
Other costs for social security	0.1	0.5
	25.0	61.4
	25.0	61.4
Average number of full-time employees	44	90
	44	90
Remuneration to the Board of Directors and Executive Board:		
Board of Directors	0.7	0.7
Executive Board	20.8	9.8
	21.5	10.5
	21.5	10.5

Pension of DKK 1.1 million (2016/17: DKK 0.8 million) is included in remuneration to Executive Board. The Company's Executive Board is remunerated to manage TOP-TOY A/S in reconstruction with subsequent group internal settlement. During the period July-December 2017, the Company's Executive Board was remunerated by TOP-TOY Holding III A/S to manage TOP-TOY A/S in reconstruction. TOP-TOY Holding III A/S received subsequent group internal settlement to cover the costs.

As of January 2018 the Executive Board has been remunerated by TOP-TOY A/S in reconstruction. DKK 17.7 million of the remuneration to the Executive Board included in the note is therefore paid directly from TOP-TOY A/S in reconstruction.

Remuneration to the Board of Directors include termination costs and sign-on fees to changes in the Executive Board.

3. Financial income

Exchange rate adjustment, net	41.9	24.4
	41.9	24.4
	41.9	24.4

NOTES TO THE FINANCIAL STATEMENT

DKK million	2017/18	2016/17
4. Financial expenses		
Interest expenses etc.	41.3	40.8
Amortisation of borrowing costs	7.9	7.9
	49.3	48.7
5. Tax on profit		
Adjustment of deferred tax	6.2	-1.7
	6.2	-1.7
6. Investments in subsidiary		
Cost at 1 July	2,078.8	2,078.8
Cost at 30 June	2,078.8	2,078.8
Revaluation at 1 July	-358.4	-167.5
Group contribution	0.0	0.0
Dividend received	-64.0	-75.0
Share of transactions on the equity in subsidiary	162.9	-25.7
Result for the year	-472.2	-17.7
Change in ownership	-24.4	0.0
Amortisation and impairment of intangible assets	-1,322.7	-72.5
Revaluation at 30 June	-2,078.9	-358.4
Carrying amount at 30 June	0.0	1,720.4
Of which intangible assets	0.0	1,382.1
Group subsidiaries:		
	Country	Votes and ownership
TOP-TOY A/S in reconstruction, Vallensbæk Strand	Denmark	100%
TOP-TOY (Hong Kong) Ltd., Hong Kong	Hong Kong	100%
TOP-TOY Norge AS, Sarpsborg	Norway	100%
BR-Spielwaren GmbH, Hamburg	Germany	100%
TOP-TOY Iceland ehf, Reykjavik	Iceland	100%
NORSTAR A/S, Vallensbæk Strand	Denmark	100%
STARNOR AB, Ängelholm	Sweden	100%

NOTES TO THE FINANCIAL STATEMENT

DKK million	2017/18	2016/17
7. Deferred tax		
Deferred tax, 1 July	-6.1	-4.7
Adjustment of deferred tax, during the year	6.2	-1.7
Adjustment, deferred tax, transactions on equity	-0.1	0.3
	0.0	-6.1
	0.0	-6.1

Deferred tax asset is not recognised in the balance sheet due to uncertainty in future use.

8. Share capital

The share capital consists of 10,147,040 shares of each nominal DKK 1. No shares carry special rights. The share capital has been increased on 25 November 2015 with 450 kDKK, on 11 January 2016 with 9,500 kDKK and on 29 June 2016 with 147,040 kDKK.

9. Long-term debt

	Debt at 30 June	Next year's principal prepayments	Year 2-5 principal prepayments	Debt after 5 years
Credit institutions	852.0	0.0	852.0	0.0
	852.0	0.0	852.0	0.0
	852.0	0.0	852.0	0.0

Debt to credit institutions included as long term debt include borrowing costs amounting to DKK 33 million, which are amortised during the loan term. In 2017/18 DKK 8 million have been amortized. The total debt of DKK 852 million has been obtained with variable interest rates and 66% of the Company's debt are in accordance with Company finance policy hedged, which of 30 June 2018 has a positive market value of DKK 0.6 million. The interest rate swap has at 30 June 2018 a positive market value of DKK 0.6 million. The loan facilities are in SEK and NOK, the Currency risk is hedged by cash flow in underlying subsidiaries in Sweden and Norway. Loan covenants were waived as part of the Group's loan in March 2018. The TOP-TOY Group is in dialogue with the owners and the lenders about future loan covenants and finance structure. Please refer to note 1.

NOTES TO THE FINANCIAL STATEMENT

DKK million	2017/18	2016/17
10. Other payables		
Holiday obligation	0.0	9.6
Other payroll related debt	0.0	8.7
VAT	0.0	4.7
Other	0.1	0.3
Accrued interests	9.3	0.0
	9.4	23.4

11. Collaterals, contingencies etc.

The Company is jointly taxed with TOP-TOY Holding II A/S as administration company and its Danish subsidiaries in TOP-TOY Holding II Group. The Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation unit with other Danish companies. At 30 June 2018, the net taxes payable to SKAT by the companies included in the joint taxation amounted to DKK 0 thousand. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase.

The Company is jointly reliable for the revolver credit facility in the Group of DKK 836.5 million (2016/17: DKK 645.1 million).

The Company has executed a share pledge over its shares in TOP-TOY A/S in reconstruction and its significant subsidiaries for the debt to credit institutions. Further for significant subsidiaries floating charges of DKK 3,278 million include all intangible assets, properties, plant and equipment, group and trade receivables, inventories are pledged. The book value of pledged assets in the subsidiaries amounts to DKK 854.5 million.

12. Related parties

TOP-TOY Holding III A/S' related parties include the following:

Controlling interest:

TOP-TOY Holding II A/S, Vallensbæk (majority shareholder)

The company is included in the Consolidated Financial statements for TOP-TOY Holding II A/S is available on request at the Company.

Transactions with related parties:

Revenue	26.2	65.9
Receivables from group enterprises	32.3	60.5
Dividend received	64.0	75.0

Please refer to note 1 related for remuneration to the Executive Board.

13. Proposed appropriation of profit for the year

Transferred to retained earnings	-1,808.6	-115.2
Appropriation total	-1,808.6	-115.2

14. Events after the balance sheet date

The subsidiary TOP-TOY A/S in reconstruction has filed a request with the Danish court for reconstruction under the Bankruptcy Act at 30 November 2018. Please refer to note 1 related to the current financial situation.