

MOTION WATER SPORTS EUROPE APS UNDER FRIVILLIG LIKVIDATION

Thorsvej 6
6330 Padborg

Annual report for 2020
(4th Financial year)

Adopted at the annual general meeting on
9 July 2021

Jakob Kristensen
chairman

CVR-nr. 38 36 56 22

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Statement by liquidator on the annual report

The liquidator has today discussed and approved the annual report of Motion Water Sports Europe ApS under frivillig likvidation for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, liquidator's review includes a fair review of the matters dealt with in the management's review.

Liquidator recommends that the annual report should be approved by the company in general meeting.

Aabenraa, 9 July 2021

Liquidator

Jakob Kristensen
Likvidator

Independent auditor's report

To the shareholder of Motion Water Sports Europe ApS under frivillig likvidation

Disclaimer of Opinion

We were engaged to audit the financial statements of Motion Water Sports Europe ApS under frivillig likvidation for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

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

Basis for Disclaimer of Opinion

The Company's supporting documentation for 2020 requested during the audit have not been delivered. Due to travel restrictions Management are not able to travel to Denmark and retrieve the hardcopy documentation from storage. As it has only been possible to perform analysis on significant accounts and not in a satisfactory manner see underlying documentation, we have not been able to reach a conclusion regarding the financial statements as a whole.

Emphasis of matter

We refer to the managements review and note 1, which reflect that Management intends to discontinue the Company's operations and commence voluntary liquidation in 2021. We have not modified our opinion in respect of this matter.

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 the 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

We are responsible for conducting an audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark and for issuing an auditor's report. However, because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

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

Independent auditor's report

Statement on management's review

As described in the “Basis for Disclaimer of Opinion” paragraph, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an opinion. Therefore we do not provide a statement on management’s review.

Copenhagen, 9 July 2021

Mazars

Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41

Kurt Christensen
State authorized public accountant
MNE no. mne26824

Company details

The company	Motion Water Sports Europe ApS under frivillig likvidation Thorsvej 6 6330 Padborg
	CVR no.: 38 36 56 22
	Reporting period: 1 January - 31 December 2020
	Domicile: Aabenraa
Liquidator	Jakob Kristensen
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø

Accounting policies

The annual report of Motion Water Sports Europe ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities, however with necessary adjustments as a result of the fact that the Company's Financial Statements do not comply with the going concern assumption, as Management have decided to liquidate the Company in fall 2020. As a result hereof all assets are recognized at realisable value.

The annual report for 2020 is presented in DKK.

Comparison figures are following same accounting policies as 2020.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Assets and liabilities are measured at realisable value.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Accounting policies

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts 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 losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised exchange gains and losses on foreign currency transactions and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Stocks

Stocks are measured at expected realisable value.

Receivables

Receivables are measured at expected realisable value.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate 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. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Income statement 1 January 2020 - 31 December 2020

	Note	2020 DKK	2019 TDKK
Gross profit		-663.483	-962
Staff costs	2	-930.925	-1.926
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-11.914	-12
Impairment of current assets		-193.579	-189
Profit/loss before net financials		-1.799.901	-3.089
Financial income		693.892	0
Financial costs		-183.609	-328
Profit/loss before tax		-1.289.618	-3.417
Tax on profit/loss for the year	3	77.933	0
Profit/loss for the year		-1.211.685	-3.417
 Recommended appropriation of profit/loss			
Retained earnings		-1.211.685	-3.417
		-1.211.685	-3.417

Balance sheet at 31 December 2020

	Note	2020 DKK	2019 TDKK
Assets			
Other fixtures and fittings, tools and equipment		0	12
Tangible assets		0	12
Total non-current assets		0	12
Finished goods and goods for resale		0	2.244
Stocks		0	2.244
Trade receivables		0	3.138
Other receivables		0	38
Corporation tax		0	90
Receivables		0	3.266
Cash at bank and in hand		4.946.583	1.008
Total current assets		4.946.583	6.518
Total assets		4.946.583	6.530

Balance sheet at 31 December 2020

	Note	2020 DKK	2019 TDKK
Equity and liabilities			
Share capital		50.000	50
Retained earnings		-3.671.026	-2.460
Equity		-3.621.026	-2.410
Prepayments received from customers		0	131
Trade payables		50.000	93
Payables to parent company		8.373.515	8.542
Other payables		144.094	174
Total current liabilities		8.567.609	8.940
Total liabilities		8.567.609	8.940
Total equity and liabilities		4.946.583	6.530
Uncertainty about the continued operation (going concern)	1		
Related parties and ownership structure	5		

Notes

1 Uncertainty about the continued operation (going concern)

As regards uncertainties concerning the Company's ability to continue as a going concern, management has assumed, that parent company will continue to provide the necessary liquidity available to the company for the period up until liquidation in 2021.

	2020	2019
	DKK	TDKK
2 Staff costs		
Wages and salaries	852.868	1.736
Pensions	78.057	149
Other staff costs	0	41
	930.925	1.926
 Average number of employees	 3	 5
 3 Tax on profit/loss for the year		
Adjustment of tax concerning previous years	-77.933	0
	-77.933	0
 4 Tangible assets		<u>Other fixtures and</u>
Cost at 1 January 2020		35.740
Cost at 31 December 2020		35.740
Impairment losses and depreciation at 1 January 2020		23.826
Depreciation for the year		11.914
Impairment losses and depreciation at 31 December 2020		35.740
Carrying amount at 31 December 2020		0

Notes

5 Related parties and ownership structure

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Motion Water Sports, LLC
433 Park Avenue S. New London
Ohio 44851
USA

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Som Direktør
PID: 9208-2002-2-597757546288 NEM ID
Tidspunkt for underskrift: 09-07-2021 kl.: 12:59:44
Underskrevet med NemID

Kurt Christensen

Som Revisor
RID: 1196669587986 NEM ID
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Som Dirigent

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