



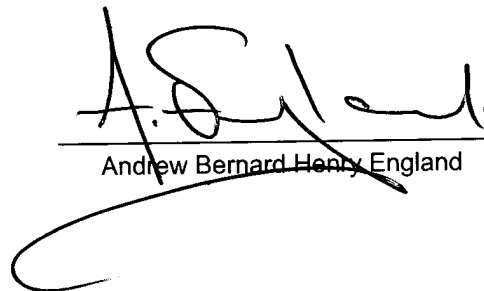
KPMG 2014 P/S
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Hastings Denmark ApS

Annual report 1 March 2013 – 28 February 2014

Approved on the general meeting 13 August 2014



Andrew Bernard Henry England

CVR no. 32 47 86 54

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Statement by the Executive Board

The Executive Board have today discussed and approved the annual report of Hastings Denmark ApS for the financial year 1 March 2013 – 28 February 2014.

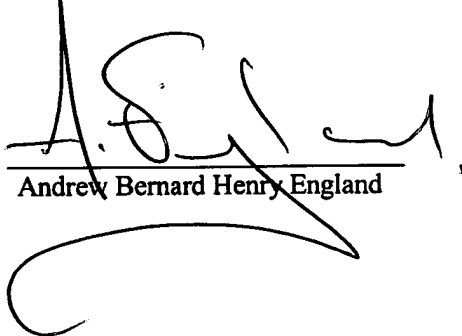
The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 28 February 2014 and of the results of the Company's operations for the financial year 1 March 2013 – 28 February 2014.

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

Copenhagen, 13 August 2014

Executive Board:



Andrew Bernard Henry England

Independent auditors' report

To the shareholders of Hastings Denmark ApS

We have audited the financial statements of Hastings Denmark ApS for the financial year 1 March 2013 – 28 February 2014. The financial statements comprise accounting policies, income statement, balance sheet and notes. 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.

Auditor's 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 regulation. 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 amount 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.

Conclusion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 28 February 2014 and the results of its operations for the financial year 1 March 2013 – 28 February 2014 in accordance with the Danish Financial Statements Act.

Independent auditors' report

Emphasis of matter paragraph concerning matters in the financial statements

Without qualifying our opinion, we refer to note 8, which describes the Company's VAT dispute with SKAT. The outcome of the case is currently uncertain and no provision has been made in the financial statements to cover any claims or losses.

Copenhagen, 13 August 2014

KPMG 2014 P/S

Godkendt Revisionspartnerselskab



Poul P. Petersen
statsaut. revisor
State Authorised
Public Accountant

Company details

Hastings Denmark ApS
Vibevej 7A
DK-2400 Copenhagen NV

Telephone: + 45 3587 2222
CVR no.: 32 47 86 54
Registered office: Copenhagen
Financial period: 1 March – 28 February

Executive Board

Andrew Bernard Henry England

Auditors

KPMG 2014 P/S
Godkendt Revisionspartnerselskab
Amerika Plads 38
DK-2100 Copenhagen Ø

Financial statements for the period 1 March – 28 February

Accounting policies

The annual report for Hastings Denmark ApS for the period 1 March 2013 – 28 February 2014 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies applied 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 into Danish kroner 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.

Non-current assets purchased in foreign currencies are measured at the exchange rates at the transaction date.

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner 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

Gross profit

Referring to Section 32 of the Danish Financial Statements Act, net revenue, costs of goods sold and other external expenses have been replaced by the gross profit.

Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

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

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.

Financial statements for the period 1 March – 28 February

Accounting policies

Staff expenses

Staff expenses 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.

Depreciation of property, plant and equipment

The item comprises depreciation of property, plant and equipment.

Property, plant and equipment is depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost.

The expected useful life of the assets are 3-10 years.

Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised exchange adjustments as well as surcharges and refunds under the on-account taxation scheme.

Tax on profit for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Balance sheet

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.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Write-downs are made to the lower of the net realisable value and the carrying amount.

Financial statements for the period 1 March – 28 February

Accounting policies

Prepayments

Prepayments comprise prepaid expenses regarding subsequent financial reporting years.

Current tax and deferred tax

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable income for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Liabilities

Liabilities are measured at net realisable value.

Financial statements for the period 1 March – 28 February

Income statement

DKK'000	Note	2013/14	2012/13
Gross profit		363	524
Staff expenses	2	-173	-445
Depreciation of property, plant and equipment	6	-44	-63
Profit before financial income and expenses		147	16
Financial income	3	1	32
Financial expenses	4	-127	0
Profit before tax		21	48
Tax on profit for the year	5	-345	-12
Profit for the year		-324	36
Profit appropriation			
Retained earnings		-324	36
		-324	36

Financial statements for the period 1 March – 28 February

Balance sheet

DKK'000	Note	2013/14	2012/13
ASSETS			
Fixed assets			
Other fixtures and fittings, tools and equipment	6	23	66
Property, plant and equipment		23	66
Total fixed assets		23	66
Receivables			
Trade receivables		10,338	4,987
Deferred tax assets		115	460
Other receivables		2,411	2,033
Prepayments		22	76
		12,886	7,556
Cash at bank and in hand		18	105
Total current assets		12,904	7,661
TOTAL ASSETS		12,927	7,727

Financial statements for the period 1 March – 28 February

Balance sheet

DKK'000	Note	2013/14	2012/13
LIABILITIES			
Equity	7		
Share capital		125	125
Retained earnings		-1,781	-1,457
Equity		<u>-1,656</u>	<u>-1,332</u>
Non-current liabilities			
Prepayments received from customers		2,493	3,109
Total non-current liabilities		<u>2,493</u>	<u>3,109</u>
Current liabilities other than provisions			
Trade payables		241	66
Payables to group enterprises		11,482	5,434
Company tax		0	0
Other payables		367	450
Total current liabilities		<u>12,090</u>	<u>5,950</u>
Total liabilities		<u>14,583</u>	<u>9,059</u>
TOTAL LIABILITIES AND EQUITY		<u>12,927</u>	<u>7,727</u>
Contingencies and other financial obligations	8		
Related parties and ownership	9		

Financial statements for the period 1 March – 28 February

Notes to the financial statements

1 Main purpose

Hastings Denmark ApS sells prepaid SIMs and top-up vouchers from related companies to the Danish retail market on a commission basis. Furthermore, the Company provides services to related companies.

DKK'000	2013/14	2012/13
2 Staff expenses		
Wages and salaries	173	299
Pensions	0	0
Other social security costs	0	146
	173	445
3 Financial income		
Other financial income	1	32
	1	32
4 Financial expenses		
Other financial expenses	127	0
	127	0
5 Tax on profit for the year		
Deferred tax adjustments in the year	308	12
Adjustment due to change in tax percentage	37	0
Total tax for the year	345	12

Financial statements for the period 1 March – 28 February

Notes to the financial statements

6 Property, plant and equipment

Cost at 1 March 2013	174
Additions during the year	0
Disposals during the year	0
Cost at 28 February 2014	174
Depreciation at 1 March 2013	108
Depreciation in the year	44
Depreciation at 28 February 2014	152
Carrying amount at 28 February 2014	22

7 Equity

DKK'000	Share capital	Proposed dividend	Retained earnings	Total
Equity at 1 March 2013	125	0	-1,457	-1,332
Paid dividend	0	0	0	0
Profit for the year	0	0	-324	-324
Equity at 28 February 2014	125	0	-1,781	-1,656

The Company has received a letter of comfort from related group entities dated 8 August 2014 guaranteeing to provide the Company with sufficient liquidity to carry on its activities until the next annual general meeting in 2015. On this basis, the financial statements have been prepared under a going concern assumption.

There have been no changes in the share capital since the date of formation.

8 Contingent liabilities

Since its formation, the Company has not received any VAT receivable from SKAT. The amount receivable totals DKK 2,398 thousands (2012/13: DKK 2,019 thousands), which is included under other receivables.

SKAT has issued a decision requesting payment of DKK 3,185 thousand for non-paid and non-reported output VAT, which the Company believes is not due to be paid nor required to be reported. This amount has not been recognised in the financial statements.

The decision has been appealed to the National Tax Tribunal. Confident that it is not under an obligation to pay the output VAT, the Company expects to win the case.

Financial statements for the period 1 March – 28 February

Notes to the financial statements

The matter had not been resolved at the time of the financial reporting.

If the National Tax Tribunal upholds SKAT's decision in part or full, it may have significant implications for the Company's financial position. Management has not considered this.

9 Related parties and ownership

Controlling interest

WWW Holding Company Ltd.
3rd Floor Walbrook building
195 Marsh Wall
London, E14 9SG

The main part of the Company's cost of sales derives from purchases made with Hastings Ireland and other related enterprises. The Company has re-invoiced Lycamobile Denmark ApS for costs invoiced to the Company.

Apart from the above, there have been no other transactions than standard conditions inside the group with senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.