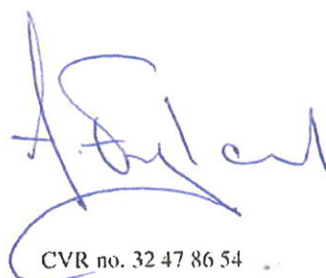




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Hastings Denmark ApS
Annual report 2014/15

 27.08.15.
CVR no. 32 47 86 54

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Hastings Denmark ApS
Annual report 2014/15
CVR no. 32 47 86 54

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Hastings Denmark ApS for the financial year 1 March 2014 – 28 February 2015.

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 assets, liabilities and financial position at 28 February 2015 and of the results of the Company's operations for the financial year 1 March 2014 – 28 February 2015.

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

Copenhagen, 27 August 2015
Executive Board:

Andrew Bernard Henry England

Independent auditor's report

To the shareholders of Hastings Denmark ApS

We have audited the financial statements of Hastings Denmark ApS for the financial year 1 March 2014 – 28 February 2015. 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 auditor's 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 auditor considers 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 assets, liabilities and financial position at 28 February 2015 and of the results of its operations for the financial year 1 March 2014 – 28 February 2015 in accordance with the Danish Financial Statements Act.

Independent auditor's report

Emphasis of matter 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.

Emphasis of matter regarding other matters

The annual report for 2014/15 has not been submitted to the Danish Business Authority within the required deadline according to the provision of the Danish Financial Statements Act. The Company's Management may be held liable in this respect.

Copenhagen, 27 August 2015

KPMG

Statsautoriseret Revisionspartnerselskab



Poul P. Petersen
State Authorised
Public Accountant

Company details

Hastings Denmark ApS
Vibevej 7A
2400 København NV
Denmark

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

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Financial statements for the period 1 March – 28 February

Accounting policies

The annual report for Hastings Denmark ApS for the period 1 March 2014 – 28 February 2015 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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

Correction to comparative figures

The Company has discovered a classification error in the comparative figures for external trade receivables and intercompany balances for the year ended 28 February 2014. The classification misstatement has no effect on the loss for the year but has reduced the balance sheet from DKK 12,927 thousand to DKK 2,589 thousand due to a reduction in intercompany payables.

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

Pursuant to section 32 of the Danish Financial Statements Act, net revenue, costs of goods sold and other external expenses have been aggregated in the item 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.

Financial statements for the period 1 March – 28 February

Accounting policies

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

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/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Changes in deferred tax due to changes in 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 attributable 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 when there is objective evidence that a receivable or a group of receivables are impaired. Write-down is 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 value of assets and liabilities.

Deferred tax is measured in accordance with 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. 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 value of tax loss carryforwards, 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	2014/15	2013/14
Gross profit		456	364
Staff expenses	2	0	-173
Depreciation of property, plant and equipment	6	-22	-44
Profit before financial income and expenses		434	147
Financial income	3	0	1
Financial expenses	4	-416	-127
Profit before tax		18	21
Tax on profit/loss for the year	5	-18	-345
Profit/loss for the year		0	-324
Profit appropriation/distribution of loss			
Retained earnings		0	-324
		0	-324

Financial statements for the period 1 March – 28 February

Balance sheet

DKK'000	Note	2014/15	2013/14
ASSETS			
Non-current assets			
Other fixtures and fittings, tools and equipment	6	0	23
Property, plant and equipment		0	23
Total non-current assets		0	23
Receivables			
Trade receivables		0	0
Deferred tax assets		97	115
Other receivables		3,016	2,411
Prepayments		35	22
		3,148	2,548
Cash at bank and in hand		76	18
Total current assets		3,224	2,566
TOTAL ASSETS		3,224	2,589

Financial statements for the period 1 March – 28 February

Balance sheet

DKK'000	Note	2014/15	2013/14
EQUITY AND LIABILITIES			
Equity	7		
Share capital		125	125
Retained earnings		-1,781	-1,781
Total equity		<u>-1,656</u>	<u>-1,656</u>
Non-current liabilities			
Prepayments received from customers		2,493	2,493
Total non-current liabilities		<u>2,493</u>	<u>2,493</u>
Current liabilities			
Trade payables		17	241
Payables to group entities		797	1,144
Other payables		1,573	367
Total current liabilities		<u>2,387</u>	<u>1,752</u>
Total liabilities		<u>4,880</u>	<u>4,245</u>
TOTAL EQUITY AND LIABILITIES		<u>3,224</u>	<u>2,589</u>
Contingencies and other financial obligations	8		
Related parties and ownership	9		

Financial statements for the period 1 March – 28 February

Notes

1 Principal activities

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	2014/15	2013/14
2 Staff expenses		
Wages and salaries	0	173
Pensions	0	0
Other social security costs	0	0
	<u>0</u>	<u>173</u>
3 Financial income		
Other financial income	0	1
	<u>0</u>	<u>1</u>
4 Financial expenses		
Other financial expenses	416	127
	<u>416</u>	<u>127</u>
5 Tax on profit/loss for the year		
Deferred tax adjustments for the year	0	308
Adjustment to deferred tax due to change in tax rate	18	37
Total tax for the year	<u>18</u>	<u>345</u>
6 Property, plant and equipment		
Cost at 1 March 2014		174
Additions during the year		0
Disposals during the year		0
Cost at 28 February 2015		<u>174</u>
Depreciation at 1 March 2014		152
Depreciation for the year		22
Depreciation at 28 February 2015		<u>174</u>
Carrying amount at 28 February 2015		<u>0</u>

Financial statements for the period 1 March – 28 February

Notes

7 Equity

DKK'000	Share capital	Proposed dividend	Retained earnings	Total
Equity at 1 March 2014	125	0	-1,781	-1,656
Dividend paid	0	0	0	0
Profit for the year	0	0	0	0
Equity at 28 February 2015	125	0	-1,781	-1,656

The Company has received a letter of comfort from related group entities dated 13 August 2015 guaranteeing to provide the Company with sufficient liquidity to carry on its activities until the next annual general meeting in 2016. On this basis, the financial statements have been prepared under the 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 2,917 thousand (2013/14: DKK 2,398 thousand), 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 should not be paid and is not 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 output VAT, the Company expects to win the case.

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 in 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 entities. 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 entities or other related parties, except for intercompany transactions and normal management remuneration.