



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 998 048 419
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: VARSITY BRANDS EUROPE GMBH
Forretningsadresse: Henrik Ibsens gate 90
0255 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Dr. Jan Becker
Dato for fastsettelse av årsregnskapet: 30.06.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 31.10.2020



Resultatregnskap

| Beløp i: NOK | Note | 2018 | 2017 |
|---|------|------------------|-------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Salgsinntekt | | 2 275 930 | 2 746 709 |
| Sum inntekter | | 2 275 930 | 2 746 709 |
| Kostnader | | | |
| Varekostnad | | 1 210 334 | 1 571 565 |
| Lønnskostnad | 3 | 412 747 | 1 279 002 |
| Avskrivning på varige driftsmidler og immaterielle eiendeler | 1 | 2 297 | 15 449 |
| Nedskrivning av varige driftsmidler og immaterielle eiendeler | 1 | | |
| Annen driftskostnad | 3 | 639 650 | 784 934 |
| Sum kostnader | | 2 265 028 | 3 650 950 |
| Driftsresultat | | 10 902 | -904 241 |
| Finansinntekter og finanskostnader | | | |
| Annen renteinntekt | 8 | 1 542 | 662 |
| Annen finansinntekt | 8 | 33 567 | 185 945 |
| Sum finansinntekter | | 35 108 | 186 608 |
| Annen rentekostnad | 8 | 2 200 | 15 878 |
| Annen finanskostnad | 8 | 141 674 | 16 173 |
| Sum finanskostnader | | 143 874 | 32 051 |
| Netto finans | | -108 766 | 154 557 |
| Ordinært resultat før skattekostnad | | -97 864 | -749 684 |
| Skattekostnad på ordinært resultat | 6 | | 349 834 |
| Ordinært resultat etter skattekostnad | | -97 864 | -1 099 518 |
| Årsresultat | 5 | -97 864 | -1 099 518 |
| Årsresultat etter minoritetsinteresser | | -97 864 | -1 099 518 |
| Totalresultat | | -97 864 | -1 099 518 |



Resultatregnskap

| Beløp i: NOK | Note | 2018 | 2017 |
|--|-------------|----------------|-------------------|
| Overføringer og disponeringer | | | |
| Udekket tap | | | -1 099 518 |
| Overføringer til/fra annen egenkapital | | -97 864 | |
| Sum overføringer og disponeringer | | -97 864 | -1 099 518 |



Balanse

| Beløp i: NOK | Note | 2018 | 2017 |
|---|------|------------------|------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Utsatt skattefordel | 6 | | |
| Varige driftsmidler | | | |
| Driftsløsøre, inventar, verktøy, kontormaskiner og lignende | 1 | | 2 297 |
| Sum varige driftsmidler | 1 | | 2 297 |
| Andre fordringer | 7 | | |
| Sum anleggsmidler | | 0 | 2 297 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Kundefordringer | 4, 7 | 610 584 | 1 413 248 |
| Andre fordringer | 7 | 23 692 | 40 268 |
| Konsernfordringer | | 1 544 864 | 3 427 128 |
| Sum fordringer | | 2 179 141 | 4 880 644 |
| Bankinnskudd, kontanter og lignende | | | |
| Bankinnskudd, kontanter og lignende | 2 | 1 453 248 | 335 646 |
| Sum bankinnskudd, kontanter og lignende | | 1 453 248 | 335 646 |
| Sum omløpsmidler | | 3 632 389 | 5 216 290 |
| SUM EIENDELER | | 3 632 389 | 5 218 587 |
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Annen innskutt egenkapital | | 3 182 499 | 3 182 499 |
| Sum innskutt egenkapital | | 3 182 499 | 3 182 499 |



Balanse

| Beløp i: NOK | Note | 2018 | 2017 |
|---------------------------------|------|-------------------|-------------------|
| Opptjent egenkapital | | | |
| Annen egenkapital | | -1 224 750 | -1 126 886 |
| Sum opptjent egenkapital | | -1 224 750 | -1 126 886 |
| Sum egenkapital | 5 | 1 957 749 | 2 055 613 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Utsatt skatt | 6 | | |
| Annen langsiktig gjeld | | | |
| Langsiktig konserngjeld | 7 | | |
| Sum langsiktig gjeld | | 0 | 0 |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | 7 | 1 165 176 | 2 062 986 |
| Betalbar skatt | 6 | | |
| Skyldige offentlige avgifter | | 121 736 | 389 205 |
| Annen kortsiktig gjeld | 7 | 387 727 | 710 783 |
| Sum kortsiktig gjeld | | 1 674 639 | 3 162 974 |
| Sum gjeld | | 1 674 639 | 3 162 974 |
| SUM EGENKAPITAL OG GJELD | | 3 632 389 | 5 218 587 |



Annual Report 2018

Varsity Brands Europe GmbH

Revenue statement
Balance sheet
Notes to the Accounts

Org.no.: 998 048 419



Revenue statement

Varsity Brands Europe GmbH

| Operating income and operating expenses | Note | 2018 | 2017 |
|---|----------|------------------|-------------------|
| Revenue | | 2 275 930 | 2 746 709 |
| Total operating income | | 2 275 930 | 2 746 709 |
| Cost of materials | | 1 210 334 | 1 571 565 |
| Personnel expenses | 3 | 412 747 | 1 279 002 |
| Depreciation of operating and intangible assets | 1 | 2 297 | 15 449 |
| Other operating expenses | 3 | 639 650 | 784 934 |
| Total operating expenses | | 2 265 028 | 3 650 950 |
| Operating profit | | 10 902 | -904 241 |
| Financial income and expenses | | | |
| Other interest income | 8 | 1 542 | 662 |
| Other financial income | 8 | 33 567 | 185 945 |
| Other interest expenses | 8 | 2 200 | 15 878 |
| Other financial expenses | 8 | 141 674 | 16 173 |
| Net financial items | | -108 766 | 154 557 |
| Operating result before tax | | -97 864 | -749 684 |
| Tax on ordinary result | 6 | 0 | 349 834 |
| Ordinary result after tax | | -97 864 | -1 099 518 |
| Annual net profit | 5 | -97 864 | -1 099 518 |
| Brought forward | | | |
| Loss brought forward | | 0 | 1 099 518 |
| Transferred from other equity | | 97 864 | 0 |
| Net brought forward | | -97 864 | -1 099 518 |



Balance sheet

Varsity Brands Europe GmbH

| Assets | Note | 2018 | 2017 |
|----------------------------------|----------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | | | |
| Equipment and other movables | 1 | 0 | 2 297 |
| Total tangible assets | 1 | 0 | 2 297 |
| Total fixed assets | | 0 | 2 297 |
| Current assets | | | |
| Debtors | | | |
| Accounts receivables | 4, 7 | 610 584 | 1 413 248 |
| Other short-term receivables | 7 | 23 692 | 40 268 |
| Receivables from group companies | | 1 544 864 | 3 427 128 |
| Total receivables | | 2 179 141 | 4 880 644 |
| Investments | | | |
| Cash and bank deposits | 2 | 1 453 248 | 335 646 |
| Total current assets | | 3 632 389 | 5 216 290 |
| Total assets | | 3 632 389 | 5 218 587 |



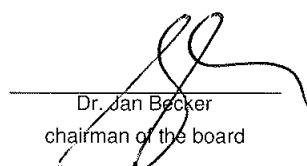
Balance sheet

Varsity Brands Europe GmbH

| Equity and liabilities | Note | 2018 | 2017 |
|-------------------------------------|------|-------------------|-------------------|
| Equity | | | |
| Paid-up equity | | | |
| Other paid-up equity | | 3 182 499 | 3 182 499 |
| Total paid-up equity | | <u>3 182 499</u> | <u>3 182 499</u> |
| Retained earnings | | | |
| Other equity | | -1 224 750 | -1 126 886 |
| Total retained earnings | | <u>-1 224 750</u> | <u>-1 126 886</u> |
| Total equity | 5 | <u>1 957 749</u> | <u>2 055 613</u> |
| Liabilities | | | |
| Current debt | | | |
| Trade creditors | 7 | 1 165 176 | 2 062 986 |
| Public duties payable | | 121 736 | 389 205 |
| Other current debt | 7 | 387 727 | 710 783 |
| Total current debt | | <u>1 674 639</u> | <u>3 162 974</u> |
| Total liabilities | | <u>1 674 639</u> | <u>3 162 974</u> |
| Total equity and liabilities | | <u>3 632 389</u> | <u>5 218 587</u> |

27.06.2019

The board of Varsity Brands Europe GmbH


Dr. Jan Becker
chairman of the board



Accounting principles

The annual accounts have been prepared in conformity with the Accounting Act and NRS 8 - Good accounting practice for small companies.

Foreign currency

Monetary foreign currency items are valued at the exchange rate on the balance sheet date.

Operating revenues

Income from the sale of goods is recognised on the date of delivery. Services are posted to income as they are delivered.

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net.

Classification and valuation of current assets

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

Note 1 Fixed assets

| | Plant, equipment etc. |
|--|----------------------------------|
| Acquisition cost as at 01.01.2018 | 30 000 |
| Addition of purchased fixed assets | 0 |
| Acquisition cost 31.12.2018 | 30 000 |
| Depreciation and write-downs as at 01.01.2018 | 27 703 |
| Ordinary depreciation for the year | 2 297 |
| Depreciation and write-downs as at 31.12.2018 | 30 000 |
| Book value 01.01.2018 | 2 297 |
| Additions in the year | 0 |
| The year's depreciation and write-downs | 2 297 |
| Book value 31.12.2018 | 0 |
| Economic lifetime | 0-5 years |

Note 2 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 29 888.



Note 3 Note Salary costs and benefits, remuneration to the chief executive, board and auditor

| Salary costs | 2018 | 2017 |
|---|----------------|------------------|
| Salaries | 690 892 | 1 075 730 |
| Employment tax | 93 981 | 157 813 |
| Pension costs | 40 030 | 39 862 |
| Allocated salary cost to Varsity Brands Europe GmbH - Germany | -412 157 | 5 598 |
| Total | 412 747 | 1 279 002 |

In 2018 the company employed 1 man-years.

Pension liabilities

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

| Remuneration to leading personnel | Chief Executive | Board |
|--|------------------------|--------------|
| Salaries | 692 649 | 0 |
| Pension costs | 40 030 | 0 |
| Other remuneration | 4 392 | 0 |
| Total | 737 071 | 0 |

Auditor

The company is not required to have an auditor.

Note 4 Customer receivables

| | 2018 | 2017 |
|--|----------------|----------------|
| Customer receivables at par value | 171 994 | 974 658 |
| Provision for losses | 0 | 0 |
| Book value of customer receivables 31.12 | 171 994 | 974 658 |
| Change in provision for losses | 0 | |
| Realised losses | 0 | 0 |
| Total losses on receivables posted against the result | 0 | 0 |

Expensed losses are classified as other operating costs in the profit and loss account.

Note 5 Equity capital

| | Other paid-in equity capital | Other equity capital | Total equity capital |
|-------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| As at 31.12.2017 | 3 182 499 | -1 126 886 | 2 055 613 |
| Changes posted against equity | | 0 | 0 |
| As at 01.01.2018 | 3 182 499 | -1 126 886 | 2 055 613 |
| Result for the year | | -97 864 | -97 864 |
| Dividend | | 0 | 0 |
| As at 31.12.2018 | 3 182 499 | -1 224 750 | 1 957 749 |



Note 6 Tax

| | | |
|--|----------------|-----------------|
| This year's tax expense | 2018 | 2017 |
| Entered tax on ordinary profit/loss: | | |
| Payable tax | 0 | 0 |
| Changes in deferred tax assets | 0 | 349 834 |
| Tax expense on ordinary profit/loss | 0 | 349 834 |
| Taxable income: | | |
| Ordinary result before tax | -97 864 | -749 684 |
| Permanent differences | 2 076 | 33 582 |
| Changes in temporary differences | 304 051 | 749 |
| Allocation of loss to be brought forward | -208 263 | 0 |
| Taxable income | 0 | -715 353 |
| Payable tax in the balance: | | |
| Payable tax on this year's result | 0 | 0 |
| Total payable tax in the balance | 0 | 0 |

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

| | 2018 | 2017 | Difference |
|--|-----------------|--------------|-------------------|
| Tangible assets | 0 | 2 297 | 2 297 |
| Allocations and more | -301 754 | 0 | 301 754 |
| Total | -301 754 | 2 297 | 304 051 |
| Accumulated loss to be brought forward | -1 967 778 | -2 176 041 | -208 263 |
| Not included in the deferred tax calculation | 2 269 532 | 2 173 744 | -95 788 |
| Basis for calculation of deferred tax | 0 | 0 | 0 |
| Deferred tax assets (22 % / 23 %) | 0 | 0 | 0 |

Deferred tax is not booked to the balance sheet

Note 7 Inter-company items between companies in the same group etc.

| | Receivables | |
|--------------------------------------|--------------------------|------------------|
| | 2018 | 2017 |
| Claims on the head office | 1 544 864 | 3 427 128 |
| Total | 1 544 864 | 3 427 128 |
| | Debt to suppliers | |
| | 2018 | 2017 |
| Trade payables to Varsity Brands LCC | 1 097 796 | 1 953 777 |
| Total | 1 097 796 | 1 953 777 |



Note 8 Items that are aggregated in the accounts

| Financial income | 2018 | 2017 |
|--|-------------|----------------|
| Interest income from companies in the same group | 0 | 0 |
| Other interest income | 1 542 | 662 |
| Other financial income (currency gain) | 33 567 | 185 306 |
| Total financial income | | 185 969 |

| Financial costs | | 2017 |
|---|----------------|---------------|
| Interest costs to companies in the same group | 0 | 0 |
| Other interest costs | 2 200 | 15 878 |
| Other financial costs (currency loss) | 141 674 | 16 173 |
| Total financial costs | 143 874 | 32 051 |



Skattedirektoratet

| | | |
|--|--|------------------------------|
| Saksbehandler Torstein Kinden Helleland | Deres dato 29.03.2016 | Vår dato 01.04.2016 |
| Telefon 22078139 | Deres referanse VCB.ARE.277102.BD2100 | Vår referanse 2016/288301 |

KPMG AS
Postboks 7000 Majorstua
0306 OSLO

Permission to prepare the annual accounts and directors' report in English language for Varsity Brands Europe GmbH, org. nr. 998 048 419

With reference to your letter of 29 March 2016 you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns Varsity Brands Europe GmbH.

Conclusion

Based on a total evaluation, the view of The Directorate of Taxes is that Varsity Brands Europe GmbH may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information that the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

Varsity Brands Europe GmbH is a Norwegian branch of a German limited liability company (GmbH). The company is 100 % owned by the American company Varsity brands Inc. The board members of the company (head-office) are all German. The Norwegian activity comprises organization of cheerleading events and sales of cheerleading equipment. The clothing sector in general is international. English is the working language. The company is not aware of any Norwegian users of the annual accounts and the director's rapport that would suffer, if an exemption is granted. The annual report and financial statements are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

Permission to make the annual accounts and the directors' report in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall "*the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language*".

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

“The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information.”

Hence, one of the main aims of the Accounting Act is to contribute to “informative accounts for different users of accounts”. The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors’ report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that the company is a Norwegian branch of a foreign company. The company is operating in an industry of a strongly international character and the working language is English. Furthermore, the Directorate of Taxes is not aware of any Norwegian users of the annual accounts and the director's rapport that would suffer if an exemption is granted.

Please state "our reference" (see above) in all written communication with The Norwegian Tax Authorities.

Med hilsen

Rune Tystad
Senior Adviser
Legal Department
Norwegian Directorate of Taxes

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer