703690 / 20.

In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

OS AA01

Statement of details of parent law and other information for an overseas company

Companies House

✓ **What this form is for**
You may use this form to accompany your accounts disclosed under parent law.

✗ **What this form is NOT for**
You cannot use this form to an alteration of manner of with accounting requiremen

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A09 24/06/2020 #342
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ❶	SCOTT Sports SA
UK establishment number	B R 7 8 5 8

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

❶ This is the name of the company in its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited.

Legislation ❷	Switzerland

❷ This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3.**

☑ **Yes.** Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3.**

Name of organisation or body ❸	KPMG

❸ Please insert the name of the appropriate accounting organisation or body.

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

☐ **No.** Go to **Section A5.**

☑ **Yes.** Go to **Section A4.**

OS AA01

Statement of details of parent law and other information for an overseas company

A4 Audited accounts

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. ☐ **No.** Go to **Part 3 'Signature'**. ☑ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.	❶ Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body ❶	KPMG	

A5 Unaudited accounts

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box. ☐ **No.** ☑ **Yes.**

Part 3 Signature

	I am signing this form on behalf of the overseas company.
Signature	Signature **X** K Ferguson **X**
	This form may be signed by: FC. SCOTT SPORTS S.A (UK BRANCH) Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name: Keith Serginson

Company name: SCOTT Sports SA (UK Branch)

Address: Unit 3

Baker Road

Nelson Park West

Post town: Cramlington

County/Region: Northumberland

Postcode: N E 1 2 1 W L

Country: England

DX:

Telephone: 01670 593 794

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☒ You have completed all sections of the form, if appropriate.
- ☒ You have signed the form.

Important information

Please note that all this information will appear on the public record.

Where to send

You may return this form to any Companies House address:

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DX 33050 Cardiff.

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DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

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The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.
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Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

SCOTT Sports SA, Givisiez

Report of the Statutory Auditor on the Financial Statements to the General Meeting of Shareholders

Financial Statements 30 September 2019

KPMG SA

Lausanne, 31 January 2020

Ref. FP/MR/lca

KPMG

KPMG SA
Audit Western Switzerland
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kpmg.ch

Report of the Statutory Auditor to the General Meeting of Shareholders of

SCOTT Sports SA, Givisiez

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of SCOTT Sports SA, which comprise the balance sheet, statement of income and notes for the year ended 30 September 2019.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, 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 audit opinion.

Opinion
In our opinion, the financial statements for the year ended 30 September 2019 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG SA

F. Perrinjaquet

Fabien Perrinjaquet
Licensed Audit Expert
Auditor in Charge

Myriam Roulin
Licensed Audit Expert

Lausanne, 31 January 2020

Enclosures:
- Financial statements (balance sheet, statement of income and notes)
- Proposed appropriation of available earnings

SCOTT Sports SA, Givisiez

BALANCE SHEET
(Currency - CHF)

	Notes	30 September 2019	30 September 2018
ASSETS			
CURRENT ASSETS :			
Cash and cash equivalents		35'597'345	34'235'735
Trade accounts receivable	2.1	116'680'674	115'405'772
Other short-term receivable from third parties		2'302'343	1'322'159
Inventories	2.2	144'250'311	118'685'963
Prepaid expenses and accrued income		592'301	1'033'249
Total current assets		299'422'974	270'682'878
NON-CURRENT ASSETS :			
Financial assets	2.3	49'306'693	50'543'319
Investments	2.4	18'296'596	11'717'821
Property, plant and equipment			
- land and buildings		66'500'842	6'775'151
- furnitures and fittings		784'669	360'889
- plant and equipment		9'092'582	7'359'159
- under construction		-	38'139'628
Total property, plant and equipment		76'378'093	52'634'827
Intangible assets		21'341'765	25'355'748
Total non-current assets		165'323'147	140'251'715
Total assets		464'746'121	410'934'593

SCOTT Sports SA, Givisiez

BALANCE SHEET
(Currency - CHF)

	Notes	30 September 2019	30 September 2018
LIABILITIES AND SHAREHOLDER'S EQUITY			
SHORT-TERM LIABILITIES :			
Trade accounts payable	2.5	116'352'758	99'375'124
Short-term interest bearing liabilities			
- Bank borrowings	2.6	159'590'290	60'466'938
- Loans due to shareholder		-	103'697
Other short-term liabilities due to third parties		11'315'215	9'238'572
Accrued expenses and deferred income	2.7	10'663'521	6'409'276
Short-term provisions	2.8	1'258'000	1'189'972
Total short-term liabilities		299'179'784	176'783'579
LONG-TERM LIABILITIES :			
Long-term interest-bearing liabilities			
- Loans due to shareholder		117'142'807	122'386'895
- Long-term bank debts	2.6	522'500	80'207'500
Other long-term liabilities			
- Notes payable		228'420	-
Provisions	2.8	1'000'000	1'000'000
Total long-term liabilities		118'893'727	203'594'395
SHAREHOLDER'S EQUITY :			
Share capital	2.9	6'000'000	6'000'000
General legal retained earnings		3'000'000	3'000'000
Voluntary retained earnings			
- Results carried forward	2.4	19'181'313	11'475'692
- Profit for the year		18'491'297	10'080'927
Total shareholder's equity		46'672'610	30'556'619
Total liabilities and shareholder's equity		464'746'121	410'934'593

SCOTT Sports SA, Givisiez

STATEMENT OF INCOME
FOR THE YEAR
(Currency - CHF)

		from 1 October 2018 to 30 September 2019	from 1 October 2017 to 30 September 2018
Revenue from sales of goods		623'993'513	602'035'836
Other operating income	2.10	4'456'196	6'669'078
Cost of sales		(496'875'914)	(468'659'866)
Gross profit		131'573'795	140'045'048
Administrative expenses		(50'828'443)	(47'681'642)
Selling and marketing expenses		(70'564'167)	(66'671'432)
Operating expenses		(121'392'610)	(114'353'074)
Operating result		10'181'185	25'691'974
Financial income	2.11	38'764'641	42'390'411
Financial expense	2.12	(34'181'279)	(57'674'871)
Non-operating income	2.13	7'428'744	911'006
Non-operating expenses	2.14	(1'773'469)	(96'835)
Profit for the year before taxes		20'419'822	11'221'685
Direct taxes		(1'928'525)	(1'140'758)
Profit for the year		18'491'297	10'080'927

Notes

1. Principles

1.1 General aspects

1.1.1 Operations

The Company sells mountain bikes, skipoles, skigoggles, skis, motorcycle-goggles, sunglasses and certain other leisure equipment and accessories through its own sales branches in Europe and to independent distributors.

1.1.2 Accounting policies

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.
To ensure the comparability of information, certain line items of the comparative figures have been reclassified to conform to the presentation used in 2019.

(a) Inventories

Inventories are stated at cost. Manufactured inventories are assembled to a large extent by contractors and primarily consist of mountain bikes, ski and motorcycle goggles, skipoles and skis. Specific and general reserves are provided on inventory balances.

(b) Investments

The Company accounts for its investments in subsidiaries using the cost method. Investments are assessed for impairment annually or more often, when an event occurs or circumstances arise that could indicate a reduction of its book value. Any impairment in the value of investments is charged to the income statement in the period it occurs.

(c) Property, plant and equipment

Fixed assets include land, a building, machinery and equipment, furniture and fixtures, computer equipment and cars. The depreciation is computed on the straight-line basis over the estimated useful lives. The following depreciation rates are used:

• Land		0% p.a.
• Building		2.5% - 3.33% p.a.
• Furniture and fittings		20% p.a.
• Plant and equipment :	- Office and warehouse installations	20% p.a.
	- Molds	33% p.a.
	- Cars	33% p.a.
	- Computer equipment & software	33% p.a.
	- Other	33% p.a.

Expenditures for maintenance and repairs are charged to the statement of income as incurred.

(d) Intangible assets

Amortization is calculated on a straight-line basis, from the acquistion date, and over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

• Trademark	5 - 15 years
• Patents	5 years
• Software	3 years

Amortization methods, useful lives and residual values are reviewed at each reporting date.

(e) Foreign currency

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transactions or valuation where items are re-measured. Realised foreign exchange gains and losses from the settlement of such transactions and unrealised foreign exchange gains and losses from the translation at year-end exchange rates of current monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Unrealised exchange gains from translation of long-term monetary and non-monetary assets and liabilities are deferred, while unrealised losses on these items are recognised in the income statement.

Hedge

The Group's operations are conducted in numerous currencies. The Group manages its foreign currency exposures through a combination of natural hedges and the use of forward exchange contracts. The Company generally enters into these forward contracts to hedge positions for up to twelve months. As the imparity principle applies, the net fair value of hedging derivatives by currency is presented in the balance sheet in Accrued expenses and deferred income if the value represents an unrealized loss. In the case of an unrealized gain, no asset will be presented in the balance sheet and no gain will be recorded in the income statement. Realized gains and losses and unrealized losses are recorded in the income statement.

Translation of financial statements of branches in foreign currencies

The branches of SCOTT Sports SA keep their books in their local currencies. Monetary and non-monetary assets and liabilities expressed in local currencies are translated into Swiss francs at the rate of exchange prevailing at the end of the year. Revenues and expenses are translated into Swiss francs at the average rate of exchange prevailing at the end of each month.
Gains arising from the translation of the financial statements are deferred under "Deferred translation gains" in Accrued expenses and deferred income, whereas losses are charged to the income statement in accordance with Swiss accounting requirements.

(f) Revenue from sale of goods

Sales are recognized when risks and rewards are transferred to the client. Normally, this is the case upon delivery of the goods.

(g) Income taxes

The Company is liable for income and capital taxes. In Switzerland the Company is taxed based on its income from domestic operations only. The foreign branches are taxed in their respective countries based on their local contribution to the Company's net result. For financial reporting purposes the Company has accrued all income taxes which will be levied based on the net income reported at closing date.

Notes

(h) Leases

Leasing and rental contracts are recognized based on legal ownership. Therefore, any leasing or rental expenses are recognized as expenses in the period they are incurred; however, the leased or rented objects themselves are not recognized in the balance sheet.

1.1.3 Foregoing a cash flow statement and additional disclosures in the notes

As Scott Corporation SA, the parent company of SCOTT Sports SA, has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has been decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.

Notes

2 Disclosure on balance sheet and income statement items

2.1 Trade accounts receivable

	In CHF 2019	2018
Receivables from third parties	66'369'799	67'337'410
Valuation adjustement	(5'420'721)	(5'356'232)
Receivables from group companies	56'650'038	54'325'286
Valuation adjustement	(918'442)	(900'692)
Total	**116'680'674**	**115'405'772**

2.2 Inventories

	In CHF 2019	2018
Finished goods	156'752'112	131'187'764
Valuation adjustment	(12'501'801)	(12'501'801)
Total	**144'250'311**	**118'685'963**

2.3 Financial assets

	In CHF 2019	2018
Long term group receivable	29'622'000	29'799'500
Valuation adjustement from group companies	(4'211'458)	(2'979'950)
Loan to group companies	23'786'057	23'613'675
Investments with an ownership of less than 20%	110'094	110'094
Total	**49'306'693**	**50'543'319**

Notes

2.4 Investments

Subsidiaries **Company name, domicile**	**Share Capital in l.c.**	**Voting and capital rights in %**	In CHF **2019**	**2018**
S.P.F. S.p.A., Aosta, Italy	EUR 1'074'000	100	887'709	788'635
	(same in 2018)	(same in 2018)		
Scott Sports AB, Uppsala, Sweden	SEK 500'000	100	2'535'450	2'535'450
	(same in 2018)	(same in 2018)		
Scott Italia S.r.l., Albino, Italy	EUR 100'000	100	4'242'688	4'051'574
	(same in 2018)	(same in 2018)		
Scott Sports Denmark A/S, Skanderborg, Denmark	DKK 500'000	100	74'898	74'898
	(same in 2018)	(same in 2018)		
BERGAMONT Fahrrad Vertrieb GmbH, Hamburg, Germany	EUR 125'000	100	10'514'647	4'267'264
	(same in 2018)	(same in 2018)		
Bold Cycles AG, Biel, Switzerland	CHF 500'000	100	13'579	-
	(0 in 2018)	(0 in 2018)		
Bold Cycles Services GmbH, Aschau im Chemgau, Germany, in liquidation	EUR 25'000	100	27'625	-
	(0 in 2018)	(0 in 2018)		
			18'296'596	**11'717'821**

As of May 20, 2019, the Company acquired 100% of the shares and voting rights in Vinoux AG. The Vinoux Group is composed of Vinoux AG (100%) and its subsidiaries, Flow AG (100%), Bold Cycles AG (70%) and Bold Cycles Services GmbH (100%).
By the end of June 2019, the companies Vinoux AG and Flow AG were merged into SCOTT Sports SA with a retroactive effect as at January 1, 2019. The merger resulted in a merger loss of CHF 2'375'306 booked in Retained earnings.
As at September 30, 2019, the Company bought the remaining 30% of Bold Cycles AG.

Notes

In 2019 impairment losses on investments were recognized in Non-operating expenses for a total amount of CHF 486'420 (2018 : nil), as follow :

	In CHF 2019	2018
BOLD Cycles AG	486'420	-
	486'420	**-**

In 2019, reversal of impairment losses on investments were recognized in Non-operating income for a total amount of CHF 6'537'571 (2018 : nil), as follow :

	In CHF 2019	2018
S.P.F. S.p.A.	(99'074)	-
Scott Italia S.r.l.	(191'114)	-
BERGAMONT Fahrrad Vertrieb GmbH	(6'247'383)	-
	(6'537'571)	**-**

2.5 Trade accounts payable

	In CHF 2019	2018
Accounts payable due to third parties	94'297'250	78'928'300
Accounts payable to other group companies	19'361'966	17'088'328
Amounts payable due to shareholders	2'693'542	3'358'496
Total	**116'352'758**	**99'375'124**

2.6 Bank borrowings

A bank agreement was signed by Scott Corporation SA and Scott Sports SA on April 1, 2015 which expires on April 30, 2020 to cover the operational needs of the Group. The Group signed as of January 31, 2018 an amendment agreement to the Credit Facility Agreement dated April 1, 2015, which provided a line of credit totaling CHF 140'000'000 including working capital facilities totaling CHF 100'000'000 out of which a seasonal credit facility of CHF 60'000'000, and building construction loan facilities of CHF 40'000'000, replacing the previous line of credit totaling CHF 218'000'000, including special line for acquisitions and building construction.

This credit line is reduced by an amount of CHF 4'000'000 on each 30 September, beginning in 2018.

In addition new credit line contracts with Korean banks were signed in December 2017 which provide additional working capital facilities of EUR 70'000'000 corresponding to CHF 75'894'000 as at September 30, 2019 (2018 : CHF 79'590'000).

Scott Sports SA has secured bank mortgages for CHF 617'500 (2018: CHF 712'500) as at September 30, 2019.

At September 30, 2019, Scott Sports SA had CHF 160'112'790 (2018: CHF 140'674'438) bank borrowings outstanding out of which CHF 142'894'000 (2018: CHF 124'590'000) under its line of credit agreements. At September 30, 2019, the bank borrowings less cash equivalents amounted to CHF 124'515'445 (2018: CHF 106'438'703).

	In CHF 2019	2018
Total credit line available	**207'894'000**	**215'590'000**
Including revolving working capital facility	107'894'000	115'590'000
Including Incremental seasonal credit facility (Sept 1st – May 31st)	60'000'000	60'000'000
Credit facility for new building (under conditions)	40'000'000	40'000'000

Notes

2.7 Accrued expenses and deferred income

	In CHF 2019	2018
Accrued unrealized losses on forward exchange rate contracts	329'504	459'097
Accrued unrealized gain on long-term open balances	298'000	-
Other accrued expenses and deferred income	9'996'861	5'912'674
Pension scheme liabilities	39'156	37'505
Total	**10'663'521**	**6'409'276**

As at September 30, 2019, the Company had foreign exchange contracts for a total value of CHF 157 million (2018: CHF 179 million). The Company has unrealized gains relating to these contracts of CHF 3'119'547 and unrealized losses of CHF 329'504 as at September 30, 2019 (2018: unrealized gains of CHF 3'919'578 and unrealized losses of CHF 459'097). According to the accounting policy of the company, the related unrealized losses are expensed in the statement of income but the unrealized gains are not recorded.

2.8 Provisions

At September 30, 2019, the long-term provision of CHF 1'000'000 (2018: CHF 1'000'000) is related to the risk on open litigations concerning tax and regulatory authorities.

At September 30, 2019, the short-term provision of CHF 1'258'000 (2018: 1'189'972) concerns the warranty cases.

2.9 Share capital

Share capital of CHF 6'000'000 consists of 11'999 bearer shares at a par value of CHF 500, 2 registered nominal preference shares at a par value of respectively CHF 324 and CHF 176.

2.10 Other operating income

Operating income consists of the co-sponsoring for CHF 1'190'033 (2018: CHF 1'436'704), the recharges to the subsidiaries of IT, warehouse, managements fees and others for CHF 3'266'163 (2018: CHF 4'080'012) and the release of a provision for a litigation in Finland for nil (2018 : CHF 1'152'362).

2.11 Financial income

	In CHF 2019	2018
Foreign exchange gains	25'818'468	39'940'041
Foreign exchange gains on swaps and forwards, net	10'790'310	-
Interest income	2'155'863	2'450'370
Total	**38'764'641**	**42'390'411**

2.12 Financial expense

	In CHF 2019	2018
Foreign exchange losses	(26'048'289)	(42'020'127)
Foreign exchange losses on swaps and forwards, net	-	(8'184'176)
Interest expenses	(7'504'091)	(7'272'189)
Translation difference	(628'899)	(198'379)
Total	**(34'181'279)**	**(57'674'871)**

Notes

2.13 Non-operating income

Non-operating income consists of reversals of impairment losses on investments for CHF 6'537'571 (2018 : nil), rental income for CHF 671'654 (2018: CHF 691'702) and gain made on sales of fixed assets for CHF 219'519 (2018: CHF 219'304).

2.14 Non-operating expenses

Non-operating expenses mainly consist of impairment losses on investments for CHF 486'420 and impairment losses on loan for CHF 1'249'257 (2018 mainly consisted of a previous year correction for CHF 95'445).

2.15 Personnal expenses

	In CHF 2019	2018
Personnal expenses included in administrative expenses	13'664'540	12'915'758
Personnal expenses included in selling and marketing expenses	28'078'193	25'668'167
Total	**41'742'733**	**38'583'925**

2.16 Depreciation and amortisation

	In CHF 2019	2018
Depreciation and amortisation included in cost of sales	3'687'902	3'752'680
Depreciation and amortisation included in administrative expenses	8'379'954	7'611'934
Depreciation and amortisation included in selling and marketing expenses	512'758	458'094
Total	**12'580'614**	**11'822'708**

Notes

3 Other information

3.1 Net release of hidden reserves

	In CHF	
	2019	**2018**
Total net release of hidden reserves	6'004'222	-

3.2 Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, exceeded 250.

3.3 Assets pledged to secure own liabilities, as well as assets with retention of title

The bank agreement includes the following conditions and covenants :

- Pledge of all accounts receivable and trademarks in favour of the bank.
- The company has signed a negative pledge agreement with the Bank in which SCOTT Sports SA agrees not to pledge any assets in favor of any other third party.
- SCOTT Corporation SA, the parent company, has pledged the shares of SCOTT Sports SA to the bank.
- The company is not allowed to, without the prior written consent of the bank, pay dividends, grant loans or make equity injections into not wholly owned subsidiaries of Scott Corporation SA with the exception of an annual dividend and/or loans or equity injections into not wholly owned subsidiaries not to exceed 60% of free cash flow generated by the Scott Group, and a one-time payment of CHF 6'000'000 to Scott Corporation SA to finance a minority stake in a new company.

The bank mortgages of CHF 617'500 (2018: CHF 712'500) are secured by the building and land in France to the extent of CHF 2'181'361 (2018: CHF 2'212'468) (net book value). The repayment of the mortgage is scheduled in installments of CHF 95'000 per year (2018: CHF 95'000).

3.4 Contingent liabilities

In June 2013, the French Competition Authority carried out an inspection at a number of international bikes selling companies in France. The investigation relates to alleged anti-competitive activities in the market of high-end cycles. In the complaints report received from the French Competition Authority in November 2019, the maximum penalties that may be imposed on a company that has committed an anti-competitive practice are 10% of the highest amount of consolidated turnover during the period under review.

3.5 Collateral and guarantees for third party liabilities

- SCOTT Sports SA has open guarantees amounting to CHF 2'420'241 (2018: CHF 2'553'054) mainly due to the fact that SCOTT Sports SA acts as a guarantor for the credit facility of a group company, but also for own customs clearing and rent.
- SCOTT Sports SA acts as a guarantor on a real estate mortgage comittment taken by SSG (Europe) Distribution Center N.V. Aubange, Belgium in the amount of CHF 73'755 (2018: CHF 402'366) for a distribution warehouse.

Notes

3.6 Residual amount of leasing obligations

At September 30, 2019, the company had lease commitments that were not recorded on the balance sheet for a total of CHF 4'576'541 (2018: CHF 2'613'081). The maturity of leasing obligations which have a residual term of more than twelve months or which cannot be canceled within the next twelve months is as follow:

	In CHF	
	2019	**2018**
Up to 1 year	1'329'261	1'099'741
1 - 5 year	3'198'835	1'313'507
More than 5 years	48'445	199'833
	4'576'541	2'613'081

These amounts include payments related to leasing contracts up to the end of their (a) contract period or (b) notice period, as applicable.

Proposed Appropriation of Available Earnings	**2019**
	In CHF
Retained earnings brought forward	21'556'619
Merger loss	(2'375'306)
Profit for the year	18'491'297
Available earnings	37'672'610

The Board of Directors proposes to the General Meeting of Shareholders the following appropriation of available earnings:

To be carried forward	37'672'610
	37'672'610

As the general legal retained earnings reaches 50% of the share capital, a further allocation has been waived.