

OS AA01

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



Companies House

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☒ 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 co
with accounting requirement

SATURDAY



A30

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04/06/2016

#31

COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ① THE FACTION COLLECTIVE SA

UK establishment
number B R 0 1 6 2 3 7

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

All fields are mandatory unless
specified or indicated by *

① 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 ② SWISS LAWS

② 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 ③ SWISS GAAP (Swiss Foundation For Accounting And Reporting) +

③ 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

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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'**①** Please insert the name of the appropriate accounting organisation or bodyName of organisation or body **①**

SWISS GAAP (Swiss Foundation For Accounting And Reporting)

A5**Unaudited accounts**

Unaudited accounts

Is the company required to have its accounts audited?

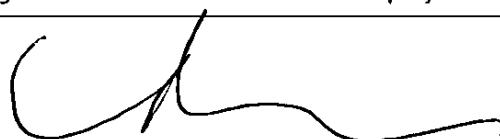
Please tick the appropriate box

☐ No☐ Yes**Part 3****Signature**

I am signing this form on behalf of the overseas company

Signature

Signature

X**X**This form may be signed by
Director, Secretary, Permanent representative

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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	James Fairbairn
Company name	The Faction Collective
Address	RUNWAY EAST
10 FINSBURY SQUARE	
Post town	LONDON
County/Region	
Postcode	E C 2 A 1 A F
Country	UK
DX	
Telephone	07803044917



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

England and Wales

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

Northern Ireland

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



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



THE FACTION COLLECTIVE SA

BAGNES

*Report of the statutory auditor
Financial year 2014/2015*

CHAMBRE  FIDUCIAIRE
Membre

 **GGi**
TRUST PRINCIPAL MEMBER



**REPORT OF THE STATUTORY AUDITOR ON
THE LIMITED STATUTORY EXAMINATION
TO THE GENERAL MEETING
OF THE FACTION COLLECTIVE SA, BAGNES**

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of your company for the year ended June, 30th 2015. The prior year corresponding figures shown in the financial statements were audited by other auditors, whose report, dated October 30, 2014, expressed an unqualified opinion despite the additional remark in regard to the loan granted to group companies.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

Without qualifying our examination conclusion, we refer to the notes in the financial statements describing an uncertainty which calls into question The Faction Collective SA's ability to continue as a going concern. Should the company be unable to continue as a going concern, the financial statements would have to be prepared on the basis of liquidation values. This would lead to a substantiated concern that the company is over-indebted in the meaning of Art. 725 para. 2 CO, and the corresponding provisions would have to be observed.



Furthermore, the un-audited financial statements of the subsidiaries in the US and Canada present each individual a situation of overindebtedness. In the balance sheet of The Faction Collective SA, loans for a total amount of CHF 1'890'968 have been granted. Despite the existing risks on those loans, no provision has been recognized. Therefore, the result and the value of equity may be presented for an amount to favorable. If corresponding provisions would be recognized, a substantiated concern that the company is over indebted in the meaning of Art. 725 para. 2 CO would lead.

We also would draw your attention that one half of share capital and the legal reserves are no longer covered (Art. 725 para. 1 CO).

FIDUCIAIRE FIDAG SA

Jean-Luc Wassmer
Licensed audit expert
Auditor in charge

Jean-Claude De Iaco
Licensed audit expert

Verbier, November 30th, 2015

Enclosure financial statements prepared by the company

THE FACTION COLLECTIVE SA

COMPARED BALANCE SHEET AS OF 30.06.2015 AND 30.06.2014

ASSETS	30.06.2015		30.06.2014		LIABILITIES & EQUITY		30.06.2015		30.06.2014	
CURRENT	in Euro	in CHF	in CHF	in CHF	SHORT-TERM LIABILITIES	in Euro	in CHF	in CHF	in CHF	13
Petty Cash	470	487	2'004	2'004	Bank overdraft (bearing interest)	273'948	283'855	158'115	158'115	
Bank UBS CHF	103'449	107'194	311'602	311'602	Trade payables	528'888	548'034	109'733	109'733	
Bank UBS EUR	24'332	25'213	34'601	34'601	Payables to shareholders (bearing interest)	762'369	789'986	476'231	476'231	
Bank UBS GBP	-	-	69	69	Other accrued expenses	34'519	35'768	-	-	
Bank CA EUR	14'976	15'415	-	-	Advance payments from trade receivables	-	-	-	-	
Bank Natwest	50'708	52'544	30'071	30'071						
Paypal & Others	-460	-477	14'319	14'319						
Total cash	193'376	200'376	390'862	390'862	Total short-term liabilities	1'599'724	1'657'634	744'079	744'079	
Trade receivables	40'198	41'653	134'557	134'557	LONG-TERM LIABILITIES					
Bad debts provision	-40'254	-41'711	-21'528	-21'528	Loans postponed	440'421	456'364	442'937	442'937	
Advance payments to suppliers	800'698	829'683	566'322	566'322						
Accrued assets	1'619	1'677	49'541	49'541	Total long-term liabilities	440'421	456'364	442'937	442'937	
Inventories	237'514	246'112	349'532	349'532						
Loan to USA	1'517'751	1'572'693	1'080'599	1'080'599	FONDS PROPRE					
Loan to Canada	307'153	318'272	163'207	163'207	Share-Capital	605'623	721'556	577'150	577'150	
Total other current asset	2'864'678	2'968'379	2'322'230	2'322'230	Reserve for capital contribution	8'376'176	9'930'739	7'468'391	7'468'391	
NON-CURRENT TANGIBLES ASSETS					Currency Translation Adjustment	-	-184'554	-	-	
Vehicles	9'838	10'194	15'497	15'497	Loss retained	-5'176'283	-6'291'297	-4'326'258	-4'326'258	
Moulds	183'438	190'078	157'485	157'485	Loss of the year	-2'396'384	-2'716'302	-1'965'039	-1'965'039	
Office installations	4'280	4'435	3'724	3'724	Total des fonds propres	1'409'132	1'480'142	1'754'244	1'754'244	
IT-Hard and Software	159'508	165'283	33'837	33'837						
Trademarks	-	-	1	1						
Total non-current tangible assets	357'064	369'990	210'544	210'544						
NON-CURRENT FINANCIAL ASSETS										
Rent guarantee	34'080	35'313	17'727	17'727						
Participation in group companies	80	83	97	97						
Total non-current financial assets	34'159	35'396	17'824	17'824						
TOTAL ASSETS	3'449'277	3'574'101	2'943'260	2'943'260	TOTAL LIABILITIES & EQUITY	3'449'278	3'574'141	2'943'260	2'943'260	

THE FACTION COLLECTIVE SA

COMPARED PROFIT AND LOSS ACCOUNTS OF 2014/2015 and 2013/2014

DESIGNATION	2014/2015	2013/2014
	<i>in Euro</i>	<i>in CHF</i>
INCOME		<i>in CHF</i>
Skis sales	1'412'047	997'532
Pole & binding sales	-	103'887
Outerwear sales	-	222'087
Miscellaneous income (shipping, softgoods, Intercompany)	43'279	24'584
Revenue	1'455'327	1'348'090
DIRECT EXPENSES		
Skis sales - production costs	935'035	676'498
Pole & binding sales - production costs	-	80'541
Outerwear sales - production costs	-	182'791
Other Purchase costs of good sold / distribution costs	311'840	26'047
Other production costs (board, transport, freight)	166'700	245'081
Development costs	33'636	33'686
Design costs	-	46'887
Ski Demo - demonstration costs	-	4'973
Outerwear - demonstration costs	-	-
Personnel expenses	907'253	517'510
Social expenses	-	119'541
Personnel other expenses	-	47'563
Total direct expenses	2'354'464	1'981'118
Total general expenses	1'265'053	1'124'727
Total financial results	232'194	207'284
NET LOSSES	-2'396'334.29	-1'965'039

THE FACTION COLLECTIVE SA

COMPARED PROFIT AND LOSS ACCOUNTS OF 2013/2014 and 2012/2013

DESIGNATION	2014/2015		2013/2014
	<i>in Euro</i>	<i>in CHF</i>	<i>in CHF</i>
GENERAL EXPENSES			
Rentals	86'593	98'153	89'133
Marketing - advertising	-	-	261'210
Marketing - product costs	63'755	72'267	132'907
Riders under contract _ CM	632'380	716'803	246'190
Gifts and advertisement _ TM	105'595	119'692	-
Commission	98'010	111'095	105'534
Third parties work	-	-	2'911
Maintenace, repairs	-	-	10'854
Vehicles costs	8'611	9'761	8'737
Commercial insurances	10'688	12'115	7'331
Communication and taxes	16'076	18'223	18'450
Travel expenses	-	-	91'960
General expenses	-	-	10'482
IT-costs	20'755	23'526	4'768
Accounting and fiduciary fees	45'782	51'894	15'867
Notary and leagal fees	-	-	13'429
Other general expenses	8'842	10'023	6'562
Bad debt provision adjustments	31'001	35'139	27'275
Loss on Sale of Fixed Assets	-	-	20'487
Depreciation	136'963	155'248	50'640
Total general expenses	1'265'053	1'433'937	1'124'727
FINANCIAL RESUTLS			
Interests and bank charges	5'883	6'669	8'610
Interests on loans	62'844	71'233	42'532
Exchange diffrencies	163'467	185'289	156'142
Total financial results	232'194	263'191	207'284

**THE FACTION COLLECTIVE SA
NOTES TO THE FINANCIAL STATEMENTS**

30.06.2015 30.06.2014

INFORMATION IN RELATION TO THE PRINCIPLES USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The valuation principles used in the actual financial statements are in accordance with the rules set in the Swiss Code of Obligation on commercial accounting and financial reporting

Unless otherwise stated in their description, the debts are not bearing an interest. If required, some financial statements' main positions have been recognized in the balance sheet according to the information mentioned hereafter

The financial statements are held in Euro and are converted at year end into CHF

The following exchange CHF/EURO rates have been used

	30.06.2015
Year end exchange rate	1.1335
Average exchange rate	1.0362

INDICATIONS, VENTILATION AND EXPLANATION OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT POSITION :

INCORPORATION:

The Faction Collective SA (Ltd) in Bagnes

The full-time equivalent exceeds 10 employees. The company is subject to the limited statutory examination.

SIGNIFICANT EQUITY INTEREST:

Faction Collective LLC – USA (capital action 100 USD)		
- Capital rights held	100%	100%
- Voting right held	100%	100%
Faction Collective Ltd – Canada (capital action 1CAN)		
- Capital rights held	100%	100%
- Voting right held	100%	100%

OTHER INFORMATION REQUIRED BY LAW:

CAPITAL INCREASE:

On April 4th 2014, the Extraordinary General Shareholder Meeting of the company "The Faction Collective SA", with headquarter in Bagne (hereafter the « Company ») has decided to authorize the Board of Directors to proceed to a share capital increase of the Company not later than by April 3rd, 2016 through the issuance of up to 2'127'660 fully paid in registered shares of a par value of CHF 0.10, in whole or by installments. Such registered shares shall be subject to the transfer restrictions set forth in Article 7 of the Articles of Incorporation. The Board of Directors shall determine the issue price, the beginning of the period of dividend entitlement and the type of contributions required.

After a first decision with a share capital increase of the Company, the remaining authorized share capital has been adjusted to CHF 162'313.10. A maximum of 1'623'131 may be issued.

Furthermore and according to the latest version of the articles of incorporation dated May 18, 2015, the share capital may be increased conditionally through the issuance of up to 756'155 fully paid in registered shares of a par value of CHF 0.10 each by the Board of Directors (article 5c of the Articles of Incorporation).

GOING CONCERN

Going concern depends on the business evolution of The Faction Collective Group (including the US and Canadian entities), respectively on the commercialization success of the developed products. If the company failed to develop the business, the going concern would be compromised and the financial statements should be prepared on the basis of liquidation values.

Furthermore, if the subsidiary failed to develop the business, the going concern would be compromised and the financial statements should be prepared on the basis of liquidation values. Then there would be reasons to admit over-indebtedness in connection with the required depreciation of the financial assets.

Nevertheless and based on the presented business plan, including the 2015/2016 budget and the capital increase that will be realized during the first 2016 quarter, the board of directors is convinced that the perspectives of the company are positive and that the continuation of the company is possible at least for the next twelve months.

The Board of Directors is currently implementing financial restructuring measures by a capital increase which should be realized until the end of first quarter of 2016.

OTHER : none