

1/6/15 - 30/6/16

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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 for
You cannot use this form
for an alteration of management
with accounting requirements.

MONDAY



A16 *A7BSP01T* #89
06/08/2018
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ●

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 *

● 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 ●

Switzerland

● 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.

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

Name of organisation
or body ●

Swiss Law (Swiss Standard on the Limited Statutory Examination).

A3

Accounts

Accounts

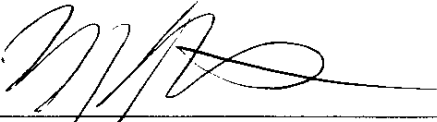
Have the accounts been audited? Please tick the appropriate box.

☐ No. Go to Section A5.

☒ Yes. Go to Section A4.

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A4 Audited accounts		
Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to Part 3 'Signature'.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.</p>	<p>① Please insert the name of the appropriate accounting organisation or body.</p>
Name of organisation or body ①	Swiss Law - Swiss Std on the Ltd Statutory Examination.	
A5 Unaudited accounts		
Unaudited accounts	<p>Is the company required to have its accounts audited?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No.</p> <p><input type="checkbox"/> Yes.</p>	
Part 3 Signature		
	<p>I am signing this form on behalf of the overseas company.</p>	
Signature	<p>Signature</p> <p>X  X</p>	
	<p>This form may be signed by: Director, Secretary, Permanent representative.</p>	

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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

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



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

ASSETS	30.06.2016	30.06.2015	LIABILITIES & EQUITY	30.06.2016	30.06.2015
CURRENT			SHORT-TERM LIABILITIES		
Petty Cash	-	487	Bank overdraft (bearing interest)	-	-
Bank UBS CHF	12'940	107'194	Trade payables	297'911	283'865
Bank UBS EUR	23'216	25'213	Payables to shareholders (bearing interest)	1'801'813	548'034
Bank UBS GPB	501	-	Other accrued expenses	1'053'236	789'966
Bank UBS USD	66	-	Advance payments from trade receivables	28'792	35'768
Bank CA EUR	10'700	15'415			
Bank Natwest	5'800	52'544			
American Express & Others	-6'577	-477			
Paypal & Others	-	-			
Total cash	46'645	200'376	Total short-term liabilities	3'181'762	1'067'634
Trade receivables	135'893	41'653			
Bad debts provision	-40'763	-41'711	LONG-TERM LIABILITIES		
Advance payments to suppliers	267'447	829'683	Loans postponed	717'949	456'364
Other debtors	64	1'677			
Inventories	252'037	246'112	Total long-term liabilities	717'949	456'364
Loan to USA	2'279'072	1'572'693			
Loan to Canada	522'137	318'272			
Total other current asset	3'415'988	2'988'379			
NON-CURRENT TANGIBLES ASSETS			FONDS PROPRE		
Vehicles	4'505	10'194	Share-Capital	665'462	721'556
Moulds	325'741	190'078	Reserve for capital contribution	9'687'720	9'930'739
Office installations	5'883	4'435	Currency Translation Adjustment	-	-184'554
IT-Hard and Software	178'781	165'283	Loss retained	-7'572'667	-6'291'297
Trademarks	-	-	Loss of the year	-2'660'988	-2'716'302
Total non-current tangibles assets	514'910	369'980	Total des fonds propres	119'226	51'460'142
NON-CURRENT FINANCIAL ASSETS					
Rent guarantee	41'704	35'313			
Participation in group companies	80	83			
Total non-current financial assets	41'784	35'396			

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THE FACTION COLLECTIVE SA

COMPARED PROFIT AND LOSS ACCOUNTS OF 2015/2016 and 2014/2015

DESIGNATION	2015/2016		2014/2015
	<i>in Euro</i>	<i>in CHF</i>	<i>in CHF</i>
INCOME			
Skis sales	2'411'097	2'628'313	1'600'555
Pole & binding sales	-	-	-
Outerwear sales	-	-	-
Miscellaneous income (shipping, softgoods, intercompany)	-9'603	-10'468	49'057
Revenue	2'401'494	2'617'844	1'649'613
DIRECT EXPENSES			
Skis sales - production costs	1'630'157	1'777'018	1'059'862
Pole & binding sales - production costs	-	-	-
Outerwear sales - production costs	-	-	-
Other Purchase costs of good sold / distribution costs	268'494	292'682	353'471
Other production costs (board, transport, freight)	302'441	329'688	188'955
Development costs	25'138	27'402	38'127
Design costs	-	-	-
Ski Demo - demonstration costs	-	-	-
Outerwear - demonstration costs	-	-	-
Personnel expenses	1'102'950	1'202'315	1'028'371
Social expenses	-	-	-
Personnel other expenses	-	-	-
Total direct expenses	3'329'180	3'629'106	2'668'785
Total general expenses	1'512'101	1'648'326	1'433'937
Total financial results	221'200	241'128	263'191
NET PROFIT	221'200	241'128	263'191

THE FACTION COLLECTIVE SA

COMPARED PROFIT AND LOSS ACCOUNTS OF 2015/2016 and 2014/2015

DESIGNATION	2015/2016		2014/2015
	<i>in Euro</i>	<i>in CHF</i>	<i>in CHF</i>
GENERAL EXPENSES			
Rentals	124'480	135'694	98'153
Marketing - advertising	-	-	-
Marketing - product costs	158'597	172'885	72'267
Riders under contract _ CM	589'212	642'294	716'803
Gifts and advertisement _ TM	105'333	114'822	119'692
Commission	147'916	161'242	111'095
Third parties work	-	-	-
Maintenace, repairs	-	-	-
Vehicles costs	36'966	40'296	9'761
Commercial insurances	7'691	8'384	12'115
Communication and taxes	21'646	23'596	18'223
Travel expenses	-	-	-
General expenses	-	-	-
IT-costs	11'895	12'967	23'526
Accounting and fiduciary fees	15'043	16'398	51'894
Notary and leagal fees	-	-	-
Other general expenses	13'901	15'154	10'023
Bad debt provision adjustments	35'789	39'014	35'139
Loss on Sale of Fixed Assets	-	-	-
Depreciation	243'633	265'581	155'248
Total general expenses	1'512'101	1'648'326	1'433'937
FINANCIAL RESUTLS			
Interests and bank charges	10'464	11'406	6'669
Interests on loans	226'681	247'102	71'233
Exchange differencies	-15'944	-17'380	185'289
Total financial results	221'200	241'128	263'191

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

	30.06.2016	30.06.2015
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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 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 :

	30.06.2016	30.06.2015
Year end exchange rate:	1.08635	1.1335
Average exchange rate :	1.09009	1.0362

INDICATIONS, VENTILATION AND EXPLENATION 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 March 13th, 2017, 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 January 11th, 2018 through the issuance of up to 27'990 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.

Furthermore and according to the latest version of the articles of incorporation dated March 13, 2017, the share capital may be increased conditionally through the issuance of up to 983'942 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 2016/2017 budget and the capital increase that will be realized during the first 2017 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 2017.

Further more, on March 13th, 2017, the Extraordinary General Shareholder Meeting has agreed to proceed with a to a share capital increase in cash for CHF 22'784.60, and by set-off payables of CHF 67'088.50 the balance being a premium amounting to CHF 2'156'954.40. The new capital increase secure the going concern in a short term perspective.

OTHER : none