Annual Report 2017

Letter of CEO

We hereby file the UCP 2017 year-end report. The complete report can be viewed here. In addition to the report, we want to highlight the following in the UCP group development in 2017;

Net revenues and media billings

Net revenues are 16% higher compared with year 2016. This is a result of new clients won and increased sales of services to current and new clients. In the three months, ended December 31, 2017, net revenues were 7% lower than the same period last year. Compared to earlier years we did not have the peak in the last three months of the year that we have had the last two years. The latter is due to another seasonality of client investments this year.

Net revenues have grown more than the media investments. Compared with last year the clients' media investments have increased with 1%, approximately $800,000. Our forecast for year 2017 was media investments on par with last year. Contributing to the low growth of overall media investments is increased digital media investments. Of the total media investments to date approximately 42% is digital.

Gross profit and result of operations

Gross profit for the group has increased 16% compared to 2016. The Gross profit margin of the group for the year is 8.1%, which means the margin is maintained at the same level as last year. The operations have generated a profit of $395,000 in 2017, compared to a profit of $175,000 in 2016!

The selling, general and administrative expenses of the operations have increased 10.9% compared to last year through general cost increase and investments made in key staff, systems, training and development. The profit margin of operations (Income from operations in relation to Gross profit) has grown from 4.2% in 2016 to 8.3% in 2017, a considerable improvement and a great conversion of increased revenues into net operating income. We will continue our chosen strategy of development and sales of new services in an increasingly competitive and faster changing market. Our focus is to be the front runner in the market in digital media agency services, support our clients in attaining their objectives through the right and creative solutions and provide return on their investments.

We have further strengthened our organisation with more and highly skilled resources this year to be able to service our current clients better and to enable us to continue to win new clients in a competitive market.

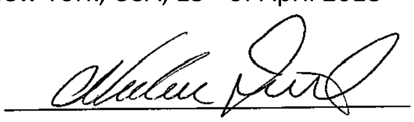
Profit before taxes and minority interest

Profit before taxes and minority interests generated this year is $411,000 compared to a profit of $466,000 in 2016. The higher profit before taxes in year 2016 was due to the gain from the sale of Howcom AB in year 2016, which was $458,000. The sale of In Sight AS in 2017 contributed to the profit before tax in year 2017 with $160,000.

The profit available to shareholders for the twelve months ended December 31, 2017, is $314,000.

Overall the group's development in year 2017 is positive, and we will continue to strive for further improvement of growth and profitability and strengthen our position in the market going2forward. Losing two of our largest clients in year 2018 is a challenge, but we will do our outmost to overcome it.

New York, USA, 15th of April 2018



Niclas Fröberg
Chief Executive Officer

United Communications Partners Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity and Comprehensive Loss (Unaudited)
For the years ended December 31, 2017 and 2016.
(In thousands of USD)

UNITED COMMUNICATIONS PARTNERS INC

291 Broadway, Suite 302, New York, NY10007, USA

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United Communications Partners Inc. and Subsidiaries
Consolidated Balance Sheets (Unaudited)
(In thousands of USD)

Assets		December 31, 2017		December 31, 2016
Current assets:				
Cash and cash equivalents	$	3,216	$	1,394
Accounts receivable, net		10,615		7,649
Costs and estimated earnings in excess of billings on projects in progress		980		805
Value added tax refund receivable		-		843
Prepaid expenses and other current assets		433		579
Total current assets		15,244		11,270
Equipment, net		111		90
Equity investments		2		603
Note receivable		696		385
Goodwill		2,954		2,954
Other intangible assets, net		-		-
Total assets	$	19,007	$	15,302

See notes to the consolidated financial statements.

United Communications Partners Inc. and Subsidiaries
Consolidated Balance Sheets (continued)
(In thousands of USD)

Liabilities		December 31, 2017		December 31, 2016
Current liabilities:				
Accounts payable	$	13,042	$	9,802
Accrued expenses and other current liabilities		922		742
Billings in excess of costs and estimated earnings on projects in progress		3,626		2,914
Value added tax payable		267		-
Notes payable		893		1,624
Advances from related parties		-		-
Total current liabilities		18,750		15,082
Contingent consideration – Tre Kronor		-		-
Total liabilities		18,750		15,082
Non-controlling interest		(18)		(29)
Commitments and contingencies				
Stockholders' Equity				
Preferred stock $0.001 per share par value; 100,000,000 authorized; 0 issued and outstanding.		-		-
Common stock $0.001 per share par value; 2,000,000,000 shares authorized, 1,617,887,264 shares issued, and 1,610,887,264, shares outstanding at December 31, 2013 and December 31, 2012.		1,618		1,618
Additional paid-in capital		9,179		9,179
Accumulated deficit		(10,653)		(10,967)
Treasury stock, at cost, 7,000,000 shares		(7)		(7)
Accumulated other comprehensive income		138		426
Total Stockholders' equity		275		249
Totals liabilities and stockholders' equity	$	19,007	$	15,302

See notes to the consolidated financial statements.

United Communications Partners Inc. and Subsidiaries
Consolidated Statements of Operations (Unaudited)
(In thousands of USD, except for per share amounts)

	For the Years Ended December 31,	
	2017	2016
Net revenues	$ 58,775	$ 50,658
Cost of revenues	(53,990)	(46,529)
Gross Profit	4,785	4,129
Selling, general and administrative expenses	(4,345)	(3,917)
Depreciation and amortization	(45)	(37)
Income (loss) from operations	395	175
Other income (expense), net:		
Income from equity investments	-	48
Gain from disposal of interest in equity investment	160	458
Gain from disposal of shares	-	-
Gain (loss) from receivables	-	(47)
Provision of promissory note receivable	-	-
Profit (loss) from disposal of equipment	1	11
Interest expense	(145)	(179)
Total other income (expense), net	16	291
Net Income (loss) before taxes and minority Interest	411	466
Provision for income taxes	(83)	(46)
Net loss (gain) attributable to the Non-Controlling Interest	(14)	(10)
Net Income (loss) available to common shareholders	$ 314	$ 410
Net Income (loss) per share – Basic and diluted		
Continuing operations	$ (-)	$ (-)
Discontinued operations	(-)	(-)
Net Income (loss)	$ (-)	$ (-)
Weighted-average shares outstanding:		
Basic and diluted	1,610,887,264	1,610,887,264

See notes to the consolidated financial statements.

United Communications Partners Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity and Comprehensive Loss (Unaudited)

For the years ended December 31, 2017 and 2016.

(In thousands of USD)

	Common Stock Shares	Common Stock Amount	Treasury Shares	Treasury Shares Amount	Notes Receivable From Affiliate	Additional Paid-In Capital	Accumulated Deficit	Accumulated Comprehensive Gain (Loss)	Total
Issuance of common stock for conversion of notes payable	-	-	-	-		-	-	-	-
Stock based compensation, consulting services	-	-	-	-		-	-	-	-
Notes receivable from affiliate, repaid			-	-	-	-	-	-	-
Issuance of common stock to acquire Tre Kronor Media per annulment of redemption agreement with former shareholder of Tre Kronor			-	-	-	-	-	-	-
Net gain for the period	-	-	-	-		-	410	-	410
Foreign currency translation adjustment	-	-	-	-		-	-	305	305
Comprehensive loss	-	-		-		-	-	-	715
Balance at December 31, 2016	**1,617,887,264**	**$ 1,618**	**(7,000,000)**	**$ (7)**	**$ -**	**$ 9,179**	**$ (10,967)**	**$ 426**	**$ 249**
Issuance of common stock for conversion of notes payable	-	-	-	-		-	-	-	-
Stock based compensation, consulting services	-	-	-	-		-	-	-	-
Notes receivable from affiliate, repaid			-	-	-	-	-	-	-
Issuance of common stock to acquire Tre Kronor Media per annulment of redemption agreement with former shareholder of Tre Kronor			-	-	-	-	-	-	-
Net gain for the period	-	-	-	-		-	314	-	314
Foreign currency translation adjustment	-	-	-	-		-	-	(288)	(288)
Comprehensive gain	-	-		-		-	-	-	26
Balance at December 31, 2017	**1,617,887,264**	**$ 1,618**	**(7,000,000)**	**$ (7)**	**$ -**	**$ 9,179**	**$ (10,653)**	**$ 138**	**$ 275**

See notes to the consolidated financial statements.

United Communications Partners Inc. and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)
(In thousands of USD)

		For the Year ended December 31, 2017		For the Year ended December 31, 2016
Cash flows from operating activities:				
Net Income (loss)	$	314	$	410
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation		20		37
Amortization of intangible assets		-		-
Income from equity investments		-		(48)
Non-controlling interests		14		17
Provision – accrued interest from note receivable to Crane Media		-		-
Provision – note receivable issued to Crane Media		-		-
Changes in operating assets and liabilities:				
Accounts receivable		(2,162)		(332)
Cost and estimated earnings in excess of billings on projects		(91)		220
Value added tax refund receivable		931		(843)
Prepaid expenses and other current assets		228		9
Accounts payable		2,210		118
Accrued liabilities and corporate taxes		349		76
Billings in excess of costs and estimated earnings		406		(163)
Net cash generated from operating activities		**2,219**		**(499)**
Cash flows from investing activities:				
Net disposal and purchase of equipment		(40)		(41)
Settlement of Note receivable issued to buyers of Nyheter365 AB		-		410
Settlement of Notes receivables issued to buyers of HowCom AB		385		(385)
Notes receivable issued to buyers of In Sight AS		(696)		-
Acquisition of Shares in Media Team Plus Scandinavia AB		(2)		-
Dividends from equity investments		67		147
Net cash used in investing activities		**(286)**		**131**
Cash flows from financing activities:				
Repayments of debt		-		-
Proceeds from debt, net of financing costs		(902)		(276)
Net repayments from borrowings from related party		-		-
Net cash provided by financing activities		**(902)**		**(276)**
Effect of exchange rates on cash from continued operations		791		(607)
Net increase (decrease) in cash		**1,822**		**(1,251)**
Cash at beginning of period		1,394		2,645
Cash at end of period	**$**	**3,216**	**$**	**1,394**
Supplemental information:				
Cash paid for interest in continued operations	$	145	$	188

See notes to the consolidated financial statements.

Note 1. Organization and Nature of Business

Organization

United Communications Partners Inc. ("UCP" or the "Company"), is a holding company that currently conducts its operations through its wholly owned subsidiaries Tre Kronor Media AB, former Tre Kronor Media & Reklam Stockholm AB, ("TKM" or "Tre Kronor") which was acquired on May 4, 2010, Abrego Spain SL, which was established in November 2010, and Tre Kronor Holding AB, which was established in August 2013.

Tre Kronor Media & Reklam Stockholm AB changed its registered name to Tre Kronor Media AB on September 11, 2017.

Tre Kronor Media AB

On May 4, 2010, the Company completed the acquisition of all of the issued and outstanding shares of TKM. The Company issued an aggregate of 35,000,000 shares of common stock to the shareholders of TKM, pro rata with their respective ownership interests in TKM, to complete the acquisition.

Additional principal terms of the TKM agreement are summarized as follows:

- all shares issued to the TKM shareholders will be subject to a three year lock-up period;
- notwithstanding the above lock-up agreement, three of the shareholders will be permitted to sell annually a portion of their shares provided that (i) the total accumulated aggregate sales price does not exceed Swedish Kroner (SEK) 3,000,000, and (ii) the transfers do not exceed 10% of the daily registered volume of the Company's common stock on the Nasdaq OTC Bulletin Board; however, in 2010 the shareholders cannot sell any shares for the initial six months;

  in 2010 only, one of the principal shareholders, will redeem a portion of his shares against a cash payment from the Company in the aggregate amount of SEK 3,000,000 ($387,000). The redemption of the shares will be based on the valuation on the date of payment. On the date of acquisition the Company recorded $387,000 as a related party payable. The Company agreed to extend the redemption of the portion of his shares against a cash payment in the aggregate amount of SEK 3,000,000 ($387,000) to December 31, 2013;

During the year ended December 31, 2010 the Company advanced a payment of $387,000 to the principal shareholder. Such advance has been classified as a component of the Company's Stockholders Equity as Notes Receivable from Affiliate. During the fourth quarter of 2012 the redemption agreement was annulled and the principal shareholder settled the Note Receivable by repaying the advanced payment of $387,000 in cash.

- in the event that the Company does not raise a minimum of either $3,000,000 either as debt or equity financing by December 31, 2010, the TKM shareholders will have the right to re-acquire all of the issued and outstanding shares of TKM by (i) delivering written notice by January 15, 2011 and returning to the Company all consideration issued to such shareholders within 30 days of such notice, including the cash value of any shares that may have been sold by the TKM shareholders,

On August 11, 2010 the former shareholders of TKM renounced their right to re-acquire the issued and outstanding shares as described above.

- the Company has also agreed to issue up to an additional 6,000,000 shares of its common stock based on TKM achieving certain "Earnings Before Tax" (" EBT "), as determined in accordance with the agreement, thresholds for the accounting years 2010 to 2012:
  - EBT being more than SEK 2 million ($274,667) for 2010; issuance of additional 2,000,000 shares of the Company

    - EBT being more than SEK 3 million ($412,000) for 2011; issuance of additional 2,000,000 shares of the Company
    - EBT being more than SEK 4 million ($549,333) for 2012; issuance of additional 2,000,000 shares of the Company

- as an alternative to the above, the TKM shareholders will receive 4,000,000 shares if the accumulated EBT for 2010 and 2011 is more than SEK 5 million ($686,667), or 6,000,000 shares if the accumulated EBT for 2010, 2011 and 2012 is more than SEK 9 million.

On the date of the acquisition, the Company recorded an accrual of $365,000 as long-term contingent consideration. The Company based this accrual on the fair value of the amount anticipated to be incurred as a result of the projections available at the date of the acquisition. At December 31, 2013 the contingent consideration was valued at $5,000. During fiscal 2013 and 2012, the Company recorded respectively a loss of $1,000 and a loss of $2,000 from fair value change contingent consideration.

At December 31, 2014 it was concluded that the EBT 2010, 2011 and 2012 did not reach the thresholds for issuing shares as defined in the agreement described above and the contingent consideration was valued at $nil. The Company recorded a gain of $5,000 from fair value change contingent consideration.

- On October 13, 2011, the Company entered into an amendment to the share purchase agreement (the "Amendment No. 2") with the former shareholders of TKM. The amendment set forth, that the parties have agreed to annul the clauses, after which the former principal shareholders in TKM are entitled to a cash compensation, each of $600,000 should they leave the Company.

In consideration of annulments of the clauses, the Company has agreed to issue formal principal stockholders of TKM newly issued shares in the Company in the amount equal to $600,000 each, for an aggregate purchase price of $1,200,000.

On November 11, 2011, the Company issued an aggregate 934,579,440 shares of common stock of the Company to the former principal shareholders of TKM at market price of $0.001284 per share in consideration of the annulment pursuant to the Amendment No. 2.

Abrego Spain SL
In November 2010, the Company established a wholly owned subsidiary in Spain, Abrego Spain SL ("ABSP"), a media company with a capital of Euro 3,010 (approximately $ 4,100).

In Sight AS
Effective January 1, 2011 TKM acquired a non-controlling 30.1% interest in In Sight AS (a Norwegian media company) pursuant to an agreement dated June 2, 2010 between In Sight and TKM. The interest was acquired for a cash consideration of Swedish Kronor (SEK) 4,756,550 ($701,000). The consideration was paid on October 31, 2010.

In Sight AS is a Norwegian based media agency established in 2009. During 2010 and effective from January 1, 2011, In Sight AS expanded its business significantly after signing a contract with one of the largest retailers in Norway regarding media strategy, counseling, media purchases and campaign execution.

In the beginning of 2012 In Sight AS issued 23,500 new shares against cash considerations, thus diluting TKM's non-controlling interest from 30.1% to 27.1%. On September 18, 2012, TKM agreed to dispose 14,500 shares to the management of In Sight AS against a cash consideration of $222,591 (Norwegian Kronor 1,305,000). Pursuant to the transaction, TKM's non-controlling interest is 21% (50,000 shares). In September 2017, In Sight AS issued 22,000 new shares against cash considerations, thus diluting TKM's non-controlling interest from 21% to 19.2%.

On December 21, 2017, TKM sold its shareholding in In Sight AS (50,000 shares) to In Sight Holding AS for a consideration of NOK 5,789,474 ($696,216). As at December 31, 2017, TKM has no equity in In Sight AS.

HowCom AB (former CCCP Media AB)
Since September 2011, TKM holds a non-controlling interest of 33.3%, SEK 33,333 (approximately $4,861) in CCCP AB, a Swedish media agency, with a combined capital of SEK 100,000 (approximately $14,583). During April 2013, CCCP Media AB acquired the Swedish consulting firm HowCom AB. In conjunction to the acquisition, the name of the company CCCP Media AB was changed to HowCom AB ("HC"). In connection with the acquisition, in May 2013, HowCom AB participated in the establishing of the Swedish consulting company HowCom Evolution AB ("HCE") for a combined capital of SEK 100,000 (approximately $14,895) in which HowCom AB holds a controlling interest of 52% which is the equivalent to SEK 52,000 (approximately $7,745).

In November 2016, TKM sold 5% of its non-controlling interest in Howcom AB and in December 2016 it sold the remaining 28.3%. The shares were sold to management and staff in Howcom AB for a total consideration of SEK 3,950,000 ($434,204), to be paid in full March 31, 2017. The consideration relating to the shares transferred in November was paid in November. Against pledge in the transferred shares, TKM issued a note receivable to the buyers of shares transferred in December for the installment of the payment of SEK 3,500,000 ($384,742).
As at December 31, 2016, TKM has no equity interest in Howcom AB.

Nyheter365 AB (formerly Atna World AB)
Effective January 1, 2011, TKM acquired all issued and outstanding shares in the Swedish advertising agency Atna World AB. After the acquisition the name of the company was changed to Nyheter365 AB ("Nyheter365"). As consideration for the acquired shares, the former shareholders of Atna World AB received a total of 10,000,000 shares of common stock in UCP. Such shares were transferred free of charge from an affiliate to UCP.

As at January 1, 2012, the CEO of Nyheter365 received 20% of the issued and outstanding shares in Nyheter365, as part of his remuneration package, subsequent to which TKM held a controlling interest of 80% in Nyheter365 with a combined capital of SEK 100,000 (approximately $14,979).

Effective September 5, 2014, TKM sold all its shares in Nyheter365 to Nyheter365 Holding AB for a consideration of 5,500,000 SEK (approx. 772,147 USD). Pursuant to this transfer of shares TKM has no ownership in Nyheter365. The results of operations of Nyheter365 have not been included in the consolidated statements of operations since 2014.

Tre Kronor Media Danmark A/S
In February 2013, TKM participated in the establishing of the Danish media company Tre Kronor Media Danmark A/S ("TKMDK"). TKMDK was established with a combined capital of Danish Kroner 500,000, (approximately $86,200) in which TKM holds a controlling interest of 80%, which is equivalent to DKK 400,000, (approximately $69,000). On November 23, 2016, TKM acquired further 5% of the shares at nominal value from Howcom AB. As of December 31, 2016, TKM has a controlling interest of 85% in TKMDK, which is equivalent to DKK 425,000 (approximately $73,270).

The results of operations of TKMDK have been included in the consolidated statements of operations since February 11, 2013.

Tre Kronor Creative AB
During the first quarter of 2013 TKM established the Swedish company Tre Kronor Creative AB ("TKC"). Its establishment was based on a partnership agreement with two leading members of the TKM staff, whom where to take a 20% holding in the company, with a combined capital of SEK 100,000 (approximately $15,346). The agreement was not completed, and both members waived their right to shares of ownership. As at December 31, 2013, TKM's controlling interest constituted the equivalent of SEK 100,000 (approximately $15,365).

TKC was established with the purpose to separate advertising activities from TKM enabling TKM to focus entirely on its core competencies within media consultancy, media planning and media campaign execution. In July 2013 it was concluded the advertising business of TKC was not fulfilling its objectives and would generate a loss in the business year and it was decided to close the advertising business. The entity thereafter had no business activity. On May 31, 2015, TKM sold all its shares in Tre Kronor Creative AB, resulting in a gain for the Company of SEK 3,482,000 (approximately. $412,883) due to reversal of intercompany items between TKM and TKC. The results of operations of TKC have not been included in the consolidated statements of operation since June 1, 2015.

Tre Kronor Holding AB

In August 2013, the Swedish company Tre Kronor Holding AB ("TKH") was established, with a capital of SEK 100,000 (approx. $15,302). TKH was established with the purpose to handle joint activities and shared services for the group, i.e. administrative and financial services, procurement, shared systems and tools, investments and growth activities, with start in 2014. The results of operations of TKH have been included in the consolidated statements of operations since May 1, 2014.

Local Planet AB

On May 2, 2016, TKM participated in the establishing of the Swedish media company Local Planet AB ("LP"). LP was established with a combined capital of SEK 50,000 (approximately $6,000) in which TKM initially held a controlling interest of 92.4%, which is equivalent to SEK 46,200 (approximately $5,544). On November 8, 2016, TKM sold a further 7.4% of the shares at nominal value to management. As of December 31, 2016, TKM has a controlling interest of 85% in LP, which is equivalent to SEK 42,500 (approximately $5,100).

LP will primarily offer media services to clients in Sweden. Operations in LP started in July 2016.
The results of operations of LP have been included in the consolidated statements of operations since July 2016.

Local Planet International Limited

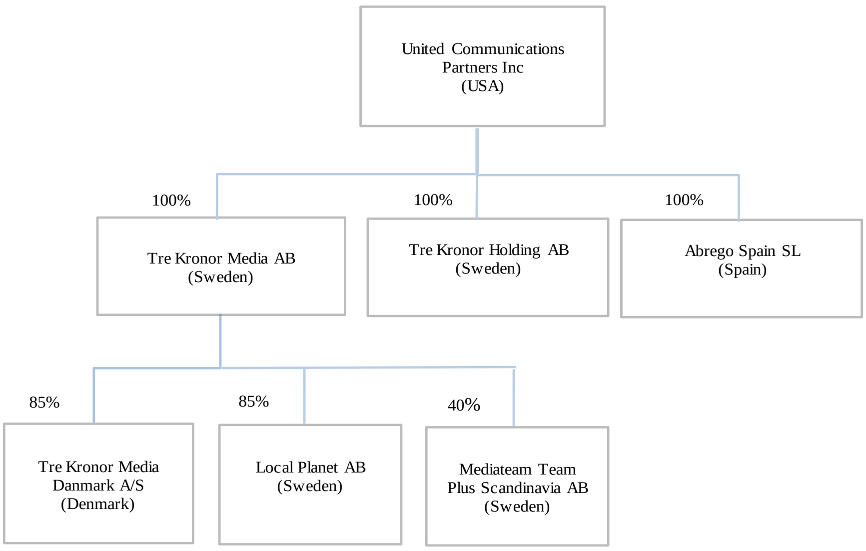
On April 15, 2016, TKM, entered into a Subscription agreement and a Shareholders agreement with Local Planet International Limited ("LPI"), as part of participating in forming a new international media agency network. The agreements gave TKM the right to become a shareholder in the new network in March 2018. Final decision whether TKM should execute the agreements needs to be made by the board of the Company before December 31, 2017. The Board of TKM has decided to buy shares in LPI, equivalent of 5% of the shares in LPI. TKM will have the right to appoint and maintain in office one person as a director of the board of LPI. The original agreements have been renegotiated and the acquisition of shares will be finalized before the end of May 2018.

Media Team Plus Scandinavia AB

On April 12, 2017, TKM acquired 40% of the shares in Media Team Plus Scandinavia AB (MTP), a joint venture together with Serviceplan International GMBH & CO. KG (a German Company). The total combined capital of MTP is SEK 50,000 (approx. $5,652), whereof TKM has an interest of SEK 20,000 (approx. $2,261). The objective of the joint venture is to generate synergies, provide a representative for Serviceplan's international clients in Sweden and throughout the Nordic region, and to enable TKM to handle conflicted Swedish and Nordic clients. Operations in MTP started gradually in the winter 2017/2018.

Corporate Structure

The Company's corporate organization as of December 31, 2017, is reflected in the following chart:



Business

United Communications Partners and its subsidiaries (collectively, the "Company") offer its customers a network of advertising, media and other communication services. The Company's strategy is to acquire mid-size or make equity investments in well-established businesses throughout Europe in order to form a European network of communication agencies.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

During fiscal years 2017 and 2016 the Company incurred a net profit of $314,000 and $410,000 respectively. The Company continues to operate with a working capital deficiency (approximately $2,811,000 at December 31, 2017), and has limited financial resources available to pay ongoing financial obligations as they become due.

The Company's current source of funding, in addition to cash on hand, is any cash derived from operations and an operating line of credit of approximately $2,265,000. However, the Company will require additional financing to conduct its business in accordance with its plan of operations on a long-term basis.

These conditions raise doubt about the Company's ability to continue as a going concern. Accordingly, the accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates continuation of the Company as a going concern and the realization of assets and the satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the consolidated financial statements do not necessarily purport to represent realizable or settlement values. These consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation

The unaudited consolidated financial statements as of December 31, 2017 and 2016 include the accounts of UCP and its wholly owned subsidiaries as described in Note 1. All intercompany transactions and balances have been eliminated in the consolidated financial information provided.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reported period. The Company evaluates all of its estimates on an on-going basis.

Significant estimates and assumptions include the valuation of acquired assets including goodwill, the useful lives of assets, revenue recognition, income tax valuation, stock valuation, debt discounts on notes payable, other intangible assets and bad debts. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation or set of circumstances that existed at the date of the consolidated financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, actual results could differ in the near term from these estimates, and such differences could be material.

Revenue recognition

Most of the Company's client contracts are individually negotiated and accordingly, the terms of client engagements and the bases on which the Company earns commissions and fees vary significantly. Direct costs include fees paid to external suppliers where they are retained to perform part of or all of a specific project for a client and the resulting expenditure is directly attributable to the revenue earned. Revenue is stated exclusive of VAT (value added tax), sales taxes and trade discounts.

The Company's revenue is typically derived from commissions on media placements and fees for advertising and media services. Revenue may consist of various arrangements involving fixed fees, commissions, or incentive-based revenue, as agreed upon with each client. The Company also earns commissions from referrals of services to other vendors, marketing agencies, who ultimately provide the end service to the customer. Commissions are generally earned on the date of broadcast or publication.

Revenue for the Company's fixed-fee contracts is recognized when all the following criteria are satisfied: (i) persuasive evidence of an arrangement exists; (ii) the price is fixed or determinable; (iii) collectability is reasonably assured; and (iv) services have been performed. Depending on the terms of a client contract, fees for services performed can be recognized in two principal ways: proportional performance or completed contract.

- Fixed-fee contracts are generally recognized as earned based on the proportional performance method of revenue recognition. In assessing contract performance, both input and output criteria are reviewed. Costs incurred are used as an objective input measure of performance. The primary input of all work performed under these arrangements is labor. As a result of the relationship between labor and cost, there is normally a direct relationship between costs incurred and the proportion of the contract performed to date. Costs incurred as a proportion of expected total costs is used as an initial proportional performance measure. This indicative proportional performance measure is always subsequently validated against other more subjective criteria (i.e. relevant output measures) such as the percentage of interviews completed, percentage of reports delivered to a client and the achievement of any project milestones stipulated in the contract. In the event of divergence between the objective and more subjective measures, the more subjective measures take precedence since these are output measures.
- Certain fees (such as for marketing services related to rebates offered by clients to their external customers) are deferred until contract completion, as the final act is so significant in relation to the service transaction taken as a whole. Fees are also recognized on a completed contract basis if any of the criteria of the Financial Accounting Standards Board (FASB), Accounting Standard Codification (ASC) 605-10-S99, *Revenue Recognition,* were not satisfied prior to job completion or if the terms of the contract do not otherwise qualify for proportional performance.

Incentive-based revenue typically comprises quantitative criteria. Revenue is recognized when the quantitative targets have been achieved.

In compliance with FASB ASC 605-45 *Principal Agent Considerations*, Reporting Revenue Gross as a Principal versus Net as an Agent, the Company assess whether its agency or the third-party supplier is the primary obligor. The Company evaluate the terms of its client agreements as part of this assessment. In addition, the Company gives appropriate consideration to other key indicators such as latitude in establishing price, discretion in supplier selection and credit risk to the vendor. For a substantial portion of its client contracts the Company acts as principal as the Company are the primary obligor and bear credit risk related to the services it provides. In these contracts the Company record revenues and costs of revenues gross. In certain contracts the Company records a net amount principally on those contracts where the Company only earns a commission.

Sales Tax and Value Added Taxes
In accordance with FASB ASC 605-45, the Company accounts for sales taxes and value added taxes imposed on its goods and services on a net basis in the consolidated statement of operations.

Cash and cash equivalents
For purposes of reporting cash and cash equivalents, the Company considers all short-term highly liquid investments when purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable Allowance
The Company maintains an allowance for doubtful accounts for estimated losses from the inability of its customers to make payments when due or within a reasonable period of time thereafter. The Company performs periodical reviews of its accounts receivable to determine whether an allowance for doubtful accounts is necessary based on an analysis of past due accounts, historical payment patterns by customers and individual customer circumstances. If the financial condition of customers were to deteriorate, resulting in the inability to

make required payments, additional allowances may be required. As of December 31, 2017, and 2016, there was no allowance for doubtful accounts receivables made.

Equipment
Equipment is stated at historical cost less accumulated depreciation. Equipment is depreciated using the straight-line method over the estimated useful lives of such assets. The useful lives for computing depreciation for furniture, fixtures and computer equipment ranges from 3 to 5 years

Upon retirement or other disposition, the cost and related accumulated depreciation and amortization of the assets are removed from the accounts and any resulting gain or loss is reflected in operating expenses or other income. Expenditures for major renewals and improvements which extend the life of the asset are capitalized. Ordinary repairs and maintenance are charged directly to cost of revenues or operating expenses, depending upon their nature.

Impairment of Long-Lived Assets
The Company annually, or whenever events or changes in circumstances indicate that the carrying amounts of such assets may not be recoverable, assesses the carrying value of long-lived assets in accordance with Financial Accounting Standards Board ("FASB") issued ASC 360-10. The Company evaluates the recoverability of long-lived assets not held for sale by measuring the carrying amount of the assets against the estimated undiscounted future cash flows associated with them. If such evaluations indicate that the future discounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their estimated fair values.

Goodwill and Intangible assets – Finite lives
The Company accounts for its acquisitions utilizing the purchase method of accounting. Under the purchase method of accounting, the total consideration paid is allocated to the underlying assets and liabilities, based on their respective estimated fair values. The excess of purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Determining the fair value of certain acquired assets and liabilities, identifiable intangible assets in particular, is subjective in nature and often involves the use of significant estimates assumptions. Finite-lived identifiable intangible assets are amortized over its expected life on a straight-line basis, as this basis approximates the expected cash flows from the Company's existing finite-lived identifiable intangible assets over the expected future.

UCP acquired all the shares of TKM on May 4, 2010. The acquisition was completed pursuant to a share transfer agreement entered into between UCP and the shareholders of TKM. The Company recorded goodwill in connection with the excess cost over fair value of the net assets acquired.

Goodwill is accounted for under FASB ASC 350, *Goodwill and other*. Under FASB ASC 350, the Company's goodwill is tested for impairment on an annual basis or whenever facts or circumstances indicate that the carrying amounts may not be recoverable. The Company elected to conduct its impairment tests in March. The Company's reporting unit is tested individually for impairment by comparing the fair value of the reporting unit with the carrying value of that unit. Fair value is determined based on a valuation study performed by the Company using the discounted cash flow method and the estimated market values of the reporting units. During the year ended December 31, 2012 goodwill related to the Company's acquisition of TKM was impaired by $756,000 due to decreased profit expectations for fiscal 2012 through 2016. During the years ended December 31, 2017, and 2016 respectively there was no impairment of goodwill.

Equity investments
Investments in business entities in which the Company lacks a controlling financial interest but does have the ability to exercise significant influence over operating and financial policies are accounted for using the equity method in accordance with ASC-323, *Investments—Equity Method and Joint Ventures.*

The Company's proportionate share of net income or loss of such entity is recorded in "Income from equity investment" and "Loss from equity investment" included in "Other income (expense), net" on the Consolidated Statements of Operations.

Derivative Financial Instruments
The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statement of operations. For stock-based derivative financial instruments, the Company uses the Black-Scholes option pricing model to value the derivative instruments at inception and on subsequent valuation dates, which approximates the fair value measured using Binomial Lattice Model. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period.

Fair Value of Financial Instruments
In accordance with FASB ASC-810 *Financial Instruments,* the carrying amounts reported in the statement of financial position for current assets and current liabilities qualifying as financial instruments are reasonable estimates of fair value due to their short-term nature. The fair value of long-term debt is estimated to approximate fair market value based on current rates offered to the Company for debt of the same remaining maturities.

Non-controlling interest
Certain consolidated subsidiaries of UCP issued equity shares to parties unrelated to the Company. The Company accounts for such transactions in accordance with FASB ASC-810, *Consolidation.* FASB ASC-810 requires that the difference between the carrying amount of the Company's investment in the subsidiary and the underlying net book value of the subsidiary, after the issuance of the shares, be recognized either as a gain or loss in the consolidated statement of operations or as a capital transaction. In these instances, it is the Company's policy to consider gains and losses arising from such issuances of shares by a subsidiary as a capital transaction; as such no gain or loss is recognized in the statement of operations.

In instances where subsidiary shares issued are redeemable, the Non-controlling interest is recorded in accordance with FASB ASC-810, at the higher of (1) the redemption value required to be paid by the Company or (2) the amount that would result from applying consolidation accounting under FASB ASC-810. Adjustments recorded by the Company in relation to the recording of these costs are recorded within additional paid-in capital.

The Company recorded non-controlling interest in conjunction with Tre Kronor Media Danmark A/S and Local Planet AB as of December 31, 2017.

Income Taxes
The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records net deferred tax assets to the extent it believes these assets will more likely than not to be realized. In making such determination, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. In the event the Company were to determine that it would be able to realize its deferred income tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the valuation allowance which would reduce the provision for income taxes.

Uncertain tax positions are recognized in the financial statements for positions which are considered more likely than not of being sustained based on the technical merits of the position on audit by the tax authorities. The measurement of the tax benefit recognized in the financial statements is based upon the largest amount of tax benefit that, in management's judgment, is greater than 50% likely of being realized based on a cumulative probability assessment of the possible outcomes.

Foreign Currency
The Company has determined Swedish Kronor is the functional currency of its foreign operations. Accordingly, the foreign subsidiaries income and expenses are translated into U.S. dollars (“dollars”), the reporting currency of the Company, at the average rates of exchange prevailing during the year. The assets and liabilities are translated into U.S. dollars at the rates of exchange at the balance sheet date and the related translation adjustments are included in accumulated other comprehensive income.

Stock Based Compensation
The Company accounts for stock-based awards in accordance with FASB ASC-718, *Compensation — Stock Compensation.* FASB ASC-718 requires all share-based payments, including grants of employee stock options and restricted stock, to be recognized in the Company's financial statements based on their grant date fair values and recognized over the requisite service period.

Profit (Loss) per Share
Basic net profit (loss) per share has been calculated by dividing net profit (loss) by the weighted average number of common shares outstanding during the period.

Segment Information
FASB ASC-280 *Segment Reporting*, *Disclosures about Segments of an Enterprise and Related Information*, establishes standards for reporting information on operating segments in interim and annual financial statements. The Company operates in one segment, which is providing advertising and media services and primarily conducting its business in Sweden. The Company’s chief operating decision-maker reviews the Company’s operating results on an aggregate basis and manages the Company’s operations as a single operating segment.

Recent Accounting Pronouncements
There were various other updates recently issued, most of which represented technical corrections to accounting literature or application to specific industries and are not expected to have a material impact on the Company’s consolidated financial position, results of operations or cash flows.

Note 3 – Equity Method Investments

In Sight AS

On October 31, 2010, TKM advanced SEK 4,756,550 approximately ($701,000) to acquire 64,500 shares equaling a 30.1% non-controlling financial interest in the Norwegian media company In Sight AS, effective January 1, 2011. In the beginning of 2012, In Sight AS issued 23,500 new shares against cash considerations, thus diluting TKM’s non-controlling interest from 30.1% to 27.1%. On September 18, 2012, TKM agreed to dispose 14,500 shares to the management of In Sight AS against a cash consideration of $222,591 (Norwegian Kronor 1,305,000). Pursuant to the transaction, TKM’s non-controlling interest will constituted 21% (50,000 shares). The cash consideration was settled on November 28, 2012.

In September 2017, In Sight AS issued 22,000 new shares against cash considerations, thus diluting TKM’s non-controlling interest from 21% to 19.2%. On December 21, 2017, TKM sold its shareholding in In Sight AS (50,000 shares) to In Sight Holding AS for a consideration of NOK 5,789,474 ($696,216), to be paid latest January 31, 2018. Against pledge in the transferred shares, TKM issued a note receivable to In Sight Holding AS for the installment of the payment.

As at December 31, 2017, TKM has no equity in In Sight AS.

In March 2017, TKM received a dividend from In Sight AS of approximately $67,000. In March 2016, TKM received a dividend from In Sight AS of approximately $76,000.

The following table represents a summary of the changes in the value of the equity investment in In Sight AS (dollars in thousands.)

	December 31, 2017	December 31, 2016
Beginning balance	$ 603	$ 685
Dividend received	(67)	(76)
Share of profit (loss)	-	48
Currency adjustment	-	(54)
Profit from disposal	160	-
Disposal price	(696)	-
Ending balance	$ -	$ 603

HowCom AB – former CCCP Media AB

During September 2011, TKM formed a partnership with two unrelated individuals by establishing the Swedish company CCCP Media AB for a combined capital in CCCP AB of SEK 100,000 ($14,583) in which TKM held a non-controlling interest of 33.3%, which was equivalent to SEK 33,333 ($4,861). During April 2013, CCCP Media AB acquired the Swedish consulting firm HowCom AB. In conjunction to the acquisition, the name of the company CCCP Media AB was changed to HowCom AB (HC). In connection with the acquisition, HowCom AB participated in the establishing of the Swedish consulting company HowCom Evolution AB (HCE) for a combined capital of SEK 100,000 (approximately $14,895) in which HowCom AB held a controlling interest of 52%, equivalent to SEK 52,000 (approximately $7,746).

In July 2016, TKM received a dividend from HowCom AB of approximately $71,000.

In November 2016, TKM sold 5% of its non-controlling interest in HowCom AB, and in December 2016 it sold the remaining 28.3%. The shares were sold to management and staff in HowCom AB, for a total consideration of SEK 3,950,000 ($434,204), to be paid in full March 31, 2017. The consideration relating to the shares transferred in November was paid in November. Against pledge in the transferred shares, TKM issued a note receivable to the buyers of shares transferred in December for the installment of the payment of SEK 3,500,000 ($384,742).

As at December 31, 2016, TKM has no equity in HowCom AB.

The following table represents a summary of the changes in the value of the equity investment in HowCom AB (dollars in thousands.)

	December 31, 2017	December 31, 2016
Beginning balance	$ -	$ 149
Dividend received	-	(71)
Sale of TKMs non-controlling interest of 33.3%	-	(78)
Currency adjustment	-	-
Ending balance	$ -	$ -

Media Team Plus Scandinavia AB

On April 12, 2017, TKM acquired 40% of the shares in Media Team Plus Scandinavia AB (MTP), a joint venture together with Serviceplan International GMBH & CO. KG (a German Company). The total combined capital of MTP is SEK 50,000 (approx. $5,652), whereof TKM has an interest of SEK 20,000 (approx. $2,261). The objective of the joint venture is to generate synergies, provide a representative for Serviceplan's international clients in Sweden and throughout the Nordic region, and to enable TKM to handle conflicting Swedish and Nordic clients. Operations in MTP started gradually in the winter 2017/2018.

The following table represents a summary of the changes in the value of the equity investment in Media Team Plus Scandinavia AB (dollars in thousands.)

	December 31, 2017	December 31, 2016
TKM acquisition of non-controlling interest of 40%	$ 2	$ -
Dividend received	-	-
Share of profit (loss)	-	-
Currency adjustment	-	-
Ending balance	$ 2	$ -

Note 4 – Promissory note receivable

Crane Media Limited

In January 2013, TKM issued a promissory convertible note receivable totaling GPB 420,000 to the UK based marketing, media and advertising consultancy company Crane Media Limited. On February 1, 2013, the note was partially disbursed with GPB 370,000 (approximately $578,000). By disbursement of GPB 50,000 (approximately $79,000) on May 2, 2013, the note was fully disbursed. The note bore interest at a rate of 5% per annum and was to mature by the end of 2017. At the same time a Co-operation Agreement was entered into, that granted TKM the option to convert the note in full or partially into, up to 30%, of the issued and outstanding shares in Vision in Media Limited, a subsidiary of Crane Media Limited. The Co-operation Agreement further entitled Crane Media Limited to set-off a referral fee against the note, for 2014, 10% of the annual gross profit generated by clients referred to TKM, and for 2015 and 2016, 20% of the annual gross profit generated. During the six months ended June 30, 2015, it was agreed to set-off $116,000 of the note receivable.

During the year ended December 31, 2014 the Company accrued interest income from the note of $34,226. The accrued interest income was classified as a part of interest expenses.

The Company made a provision for the full amount receivable on the promissory note based on information on the development of the business in Crane Media Limited and Vision in Media Limited in year 2015. Due to the provision, no interest was accrued for 2015. In 2016, Crane Media Limited and Vision in Media Limited were dissolved, and consequently the notes receivable was written off.

The following table represents a summary of the changes in the Promissory note receivable to Crane Media Limited (dollars in thousands.)

	December 31, 2017	December 31, 2016
Beginning balance	$ -	$ 459
Set-off referral fee	-	-
Currency adjustment	-	(11)
	$ -	$ 448
Provision	$ -	$ -
Loss from note receivable	$ -	$ (448)
Ending balance	$ -	$ -

Nyheter365 Holding AB

On September 5, 2014, TKM sold its shares (80%) in Nyheter365 to Nyheter365 Holding AB. The sale agreement incorporated a consideration to be paid in two installments, one installment was made on the date of the transfer of shares and the second installment was to be paid at the latest September 1, 2017. TKM issued a note receivable to the buyer for the second installment of $440,000, against pledge in the transferred shares. The note bore interest at a rate of 4% per annum.

At January 28, 2016, Nyheter365 Holding AB paid the outstanding amount and accrued interest on the promissory note receivable. At December 31, 2016, the net carrying amount of the promissory note was $nil.

The following table represents a summary of the changes in the Note receivable to Nyheter365 Holding AB (dollars in thousands.)

	December 31, 2017	December 31, 2016
Beginning balance	$ -	$ 410
Issued Note receivable	-	-
Accrued interest	-	-
Payment from Nyheter365 Holding AB	-	(410)
Currency adjustment	-	-
Ending balance	$ -	$ -

Buyers of HowCom AB

On December 29, 2016, TKM sold its shares (28.3%) in Howcom AB. The sale agreement incorporated the consideration to be paid at the latest March 31, 2017. Against pledge in the transferred shares, TKM issued notes receivables to the buyers for the installment of $412,224. The notes bore no interest.

At December 31, 2016, the net carrying amount of the promissory note was $384,742. The notes receivables were settled by March 31, 2017. As of March 31, 2017, the net carrying amount of the promissory note was $nil.

The following table represents a summary of the changes in the Notes receivables to the buyers of HowCom AB (dollars in thousands.)

	December 31, 2017	December 31, 2016
Beginning balance	$ 385	$ -
Issued Note receivable	-	385
Payment from buyers of Howcom AB	(392)	-
Currency adjustment	7	-
Ending balance	$ -	$ 385

In Sight Holding AS

On December 21, 2017, TKM sold its shareholding in In Sight AS (50,000 shares) to In Sight Holding AS for a consideration of NOK 5,789,474 ($696,216), to be paid latest January 31, 2018. Against pledge in the transferred shares, TKM issued a note receivable to In Sight Holding AS for the installment of the payment. The note bore no interest. At December 31, 2017, the net carrying amount of the promissory note was $696,216.

The following table represents a summary of the changes in the Notes receivable to In Sight Holding AS (dollars in thousands.)

	December 31, 2017	December 31, 2016
Beginning balance	$ -	$ -
Issued Note receivable	696	-
Currency adjustment	-	-
Ending balance	$ 696	$ -

Note 5 - Other intangible assets

In accordance with ASC 805, Business Combinations, the Company has identified and recognized trade name and customer relationships in Tre Kronor as intangible assets. Based on a discounted cash flow model the fair value of the intangible assets was determined to be $610,000 and $220,000 respectively, both having a useful life of 5 years. At December 31, 2017 and 2016, the net carrying amount of intangible assets related to the acquisition of TKM was $nil and $nil respectively.

Note 6 - Concentration of Credit Risk

Credit risk represents the loss that would be recognized if counterparties failed to completely perform as contracted.

During the year ended December 31, 2017, customers AG, AR, AF and AM accounted for approximately 21%, 19%, 13% and 10% of revenue, respectively. During the year ended December 31, 2016, customers AG, AF, and AR accounted for approximately 20%, 19% and 15% of revenue, respectively. No other customer individually represented more than 10% of revenue for any period presented.

As of December 31, 2017, customers AQ, AG, AM and AF accounted for approximately 22%, 20%, 17% and 15% of the Company's accounts receivables, respectively. As of December 31, 2016, customers AG, AQ, AM and AF accounted for approximately 21%, 18%, 17% and 14% of the Company's accounts receivables, respectively. No other customers individually represented more than 10% of accounts receivables at the end of any period presented.

The Company's loss of these or other customers, or any decrease in sales to these or other customers, could have a material adverse effect on the Company's business, financial condition or results of operations.
The Company monitors its exposure to customers to minimize potential credit losses.

The Company maintains cash and cash equivalent balances at several financial institutions throughout its operating area, and at times, may exceed insurance limits and expose the Company to credit risk. As part of its cash management process, the Company periodically reviews the relative credit standing of these financial institutions. The Company's cash and cash equivalent balances are maintained at financial institutions located in Sweden, Denmark and Spain. All cash balances as of December 31, 2017, were held in bank accounts outside the United States of America.

Note 7 – Non-controlling interests

For consolidated majority-owned subsidiaries in which the Company owns less than 100% of the total outstanding shares, the Company recognizes a non-controlling interest for the ownership interest of the minority holders.

Tre Kronor Media Danmark A/S

On February 11, 2013, TKM participated in the establishing of the Danish media company Tre Kronor Media Danmark A/S (TKMDK). TKMDK was established with a combined capital of Danish Kroner 500,000, (approximately $86,200), in which TKM held a controlling interest of 80%, which is equivalent to DKK 400,000, (approximately $69,000). On November 23, 2016, TKM acquired further 5% of the shares at nominal value from Howcom AB. As of December 31, 2017, TKM has a controlling interest of 85% in TKMDK, which is equivalent to DKK 425,000 (approximately $73,270).

Local Planet AB

On May 2, 2016, TKM participated in the establishing of the Swedish media company Local Planet AB (LP).
LP was established with a combined capital of SEK 50,000 (approximately $6,000) in which TKM initially held a controlling interest of 92.4%, which was equivalent to SEK 46,200 (approximately $5,544). On November 8, 2016, TKM sold a further 7.4% of the shares at nominal value to management. As of December 31, 2017, TKM has a controlling interest of 85% in LP, which is equivalent to SEK 42,500 (approximately $5,100).

The change in carrying amount of Non-Controlling interest is as follows (dollars in thousands):

	As of December 31, 2017	As of December 31, 2016
Balance at beginning of period	$ (29)	$ (54)
15% shares in LP at par value	-	1
5% shares in TKMDK at par value	-	4
Profit (loss) attributable to Non-Controlling interest	14	23
Currency adjustment	(3)	(3)
Balance at end of period	$ (18)	$ (29)

Note 8 – Equipment, net

Equipment net, consist of the following (dollars in thousands):

	As of December 31, 2017	As of December 31, 2016
Equipment at cost	$ 225	$ 158
Accumulated depreciation	(114)	(68)
Loss from disposal of equipment	-	-
Equipment, net	$ 111	$ 90

Depreciation expense was $45,204 and $36,831 for the year ended December 31, 2017 and 2016 respectively.

Note 9 - Income Taxes

The Company's income tax provision consists of the following (dollars in thousands):

	December 31,	
	2017	2016
Federal:		
Current	$ -	$ -
Deferred	51	503
Local:		
Current	-	-
Deferred	-	-
Foreign:		
Current	83	46
Deferred	(29)	(182)
Change in valuation allowance	(22)	(321)
Income tax provision	$ 83	$ 46

For the years ended December 31, 2017 and 2016 the expected tax expense (benefit) based on the statutory rate is reconciled with actual tax expense (benefit) as follows:

	December 31,	
	2017	2016
U.S. federal statutory rate	(34.00)%	(34.00)%
Foreign tax rate differential	(9,70)%	(19,98)%
Other permanent differences	56.09%	53,30%
Changes in valuation allowance	4.42%	9,42%
Income tax provision (benefit)	16,81%	8.74%

For the years ended December 31, 2017 and 2016, the domestic and foreign components of income (loss) before income taxes from continuing operations are as follows:

	December 31, 2017	December 31, 2016
Domestic	$ (149)	$ (448)
Foreign	560	914
Income (loss) from continuing operations before provision for income taxes	$ 411	$ 466

As of December 31, 2017, and December 31, 2016, the Company's deferred tax assets consisted of the effects of temporary differences attributable to the following (dollars in thousands):

	December 31, 2017	December 31, 2016
Deferred tax assets:		
Net operating loss carryover	$ 1,893	$ 1,871
Total deferred tax asset	1,893	1,871
Valuation allowance	$ (1,893)	$ (1,871)
Net deferred tax asset (liability)	$ -	$ -

For the years ended December 31, 2017, and December 31, 2016 the Company had approximately $4,747,655 and $4,599,000 of U.S. federal net operating loss carryovers ("NOLS") respectively, which begin to expire in 2029 if not utilized. For the years ended December 31, 2017, and December 31, 2016 the Company had approximately $1,893,000 and $1,871,000 of foreign net operating loss carryovers respectively, which can be carried forward indefinitely. If not used, the U.S NOLS may be subject to limitation under Internal Revenue Code Section 382 should there be a greater than 50% ownership change as determined under the regulations. The Company has conducted a preliminary Section 382 analysis and has determined that there was a change of ownership in the last quarter of 2011, and that the Company's NOLS are subject to an annual limitation of $21,674. The gross amount of U.S. NOLS included in the Company's deferred tax asset for pre-change NOLS was reduced by $2,395,644 during 2011 since these losses will expire unused due to the annual limitation.

The U.S. Corporation and the other foreign entities operate in different countries, including Spain, Sweden and Denmark, and are subject to taxation in each separate jurisdiction. Therefore, the Company is required to calculate and provide for income taxes, in each separate jurisdiction on a global basis. Net operating losses of the U.S. Corporation cannot be used to offset the income generated in foreign jurisdictions, if any, and net operating losses of Abrego Spain cannot be used to offset the income, if any, in any other jurisdiction nor can net operating losses of Tre Kronor Denmark (TKMDK), be used to offset the income, if any, in any other jurisdiction.

No provision was made for U.S. or foreign taxes on the undistributed earnings of any of the foreign subsidiaries. Earnings in the foreign subsidiaries are considered to be permanently reinvested. Such earnings have been, and will continue to be, reinvested, but could become subject to additional tax, through changes in taxation laws, if they are remitted as dividends, loaned to the Company, or if the Company sell its stock in any of the foreign subsidiaries. The new U.S. tax bill signed in December 2017 has implications for US domestic corporations with foreign subsidiaries imposing a 15.5% tax on accumulated earnings and profits in foreign subsidiaries. The exposure for UCP and its subsidiaries has not been finally established.

The Company maintains valuation allowances where it is more likely than not that all or a portion of its deferred tax asset will not be realized. A change in the Company's valuation allowance is included in the Company's tax provision in the period of change. In determining whether a valuation allowance is warranted, the Company evaluates factors such as prior earnings history, expected future earnings, carry-back and carry-forward periods and tax strategies that could potentially enhance the likelihood of the realization of deferred tax assets. Based on this assessment, management has established a full valuation allowance. For the years ended December 31, 2017 and 2016, the change in valuation allowance was $(21,737) and $(320,656) respectively.

TKM files tax returns in Sweden, which are subject to examination by the local tax authorities for years ended December 31, 2009 through December 31, 2017. Abrego files tax returns in Spain, which are subject to examination by the local tax authorities for years ended December 31, 2010 through December 31, 2017. TKMDK files tax returns in Denmark, which are subject to examination by the local tax authorities for years ended December 31, 2013 through December 31, 2017. TKMH files tax returns in Sweden, which are subject to examination by local tax authorities for years ended December 31, 2013 through December 31, 2017. LP files tax returns in Sweden, which are subject to examination by local tax authorities for the year ended December 31, 2016 through December 31, 2017. United Communications Partners Inc. files federal tax returns in the United States, which are subject to examination by federal tax authorities for the years ended December 31, 2008, through December 31, 2017.

Effective January 1, 2007, the Company adopted the FASB's guidance on accounting for uncertainty in income taxes. In accordance with this guidance, interest costs and related penalties related to unrecognized tax benefits are required to be calculated, if applicable. If required, interest would be recorded as interest expense and penalties as general and administrative expense. No interest and penalties were recorded during the years ended December 31, 2017 and December 31, 2016, respectively. As of December 31, 2017, and December 31, 2016, no liability for unrecognized tax benefits was required to be reported. The Company does not expect any significant changes in its unrecognized tax benefits in the next year.

Note 10 - Accrued Liabilities

Accrued liabilities consist of the following (dollars in thousands):

	As of December 31, 2017	**As of December 31, 2016**
Professional fees	$ 67	$ 39
Accrued payroll related expenses	760	673
Income tax payable	94	29
Other liabilities	1	1
Total accrued liabilities	$ 922	$ 742

Note 11 - Fair Value Measurement

Valuation Hierarchy

ASC 820 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table represents the assets and liabilities carried at fair value (dollars in thousands) measured on a recurring and non-recurring basis as of December 31, 2017:

		Fair Value Measurements at December 31, 2017		
	Total Carrying Value at December 31, 2016	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Contingent Consideration	$ -	$ -	$ -	$ -
Goodwill	$ 2,954	$ -	$ -	$ 2,954

Goodwill is measured at fair value on a non-recurring basis using discounted cash flows and is classified within level 3 of the value hierarchy.

	December 31, 2017	December 31, 2016
Beginning balance – Contingent consideration	$ -	$ -
Recorded contingent consideration	-	-
Net unrealized loss on change in fair value of contingent consideration	-	-
Ending balance – Contingent consideration	$ -	$ -

The following table represents a summary of the changes in the fair value of goodwill measured at fair value on a non-recurring basis (dollars in thousands.)

	December 31, 2017	December 31, 2016
Beginning balance	$ 2,954	$ 2,954
Acquired	-	-
Impaired	-	-
Currency adjustment	-	-
Ending balance	$ 2,954	$ 2,954

During the year ended December 31, 2012, the Company impaired goodwill related to the Company's acquisition of TKM by $756,000, due to decreased profit expectations for fiscal 2012 through 2016.

Note 12 – Line of Credit

The Company has a floating rate line of credit facility with SEB Bank in the amount of $2,265,000.

As of December 31, 2016, the amount outstanding, under this line of credit facility, was $1,623,917. The rate of interest payable under the line of the credit facility was 3.35 % per annum.

As of December 31, 2017, the amount outstanding, under this line of credit facility, was $892,579. The rate of interest payable under the line of the credit facility is presently 3% per annum.

Note 13 – Commitments and Contingencies

The Company is committed under operating leases for office space in Sweden and Denmark expiring December 31, 2021, and December 31, 2018, respectively. Rental commitment on lease for reporting periods subsequent to December 31, 2017 is as follows (dollars in thousands):

Future commitments as of December 31, 2017	
2018	$ 442
2019	408
2020	408
2021	408
	$ 1,666

Rent and related expenses charged to operations was approximately $341,805 and $295,294 for the years ended December 2017 and 2016, respectively.

Note 14 - Capital Stock

The share capital of United Communications Partners Inc. consists of 2,000,000,000 shares of common stock (authorized) with a par value of $0.001 per share, and 100,000,000 shares of preferred stock, with a par value of $0.001 per share. As of December 31, 2017, no preferred shares have been issued. The board has the ability to set the terms for issuance of the preferred shares.

Each common share entitles the holder to one vote; no shares enjoy special rights.

In the period from January 3 – January 17, 2012, the Company converted outstanding loan of $22,000 into 91,582,492 shares of common stock.

Note 15 – Stock Based Compensation

In the first quarter of 2011 and during the years 2010 and 2009 the company issued 258,000, 1,250,000 and 3,000,000 shares of common stock respectively to eight consultants for services rendered during the period from 2009 through 2012. The total market value of the shares, on the date of signing the agreements, was $653,740. As of December 31, 2017, there is none unrecognized compensation costs related to the issuance.

Note 16 - Related Party Transactions

Fee to former Chairman and Secretary of the Board
In November 2011 the Company recognized that former Chairman, was entitled to receive a fee for services rendered during 2008, 2009 and 2010 at a total amount of $188,346 which was classified as a component of selling, general and administrative expenses in the year ended December 31, 2011. At December 31, 2016, and December 31, 2015, former Chairman had a receivable of $nil and $1,624 respectively which was classified in advances from related parties. At December 31, 2017, the former Chairman has no receivable.

Fee to the Chairman of the Board
During the year ended December 31, 2017, the Chairman of the Board received a fee of $23,741 through a company controlled by the Chairman of the Board. The fee was classified as a component of selling, general and administrative expenses.

Fee to the CEO and Director of the Board, former President and Chairman of the Board
According to the Share Purchase Agreement with the former shareholders of Tre Kronor, the Company was committed to pay an aggregate amount of SEK 3,000,000 ($387,000) to the president and Chairman of the Board against redemption of a portion of his shares. The Company agreed to extend the redemption of the share portion to December 31, 2013. During the year ended December 31, 2010 the Company advanced a payment of $387,000 to him. At December 31, 2011, such advance was classified as a component of the Company's Stockholders Equity as Notes Receivable from Affiliate. During the fourth quarter of 2012, the redemption agreement was annulled and the president and Chairman of the board settled the Note Receivable by repaying the advanced payment of $387,000 in cash.

During the year ended December 31, 2017, the CEO and Director of the Board, former President and Chairman of the Board, has received a fee of $nil. During the year ended December 31, 2016, the CEO and Director of the Board, former President and Chairman of the Board, received a fee of $77,400. The fee was received through a company controlled by the CEO and Director of the Board. The fee was classified as a component of selling, general and administrative expenses.

Fee to the Secretary and Director of the Board
During the year ended December 31, 2017, the Secretary and Director of the Board has received a fee of $nil. During the year ended December 31, 2016, the Secretary and Director of the Board received a fee of $50,608. The fee was received through a company controlled by the Secretary and Director of the Board. The fee was classified as a component of selling, general and administrative expenses.

Note 17 - Subsequent Events

Management has evaluated subsequent events to determine if events or transactions occurring through April 12, 2018, the date these financial statements were available to be issued, require potential adjustments to or disclosure in the consolidated financial statements.

Management want to disclose that the note receivable issued to In Sight Holding AS in December 2017, was settled by January 16, 2018.

Management has concluded that no other subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

UNITED COMMUNICATIONS PARTNERS INC
291 Broadway, Suite 302, New York, NY10007, USA

Certifications

We, Niclas Fröberg, Lars Bönnelyche, Lars Blomberg and Kenneth Rosenthal, certify that:

1. We have reviewed this financial statement of United Communications Partners Inc.

2. Based on our knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement.

3. Based on our knowledge, the financial statements and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects, the financial condition, results of operations and cash flows of the issuer as of and for, the periods presented in this disclosure statement.

Date: April 15, 2018.

UNITED COMMUNICATIONS PARTNERS INC.

/s/Niclas Fröberg

Niclas Fröberg

/s/ Lars Bönnelyche

Lars Bönnelyche

/s/Lars Blomberg

Lars Blomberg

/s/ Kenneth Rosenthal

Ken Rosenthal

Kenneth Rosenthal