

Studio Steven Scott ApS
Øster Allé 42, 2100 København Ø

Annual report

2016

Company reg. no. 25 67 17 91

The annual report have been submitted and approved by the general meeting on the 31 May 2017.

Steven Robert Scott
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's report

The managing director has today presented the annual report of Studio Steven Scott ApS for the financial year 1 January to 31 December 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København Ø, 25 May 2017

Managing Director

Steven Robert Scott

Independent auditor's report

To the shareholders of Studio Steven Scott ApS

Opinion

We have audited the annual accounts of Studio Steven Scott ApS for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties concerning the enterprise's ability to continue as a going concern

We draw attention to the fact that the company have lost its contributed capital and therefore is subject to the capital loss rules in the Danish companies act, § 119. Our opinion is not qualified in respect of this matter.

Furthermore, we draw attention to Note 1 to the annual report which describe that the shareholder financially will support the company at least until 31 December 2017 and that the shareholder's outstanding balance is subordinated to other creditors. Our opinion is not qualified in respect of this matter.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 25 May 2017

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Leif Tomasson

State Authorised Public Accountant

Company data

The company

Studio Steven Scott ApS
Øster Allé 42
2100 København Ø

Company reg. no. 25 67 17 91
Established: 15 October 2000
Domicile: Copenhagen
Financial year: 1 January - 31 December
16th financial year

Managing Director

Steven Robert Scott

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Øster Allé 42
2100 København Ø
Phone +45 35 38 48 88
www.martinsen.dk

Management's review

The principal activities of the enterprise

The activity of the company is making art and architectural projects.

Development in activities and financial matters

The gross loss for the year is DKK -64.931 against DKK 125.021 last year. The results from ordinary activities after tax are DKK -2.100.991 against DKK -260.250 last year.

The company's shareholder has signed a letter in which the shareholder declares that he will fund - and have the capacity to pay - the company with sufficient liquidity to ensure the company's continued operation in the current form, at least until 31 December 2017.

Furthermore the shareholder has declared, that his outstanding balance with the company is subordinated to other debt / creditors.

The accounts are on this basis prepared with continued operation in mind.

Accounting policies used

The annual report for Studio Steven Scott ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross loss

The gross loss comprises the net turnover, changes in inventories and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Accounting policies used

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

The balance sheet

Financial fixed assets

Equity investments in group enterprises and associated enterprises

Equity investments in group enterprises and associated enterprises are recognised in the balance sheet at a proportional share of the assessed value.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises and associated enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises and associated enterprises.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

All amounts in DKK.

| <u>Note</u> | <u>2016</u> | <u>2015</u> |
|--|-------------------|-----------------|
| Gross loss | -64.931 | 125.021 |
| 2 Staff costs | -576 | -381.214 |
| Operating profit | -65.507 | -256.193 |
| Income from other equity investments, securities and debtors which are fixed assets | -2.000.000 | 39.500 |
| 3 Other financial costs | -35.484 | -43.557 |
| Results before tax | -2.100.991 | -260.250 |
| Results from ordinary activities after tax | -2.100.991 | -260.250 |
| Results for the year | -2.100.991 | -260.250 |
| Proposed distribution of the results: | | |
| Reserves for net revaluation as per the equity method | -1.938.424 | -61.576 |
| Allocated from results brought forward | -162.567 | -198.674 |
| Distribution in total | -2.100.991 | -260.250 |

Balance sheet 31 December

All amounts in DKK.

| Assets | 2016 | 2015 |
|--|-----------------------------|-----------------------------|
| <u>Note</u> | <u> </u> | <u> </u> |
| Fixed assets | | |
| 4 Equity investments in associated enterprises | 0 | 2.000.000 |
| Financial fixed assets in total | <u>0</u> | <u>2.000.000</u> |
| Fixed assets in total | <u>0</u> | <u>2.000.000</u> |
| Current assets | | |
| Raw materials and consumables | <u>370.000</u> | <u>330.000</u> |
| Inventories in total | <u>370.000</u> | <u>330.000</u> |
| Amounts owed by group enterprises | 0 | 9.977 |
| Other debtors | <u>142.442</u> | <u>0</u> |
| Debtors in total | <u>142.442</u> | <u>9.977</u> |
| Current assets in total | <u>512.442</u> | <u>339.977</u> |
| Assets in total | <u>512.442</u> | <u>2.339.977</u> |

Balance sheet 31 December

All amounts in DKK.

| <u>Note</u> | <u>2016</u> | <u>2015</u> |
|---|------------------|------------------|
| Equity and liabilities | | |
| Equity | | |
| 5 Contributed capital | 125.000 | 125.000 |
| 6 Reserves for net revaluation as per the equity method | 0 | 1.938.424 |
| 7 Results brought forward | -855.322 | -692.755 |
| Equity in total | -730.322 | 1.370.669 |
| Liabilities | | |
| Bank debts | 292.054 | 149.075 |
| Trade creditors | 310.724 | 340.853 |
| Other debts | 639.986 | 479.380 |
| Short-term liabilities in total | 1.242.764 | 969.308 |
| Liabilities in total | 1.242.764 | 969.308 |
| Equity and liabilities in total | 512.442 | 2.339.977 |

1 Continued operation**8 Mortgage and securities**

Notes

All amounts in DKK.

1. Continued operation

The company's shareholder has signed a letter in which the shareholder declares that he will fund - and have the capacity to pay - the company with sufficient liquidity to ensure the company's continued operation in the current form, at least until 31 December 2017.

Furthermore the shareholder has declared, that his outstanding balance with the company is subordinated to other debt / creditors.

The accounts are on this basis prepared with continued operation in mind.

| | <u>2016</u> | <u>2015</u> |
|---------------------------------|----------------------|-----------------------|
| 2. Staff costs | | |
| Salaries and wages | 0 | 375.489 |
| Other costs for social security | 0 | 2.160 |
| Other staff costs | <u>576</u> | <u>3.565</u> |
| | <u>576</u> | <u>381.214</u> |
| | | |
| Average number of employees | <u>0</u> | <u>1</u> |
| | | |
| 3. Other financial costs | | |
| Other financial costs | <u>35.484</u> | <u>43.557</u> |
| | <u>35.484</u> | <u>43.557</u> |

Notes

All amounts in DKK.

4. Equity investments in associated enterprises

| | | |
|---|-------------------|-------------------------|
| Acquisition sum, opening balance 1 January 2016 | 61.576 | 61.576 |
| Disposals during the year | <u>-61.576</u> | <u>0</u> |
| Cost 31 December 2016 | <u>0</u> | <u>61.576</u> |
| Revaluation, opening balance 1 January 2016 | 1.938.424 | -61.576 |
| Moved from/to group enterprises | 0 | 2.000.000 |
| Reversals for the year concerning disposals | <u>-1.938.424</u> | <u>0</u> |
| 31 December 2016 | <u>0</u> | <u>1.938.424</u> |
| Book value 31 December 2016 | <u>0</u> | <u>2.000.000</u> |

Associated enterprises:

| | Domicile | Share of ownership |
|-------------------------------|-----------------|---------------------------|
| Scotialight ApS i likvidation | Copenhagen | 46,14 % |

5. Contributed capital

| | | |
|------------------------------------|-----------------------|-----------------------|
| Contributed capital 1 January 2016 | <u>125.000</u> | <u>125.000</u> |
| | <u>125.000</u> | <u>125.000</u> |

6. Reserves for net revaluation as per the equity method

| | | |
|---|-------------------|-------------------------|
| Reserves for net revaluation 1 January 2016 | 1.938.424 | 2.000.000 |
| Share of results | <u>-1.938.424</u> | <u>-61.576</u> |
| | <u>0</u> | <u>1.938.424</u> |

7. Results brought forward

| | | |
|---|------------------------|------------------------|
| Results brought forward 1 January 2016 | -692.755 | -494.081 |
| Profit or loss for the year brought forward | <u>-162.567</u> | <u>-198.674</u> |
| | <u>-855.322</u> | <u>-692.755</u> |

8. Mortgage and securities

There has been issued a mortgage of 500,000 DKK security for the bank. There is provided an absolute guarantees to secure bank.