

# ANNUAL REPORT

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2019

Company: Phoam Studio ApS  
CVR: 33039417

Svanevej 12, 4  
2400 København NV

Accounting period: 1 January - 31 December  
2019

Chairman – David Casado  
27.07.2020

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## **Statement by Board of Directors and Management**

The Board of Directors and management have today considered and adopted the annual report for the financial year 1 January - 31 December 2019 for Phoam Studio ApS.

The annual report is prepared in accordance with the Danish Financial Statement Act.

In our opinion, the financial statements give a true and fair view of the financial position as at 31 December 2019 of the Company and of the results of the Company's operations for 2019.

It is also our opinion that the Management's Review a true and fair account of the development of Company's activities and financial conditions, the profit for the period and the Company's financial position as a whole, and a description of the significant risks and uncertainty factors that the Company faces.

The annual report is submitted to the Ordinary General Meeting for approval.

Copenhagen, 27 July 2020

### **Board of Directors**

Pradeep Pattem

David Casado Vazquez

## **Company Information**

### **Company**

Phoam Studio ApS

Svanevej 12

DK-2400 København NV

CVR no.: 33 03 94 17

Financial Period: 1 January – 31 December

Incorporated: 21 June 2010

Registered office: Copenhagen, Denmark

### **Board of Directors**

Pradeep Patten

David Casado Vazquez

## Management's Review

### Key activities

The company's main activity is to run an architectural business.

### Development in the year

The income statement of the Company for 2019 shows a loss of DKK 153 thousand (2018: DKK -329 thousand), and at 31 December 2019 the balance sheet of the Company shows equity of DKK 862 thousand (2018: DKK 1.0 million).

### Subsequent events

In regards to the Covid-19 related Global Economic Disruption the Board of Directors states the following:

- Significant uncertainties have been unleashed with the spread of Covid-19 virus and the resultant social and economic restrictions imposed globally by various states.
- It is not possible to quantify the whole impact on the operations.
- Denmark has proposed several measures to mitigate the challenges, we are yet to see the specific impact but expect it to mitigate some of the severe risks.
- Current measures from the Danish state, both in terms of social restrictions and economic support are focussed on a 3 month horizon. Phoam Studio's own internal planning is now centered on managing operations conservatively over this period. Any longer term disruption will require a far deeper state led economic support to the wider Danish economy, to which our performance are highly correlated.

Management considers the implications of Covid-19 a subsequent occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

## Income Statement 1 January - 31 December

Note	Amounts in DKK	2019	2018
	<b>Gross profit / (loss)</b>	<b>3,556,217</b>	<b>4,128,511</b>
2	Employee benefit expenses	-3,638,006	-4,527,047
	<b>Profit before financial items</b>	<b>-81,789</b>	<b>-398,536</b>
	Financial income	0	1,599
3	Financial expenses	-114,772	-37,889
	<b>Profit before tax</b>	<b>-196,561</b>	<b>-434,826</b>
4	Tax on Profit / loss for the period	43,244	106,231
	<b>Profit for the period</b>	<b>-153,317</b>	<b>-328,595</b>
	<b>Distributed as follows</b>		
	Parent's shareholders	-153,317	-328,595
	<b>Profit for the period</b>	<b>-153,317</b>	<b>-328,595</b>

## Balance Sheet 31 December

Note	Amounts in DKK	2019	2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
	Machinery and equipment	24,842	15,550
	Deposits	79,698	79,698
	<b>Total Non-current assets</b>	<b>104,540</b>	<b>95,248</b>
<b>Current assets</b>			
	Receivables	198,761	161,100
	Receivables - Work in Progress	2,104,357	2,208,907
4	Deferred Tax assets	43,244	177,817
	Prepaid expenses and accrued income	140,095	874,512
5	Prepaid expenses and accrued income from related parties	1,477,817	0
	Cash and short-term deposits	0	178,986
	<b>Total current assets</b>	<b>3,964,273</b>	<b>3,601,322</b>
	<b>Total assets</b>	<b>4,068,813</b>	<b>3,696,570</b>

## Balance Sheet 31 December

Note	Amounts in DKK	2019	2018
<b>LIABILITIES</b>			
<b>Equity</b>			
	Share capital	133,333	133,333
	Accumulated profit	729,050	882,367
	<b>Total equity</b>	<b>862,383</b>	<b>1,015,700</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
	Trade and other payables	23,534	513,324
5	Debt to related entities	2,629,688	1,025,833
	Other liabilities	553,208	1,141,713
	<b>Total liabilities</b>	<b>3,206,430</b>	<b>2,680,870</b>
	<b>Total equity and liabilities</b>	<b>4,068,813</b>	<b>3,696,570</b>



## Statement of equity

Amounts in DKK	Share capital	Accumulated profit	Equity Total
Statement of equity for 2019:			
Equity as at 1 January 2019	133,333	882,367	1,015,700
Net Profit / loss for the period	0	-153,317	-153,317
Equity as at 31 December 2019	133,333	729,050	862,383

## Summary

Note 1	Accounting policies, accounting estimates and risks, etc.
Note 2	Employee benefit expenses
Note 3	Financial expenses
Note 4	Tax on profit/loss for the year
Note 5	Related parties
Note 6	Contingent assets and liabilities
Note 7	Subsequent events

## Notes

### Note 1 - Accounting policies, accounting estimates and risks, etc.

#### **BASIS OF PREPARATION**

The annual report of Phoam Studio ApS for 2019 has been prepared in accordance with the provisions of Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C. The annual report is presented in Danish crown (DKK), which is considered to be the primary currency of the Company's activities and the functional currency of the company.

#### **Recognition and measurement**

Revenues are recognised in the income statement as earned. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

#### **PROFIT AND LOSS STATEMENT**

##### **Gross profit**

Gross profit includes net revenue and other external costs.

Revenue is recognized in the income statement when the delivery and risk transfer to the buyer has taken place before the end of the year, and if the income can be reliably calculated and expected to be received.

Other external costs include cost of sales, advertising, administration, rent of premises and losses from debtors.

##### **Financial income and expenses**

Financial items include interest income and interest expenses, foreign exchange rate adjustments, amortization premiums / discounts, realized and unrealized gains and losses on securities as well as surcharges and refunds under the tax.

Borrowing costs directly attributable to the development projects of investment or project portfolios, added to the cost of the assets until the time when the project is completed and the property can be used for the intended purpose. If there is a loan directly to finance the development project, calculated borrowing costs on the basis of an average interest rate of the group's loans except for loans recorded at the acquisition of specific assets. Other borrowing costs are recognized in the income statement in the periods to which they relate.

##### **Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## **BALANCE STATEMENT**

### **Machinery and equipment**

All machinery and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation, based on a component approach, is calculated using the straight line method to allocate the cost over the asset's estimated useful lives as stated above on Investment properties. Machinery and equipment are depreciated over the assets / components estimated useful lives in 5 years.

Small assets with an expected useful life of less than 1 year are recognized as costs in the income statement in the year of acquisition.

Depreciation is based on revalued amount less estimated residual value after useful life (residual value).

### **Receivables**

Receivables are measured at amortized cost. Impairment losses are made for losses which are deemed to have resulted in an objective indication that an individual receivable is impaired.

### **Prepayments**

Prepayments recognized under assets comprise incurred costs related to coming financial years. Prepayments are measured at cost.

### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

### **Dividends**

Dividends are recognized as a liability at the time of adoption at the general meeting. Dividends proposed for distribution is shown as a separate component of equity until the Annual General Meeting.

### **Liabilities**

Financial liabilities are initially measured at fair value and subsequently measured as described below. Financial liabilities are derecognised when they expiry, are cancelled or are converted into equity. A substantial modification of the terms of a financial liability is treated as a settlement of the original liability and recognition of a new liability. A change in the present value of the contractual cash flows with at least 10%, measured on the basis of the original effective interest rate, is treated as a substantial modification.

Financial liabilities attributable to investment properties are measured at amortised cost. Prior to the significant modification of the liabilities attributable to investment property, they were measured at fair value through profit or loss. Adjustments to financial liabilities attributable to investment properties were recognized in the income statement under "Adjustment at fair value, net".

Other liabilities, including non-current liabilities, debt to suppliers and other debt, are measured at amortized cost.

When a financial liability without equity conversion features is converted into equity, the liability is considered settled at the fair value of the shares issued. A gain or loss is recognised in financial items.

## Note 2 – Employee benefit expenses

Amounts in DKK	2019	2018
Salary	3,210,896	3,644,892
Contribution-based pensions	255,594	303,076
Other social security costs	10,793	325,459
Other staff costs	160,722	253,620
	<b>3,638,006</b>	<b>4,527,047</b>
<b>Average number of employees</b>	<b>5</b>	<b>8</b>

## Note 3 – Financial expenses

Amounts in DKK	2019	2018
Interest expenses, liabilities to credit institutions measured at amortized cost	10,918	12,056
Interest expenses, liabilities to related entities	103,854	25,833
	<b>114,772</b>	<b>37,889</b>

## Note 4 – Tax on profit/loss for the year

Amounts in DKK	2019	2018
Current tax for the year	-43,244	118,663
Current tax, previous years	-	-12,432
<b>Current tax</b>	<b>-43,244</b>	<b>106,231</b>
Amounts in DKK	2018	2018
Deferred tax asset at 1st of January	177,817	59,154
Recognized in the income statement, previous years	-	118,663
Recognized as Intercompany balance, consolidated corporate submission previous years	-177,817	-
Current tax for the year	-43,244	-
<b>Deferred tax assets at 31 December</b>	<b>-43,244</b>	<b>177,817</b>

In 2018 the Company which is 100% owned by the company Park Street Nordicom A/S became part of the consolidated corporate submission of Park Street Nordicom A/S.

## Note 5 – Transactions with related parties

As stated in note 3 the Company is 100% owned by the company Park Street Nordicom A/S.

Amounts in DKK	2019	2018
Prepaid expenses and accrued income from related parties	1,300,000	10,953
Intercompany receivables (Joint Corporate tax)	177,817	-
<b>Balance at 31 December</b>	<b>1,477,817</b>	<b>10,953</b>

Amounts in DKK	2019	2018
Debt to related parties	2,629,688	1,025,833
<b>Debt to related parties at 31 December</b>	<b>2,629,688</b>	<b>1,025,833</b>

The Company has entered into a credit line facility with the parent company Park Street Nordicom A/S of DKK 2 million (1.5 million utilized at 31.12.19) with an annual interest rate of 7.5% payable at the maturity of the loan.. Previously in 2018 the company entered another facility agreement with Park Street Nordicom A/S of DKK 1 million with a maturity on the 29th of August 2020

## Note 6 – Contingent assets and liabilities

Park Street Nordicom A/S has provided a parent company guarantee to a bank to secure financing on the company's daily operations. The credit has a nominal limit of DKK 500,000.

### Contingent liabilities

The Company has no contingent liabilities as at December 31, 2019.

### Contingent assets

The Company has no contingent asset as at December 31, 2019.

## Note 7 – Subsequent events

In regards to the Covid-19 related Global Economic Disruption the Board of Directors states the following:

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- It is not possible to quantify the whole impact on the operations.
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