

Scandinavian Fine Arts Holding ApS

Rustenborgvej 7a, 1

2800 Kongens Lyngby

CVR No. 37243272

Annual Report 2017

2. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 31 May 2018

Christian Harboe Wissum
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Scandinavian Fine Arts Holding ApS for the financial year 1 January 2017 - 31 December 2017.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

The conditions for deselecting an audit of the Financial Statement are met. Hence the Board of directors have decided to deselect to audit the Financial Statement for the coming financial year.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 May 2018

Executive Board

Werner Schmidt

Kim Hersland

Supervisory Board

Christian Harboe Wissum
Chairman

Werner Schmidt
CEO

Kim Hersland
CFO

Company details

Company	Scandinavian Fine Arts Holding ApS Rustenborgvej 7a, 1 2800 Kongens Lyngby
CVR No.	37243272
Date of formation	19 November 2015
Registered office	København
Financial year	1 January 2017 - 31 December 2017
Board of directors	Christian Harboe Wissum, Chairman Werner Schmidt Kim Hersland
Executive Management	Werner Schmidt, CEO Kim Hersland, CFO

Management's Review

The Company's Principal Activities

Welcome to our 2017 Annual Report.

Scandinavian Fine Arts Holding ApS is a specialized Copenhagen based art investment company, established in 2015. The Company is a 100% owned subsidiary of Scandinavian Fine Arts Group ApS.

Our highly experienced team uses its in-depth knowledge of the art market to locate investment opportunities in the short to medium term. All of our investments are subject to a comprehensive due diligence process.

Our network of relationships and in-depth knowledge of the art market allow us to access exclusive investment opportunities in the market.

Scandinavian Fine Holding ApS has set up single purpose vehicles with the sole objective to own and administer individual pieces of artwork.

Development in Activities and Financial Matters

The Company's Income Statement of the financial year 1 January 2017 - 31 December 2017 shows a result of EUR and the Balance Sheet at 31 December 2017 a balance sheet total of EUR 16.875 and an equity of EUR 6.750.

Post Balance Sheet Events

No events have occurred after the balance sheet date which have significantly affected the company's financial position.

Accounting Policies

Reporting Class

The Annual Report of Scandinavian Fine Arts Holding ApS for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

As the financial year 2017 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Revenue

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Income from equity investments in group enterprises and associates

Income from equity investments comprises dividends received from group enterprises and associates in so far as they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

Accounting Policies

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

Inventories

Inventories are valued at current price. The assessment is made by independent experts. The revaluation is recognized in the income statement. If no assessment is present, the purchase price is used.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

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

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2017 EUR	2016 EUR
Gross profit		0	0
Employee benefits expense	1	<u>0</u>	<u>0</u>
Profit from ordinary operating activities		0	0
Profit from ordinary activities before tax		0	0
Profit		0	0

Balance Sheet as of 31 December

	Note	2017 EUR	2016 EUR
Assets			
Long-term investments in group enterprises	2, 3	10.125	0
Investments		<u>10.125</u>	<u>0</u>
Fixed assets		<u>10.125</u>	<u>0</u>
Short-term receivables from group enterprises		6.750	6.750
Receivables		<u>6.750</u>	<u>6.750</u>
Current assets		<u>6.750</u>	<u>6.750</u>
Assets		<u>16.875</u>	<u>6.750</u>

Balance Sheet as of 31 December

	Note	2017 EUR	2016 EUR
Liabilities and equity			
Contributed capital	4	6.750	6.750
Provision for distributions	5	0	0
Equity		6.750	6.750
Provisions for deferred tax	6	0	0
Provisions		0	0
Other payables		10.125	0
Short-term liabilities other than provisions		10.125	0
Liabilities other than provisions within the business		10.125	0
Liabilities and equity		16.875	6.750
Contingent liabilities	7		
Collaterals and assets pledged as security	8		

Notes

	2017	2016
1. Employee benefits expense		
Average number of employees	0	

The company has had 0 employees in the fiscal year.

2. Long-term investments in group enterprises

Addition during the year, incl. improvements	10.125	0
Cost at the end of the year	10.125	0
Carrying amount at the end of the year	10.125	0

3. Disclosure in long-term investments in group enterprises and associates

Group enterprises

Name	Registered office	Share held in		Equity	Profit
			%		
Scandinavian Fine Arts 1 ApS	Copenhagen		50,00	6.750	-10.000
Scandinavian Fine Arts 2 ApS	Copenhagen		50,00	6.750	-10.000
Scandinavian Fine Arts 3 ApS	Copenhagen		50,00	6.750	0
				20.250	-20.000

4. Contributed capital

Additions during the year	6.750	6.750
Balance at the end of the year	6.750	6.750

The share capital has remained unchanged for the last 5 years.

5. Provision for distributions

6. Provisions for deferred tax

7. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of Scandinavian Fine Arts Group ApS which is the administration company in the joint taxation.

There is no other contingent liabilities exist at the balance sheet date.

8. Collaterals and securities

No securities or mortgages exist at the balance sheet date.