

SCANDINAVIAN FINE ARTS 2 APS

Rustenborgvej 7a, 1

2800 Kongens Lyngby

CVR No. 38316141

Annual Report 2018

2. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 31 May 2019

Werner Schmidt
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of SCANDINAVIAN FINE ARTS 2 APS for the financial year 1 January 2018 - 31 December 2018.

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 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

The Annual General Meeting of the Company decides that the Financial Statements for next year are not to be audited. The conditions for not conducting an audit of the Financial Statements have been met.

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

Copenhagen, 31 May 2019

Executive Board

Werner Schmidt
CEO

Kim Hersland
CFO

Supervisory Board

Christian Harboe Wissum,
Chairman
Chairman

Werner Schmidt

Kim Hersland

Company details

Company	SCANDINAVIAN FINE ARTS 2 APS Rustenborgvej 7a, 1 2800 Kongens Lyngby
CVR No.	38316141
Financial year	1 January 2018 - 31 December 2018
Supervisory Board	Christian Harboe Wissum, Chairman Werner Schmidt , CEO Kim Hersland , CFO
Executive Board	Werner Schmidt , CEO Kim Hersland , CFO

Management's Review

The Company's principal activities

The Company's principal activities consist in is to owning paintings.

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2018 - 31 December 2018 shows a result of DKK 0 and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 6.750 and an equity of DKK -3.250.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The Annual Report of SCANDINAVIAN FINE ARTS 2 APS for 2018 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.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost princip.

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

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the byer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises. loss of debtors, operating leasing costs etc.

Amortisation and impairment of tangible and intangible assets

Accounting Policies

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit 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

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.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

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.

Equity

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.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost,

Accounting Policies

which usually corresponds to the nominal value.

Contingent assets and liabilities

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

Income Statement

	Note	2018 kr.	2017 kr.
Gross profit		0	-10.000
Employee benefits expense	1	0	0
Profit from ordinary operating activities		0	-10.000
Profit from ordinary activities before tax		0	-10.000
Profit		0	-10.000
Proposed distribution of results			
Retained earnings		0	-10.000
Distribution of profit		0	-10.000

Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Assets			
Short-term receivables, dividends 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>6.750</u>	<u>6.750</u>

Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Liabilities and equity			
Contributed capital	2	6.750	6.750
Retained earnings	3	-10.000	-10.000
Equity		-3.250	-3.250
Other payables		10.000	10.000
Short-term liabilities other than provisions		10.000	10.000
Liabilities other than provisions within the business		10.000	10.000
Liabilities and equity		6.750	6.750
Contingent liabilities	4		
Collaterals and assets pledges as security	5		

Notes

	2018	2017
1. Employee benefits expense		
Average number of employees	_____	_____ 0
2. Contributed capital		
Balance at the beginning of 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.		
3. Retained earnings		
Additions during the year	_____ -10.000	_____ -10.000
Balance at the end of the year	_____ -10.000	_____ -10.000

4. Contingent liabilities

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. The total amount of corporation tax payable is stated in the annual report of Scandinavian Fine Arts Group ApS, which is a management company in relation to joint taxation. The Group's Danish companies are jointly and severally liable for Danish taxes in the form of income tax, royalties and interest tax. Any subsequent corrections to corporation tax and other taxes may result in the company's liability amounting to a larger amount.

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

5. Collaterals and securities

No securities or mortgages exist at the balance sheet date.