

Scotialight ApS

Øster Allé 42, 2100 København Ø

Annual report

2014

Company reg. no. 34 80 11 69

The annual report has been submitted and approved by the general meeting on the 18 March 2015.

Steven Scott
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Scotialight ApS for the financial year 1 January to 31 December 2014.

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

We consider the accounting policies used appropriate, and in our 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 2014 and of the company's results of its activities in the financial year 1 January to 31 December 2014.

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

København Ø, 17 February 2015

Managing Director

Gorm Teichert

Board of directors

Steven Rebert Scott

Eivind Kierulf Aas

Morten Krath

The independent auditor's reports

To the shareholders of Scotialight ApS

Report on the annual accounts

We have audited the annual accounts of Scotialight ApS for the financial year 1 January to 31 December 2014, 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.

The management's responsibility 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. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

The independent auditor's reports

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2014 and of the results of the company's operations for the financial year 1 January to 31 December 2014 in accordance with the Danish Financial Statements Act.

Emphasis of matter paragraph on other matters

Without any qualification, we must point out that the company has lost its capital and therefore is covered by the Companies Act.

Copenhagen, 17 February 2015

Martinsen

State Authorised Public Accountants

Leif Tomasson

State Authorised Public Accountant

Company data

The company

Scotialight ApS
Øster Allé 42
2100 København Ø

Company reg. no.: 34 80 11 69
Established: 21 November 2012
Domicile: Copenhagen
Financial year: 1 January 2014 - 31 December 2014
2nd financial year

Board of directors

Steven Rebert Scott
Eivind Kierulf Aas
Morten Krath

Managing Director

Gorm Teichert

Auditors

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

Accounting policies used

The annual report for Scotialight ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B 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 loose 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.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

Accounting policies used

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.

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

Other operating income and costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains and losses on disposal of intangible and tangible fixed assets.

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical utilisation, sufficient resources, and a potential, future market can be demonstrated, and provided that it is the intention to produce, market, or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Accounting policies used

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 5 years and does not exceed 20 years.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 5 years.

Profit and loss from the realisation of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under amortisation.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	year
Other plants, operating assets, fixtures and furniture	7 s

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

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.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Accounting policies used

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages and the maintenance of and depreciation on machinery, factory buildings, and equipment applied during the production process. Furthermore, indirect production costs comprise the costs for factory administration and management, and the capitalised development costs concerning the products.

The net realisable value for inventories is recognised as the market price with the deduction of completion costs and selling costs, and it is determined by taking negotiability, obsolescence, and the development of the expected market price into consideration.

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.

Work in progress for the account of others

Work in progress for the account of others is measured at the market value of the work performed. The market value is measured on basis of the scope of completion on the balance sheet date and the total expected income from the individual work in progress.

When the market value of a contract can not be determined reliably, the sales value is measured at the costs incurred or at the net realisable value, if this is lower.

The individual work in progress is recognised in the balance sheet under debtors or liabilities, depending on the net value of the sales price with deduction of prepayments and amounts invoiced on account.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

Available funds

Available funds comprise cash at bank.

Equity - dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Accounting policies used

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

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>2014</u>	<u>2013</u>
Gross profit	436.053	-735.491
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-116.296	-27.669
Operating profit	319.757	-763.160
2 Other financial costs	-5.390	-4.372
Results before tax	314.367	-767.532
Tax on ordinary results	0	0
Results for the year	314.367	-767.532
Proposed disposal of the results:		
Disposed to results brought forward	314.367	0
Disposed from results brought forward	0	-767.532
Disposals in total	314.367	-767.532

Balance sheet 31 December

All amounts in DKK.

Assets

<u>Note</u>	<u>2014</u>	<u>2013</u>
Fixed assets		
3 Development projekts in progress, patents and licences	0	677.557
Intangible fixed assets in total	0	677.557
4 Other plants, operating assets, and fixtures and furniture	0	176.484
Tangible fixed assets in total	0	176.484
Fixed assets in total	0	854.041
Current assets		
Raw materials and consumables	0	705.661
Prepayments for goods	0	72.131
Inventories in total	0	777.792
Trade debtors	0	860.154
Work in progress for the account of others	0	149.083
Other debtors	0	119.375
Debtors in total	0	1.128.612
Cash funds	29.441	219.748
Current assets in total	29.441	2.126.152
Assets in total	29.441	2.980.193

Balance sheet 31 December

All amounts in DKK.

LiabilitiesNote20142013**Equity**

5 Contributed capital

133.460

133.460

6 Results brought forward

-133.460

-447.827

Equity in total**0****-314.367****Liabilities**

Prepayments received from customers

0

2.253.677

Trade creditors

0

846.809

Debt to group enterprises

29.441

41.810

Other debts

0

152.264

Short-term liabilities in total

29.441

3.294.560

Liabilities in total**29.441****3.294.560****Liabilities in total****29.441****2.980.193****7 Contingencies**

Notes

All amounts in DKK.

1. The significant activities of the enterprise

The object of the company is to do business in relation to lightning and intergrated electrcity supply solutions.

The company is expected to be liquidated in 2015.

	2014	2013
2. Other financial costs		
Other interest costs	5.390	4.372
	5.390	4.372
3. Development projekts in progress, patents and licences		
Cost 1 January 2014	700.921	0
Additions during the year	84.321	700.921
Disposals during the year	-785.242	0
Cost 31 December 2014	0	700.921
Amortisation and writedown 1 January 2014	-23.364	0
Amortisation for the year	-99.078	-23.364
Amortisation and writedown, assets disposed of	122.442	0
Amortisation and writedown 31 December 2014	0	-23.364
Book value 31 December 2014	0	677.557

Notes

All amounts in DKK.

	31/12 2014	31/12 2013
4. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2014	180.788	0
Additions during the year	0	180.788
Disposals during the year	-180.788	0
Cost 31 December 2014	0	180.788
Depreciation and writedown 1 January 2014	-4.304	0
Depreciation for the year	-17.218	-4.304
Depreciation and writedown, assets disposed of	21.522	0
Depreciation and writedown 31 December 2014	0	-4.304
Book value 31 December 2014	0	176.484
5. Contributed capital		
Contributed capital 1 January 2014	133.460	80.000
Cash capital increase 5 December 2012	0	7.671
Debt conversion 11 August 2013	0	37.475
Cash capital increase 15 august 2013	0	8.314
	133.460	133.460
6. Results brought forward		
Results brought forward 1 January 2014	-447.827	0
Profit or loss for the year brought forward	314.367	-767.532
Share premium 5 December 2012	0	48.230
Share premium 15 August 2013	0	271.475
	-133.460	-447.827
7. Contingencies		
Contingent liabilities		

There are no contingent liabilities or guaranties at 31 December 2014.