

# ANNUAL REPORT

**beginning of financial year:** 30.05.2013

**end of the financial year:** 31.12.2013

**business name:** Telescan AS

**register code:** 12482582

**street, building, apartment:** Viru väljak 2

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**county:** Estonia

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## Management report

Telescan AS is established on May 30th of 2013.

The main activity of Telescan AS is health diagnostics based on MRI and other scanning technologies. The scans are performed in different diagnostic cabinets and centers. Telescan's business model is designed to generate income from global sales of franchises. During 3 to 5 years the Company expects to sell franchises around the world.

The Company plans to invest considerable resources into research and development.

The main purpose for 2014 is to improve the equity of the Company. As of December 31, 2013, the company's current liabilities exceeded current assets 22,977 euros. The financial statements have been prepared on the basis of the continuity of operation of the Company. Management estimates that negative working capital will not create economic difficulties in the year 2014, as the owners are planning to make additional contributions in the form of equity, enabling the Company to meet all of its current obligations.

After the end of the year 2013, capital contributions have been made in the amount of € 41,000 (plus € 16,000 unregistered share capital), and the same financing scheme is planned to continue.

Company had no employees in 2013 and the board members received no compensation.

### Key Financial Ratios:

Return on equity (ROE)  
(Net income / average equity) -54%

Current ratio  
(Cash + receivables / current liabilities) -0,28

The company's net working capital  
(current assets - current liabilities). -22 977

## The annual accounts

### Statement of financial position

(In Euros)

	31.12.2013	30.05.2013	Note
Assets			
Current assets			
Cash and cash equivalents	2 357	25 000	2
Receivables and prepayments	6 374	0	3
<b>Total current assets</b>	<b>8 731</b>	<b>25 000</b>	
Non-current assets			
Property, plant and equipment	23 047	0	5
<b>Total non-current assets</b>	<b>23 047</b>	<b>0</b>	
<b>Total assets</b>	<b>31 778</b>	<b>25 000</b>	
Liabilities and equity			
Liabilities			
Current liabilities			
Payables and prepayments	31 708	0	6
<b>Total current liabilities</b>	<b>31 708</b>	<b>0</b>	
<b>Total liabilities</b>	<b>31 708</b>	<b>0</b>	
Equity			
Issued capital	60 000	25 000	8
Share premium	10 000	0	
Annual period profit (loss)	-69 930	0	
<b>Total equity</b>	<b>70</b>	<b>25 000</b>	
<b>Total liabilities and equity</b>	<b>31 778</b>	<b>25 000</b>	

## Income statement

(In Euros)

	<b>30.05.2013 - 31.12.2013</b>	<b>30.05.2013 - 30.05.2013</b>	<b>Note</b>
Other operating expense	-68 394	0	9
Depreciation and impairment loss (reversal)	-1 536	0	5
<b>Total profit (loss)</b>	<b>-69 930</b>	<b>0</b>	
<b>Profit (loss) before tax</b>	<b>-69 930</b>	<b>0</b>	
<b>Annual period profit (loss)</b>	<b>-69 930</b>	<b>0</b>	

## Statement of cash flows

(In Euros)

	30.05.2013 - 31.12.2013	30.05.2013 - 30.05.2013	Note
Cash flows from operating activities			
Profit (loss)	-69 930	0	
Adjustments			
Depreciation and impairment loss (reversal)	1 536	0	5
<b>Total adjustments</b>	<b>1 536</b>	<b>0</b>	
Changes in receivables and prepayments related to operating activities	-6 374	0	
Changes in payables and prepayments related to operating activities	31 708	0	
<b>Total cash flows from operating activities</b>	<b>-43 060</b>	<b>0</b>	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-24 583	0	5
<b>Total cash flows from investing activities</b>	<b>-24 583</b>	<b>0</b>	
Cash flows from financing activities			
Loans received	3 000	0	
Repayments of loans received	-3 000	0	
Proceeds from issuing shares	45 000	25 000	
<b>Total cash flows from financing activities</b>	<b>45 000</b>	<b>25 000</b>	
<b>Total cash flows</b>	<b>-22 643</b>	<b>25 000</b>	
Cash and cash equivalents at beginning of period	25 000	0	2
<b>Change in cash and cash equivalents</b>	<b>-22 643</b>	<b>25 000</b>	
Cash and cash equivalents at end of period	2 357	25 000	2

## Statement of changes in equity

(In Euros)

				<b>Total</b>
	Issued capital	Share premium	Retained earnings (loss)	
<b>30.05.2013</b>	25 000	0	0	25 000
Annual period profit (loss)	0	0	-69 930	-69 930
Issue of equity	35 000	10 000	0	45 000
<b>31.12.2013</b>	60 000	10 000	-69 930	70

## Notes

### Note 1 Accounting policies

#### General information

Annual Report 2013 of Telescan AS is made on the basis of Estonian accounting law.

### Note 2 Cash and cash equivalents

(In Euros)

	31.12.2013	30.05.2013
Bank accounts	2 357	25 000
<b>Total cash and cash equivalents</b>	<b>2 357</b>	<b>25 000</b>

### Note 3 Receivables and prepayments

(In Euros)

	31.12.2013	Within 12 months	Note
Tax prepayments and receivables	6 045	6 045	4
Prepayments	329	329	
Deferred expenses	329	329	
<b>Total receivables and prepayments</b>	<b>6 374</b>	<b>6 374</b>	

### Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2013	30.05.2013
	Tax prepayments	Tax prepayments
Value added tax	6 045	0
<b>Total tax prepayments and liabilities</b>	<b>6 045</b>	<b>0</b>



## Note 5 Property, plant and equipment

(In Euros)

			Total
	Transportation	Machinery and equipment	
<b>30.05.2013</b>			
Carried at cost	0	0	0
Accumulated depreciation	0	0	0
<b>Residual cost</b>	0	0	0
Acquisitions and additions	24 583	24 583	24 583
Depreciation	-1 536	-1 536	-1 536
<b>31.12.2013</b>			
Carried at cost	24 583	24 583	24 583
Accumulated depreciation	-1 536	-1 536	-1 536
<b>Residual cost</b>	23 047	23 047	23 047

## Note 6 Payables and prepayments

(In Euros)

	31.12.2013	Allocation by remaining maturity			Note
		Within 12 months	1 - 5 years	Over 5 years	
Trade payables	27 198	27 198			7
Other payables	4 510	4 510			
Other accrued expenses	4 510	4 510			
<b>Total payables and prepayments</b>	31 708	31 708			

## Note 7 Trade payables

(In Euros)

	31.12.2013	30.05.2013	Note
Trade payables	4 367	0	6
Payables to related parties	22 831	0	6,10
<b>Total trade payables</b>	<b>27 198</b>	<b>0</b>	

## Note 8 Share capital

(In Euros)

	31.12.2013	30.05.2013
Share capital	60 000	25 000
Number of shares (pcs)	60 000	25 000
Nominal value of shares	1	1

## Note 9 Miscellaneous operating expenses

(In Euros)

	30.05.2013 - 31.12.2013
Leases	2 252
Energy	425
Miscellaneous office expenses	666
State and local taxes	1 410
Car expenses	1 605
Accounting and auditing costs	5 004
EVK costs	3 510
Reserch costs	53 200
Notary fees	322
<b>Total miscellaneous operating expenses</b>	<b>68 394</b>

## Note 10 Related parties

(In Euros)

### Related party balances according to groups

	31.12.2013
	Liabilities
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	14 431
Legal person with material ownership interest and material influence of management and higher	8 400

30.05.2013 - 31.12.2013	Purchases	Loans received	Loans received repayments
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	12 031	3 000	3 000
Legal person with material ownership interest and material influence of management and higher	7 000		

## Note 11 Events after the balance sheet date

Management Board of Telescan AS declares continuity of business activity of company.

Improvement of share capital will be guaranteed through payments in to share capital by owners of the company.