

Scrap Connection BV

Financial statements 2015

Scrap Connection BV is a wholly owned Dutch subsidiary of Scrap Connection, Inc.

The headquarters of Scrap Connection, Inc. is based in Muscle Shoals, Alabama, US. Our business and technology development team is based in Amsterdam, The Netherlands.

We have provided these financials as a supplement to those filed with the SEC for Scrap Connection, Inc. in order to provide a more comprehensive view of our financial history.

Scrap Connection BV
2015

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Scrap Connection BV
2015

1

Company details

1.1

The company has been founded on 21th of November, 2012 and is statutory established in Amsterdam.

Foundation

1.2

Rendering services and activities related to the trade in raw materials, information technology, automation and internet.

Activities

1.3

Manager of the company is C.L. Yerbey.

Management

1.4

The first financial year was a long year and started on 21th of November, 2012 and ended 31th of December, 2013. The financial year 2015 is a normal calender year.

Financial year

1.5

In view of the scale of operation as stated in article 396 BW2 the company is not obliged to have an audit as mentioned in article 393 sub 1 BW2.

Auditor's report

2**Balance - assets**

	31/12/15	31/12/14
Fixed assets		
Tangible fixed assets	<u>1.432</u>	
	1.432	
Non-current assets		
Loan receivable Dopper	3.300	3.300
Loan receivable Simons	<u>4.045</u>	<u>4.045</u>
	7.345	7.345
Current assets		
Trade and other receivables		
Account receivable	17.599	
Deposits	1.687	
Advance account Yerby	49.229	28.785
VAT	<u>10.146</u>	<u>3.559</u>
	78.661	32.344
Cash and cash equivalents		
Commercial banks	<u>2.976</u>	<u>804</u>
	2.976	804
Total assets	90.414	40.493

3**Balance - liabilities**

	31/12/15	31/12/14
Equity		
Issued share capital	1	1
Other reserves	<u>-152.275</u>	<u>-83.714</u>
	-152274	-
83.713		
Liabilities		
Non-current liabilities		
Loan payable to group company	199.785	107.972
Loans	<u>1.945</u>	<u>7.000</u>
	201.730	114.972
Current liabilities		
Creditors	13.943	2.284
Wage taxes	12.096	2.674
Net salary	14.919	1.210
Other payables		2.300
Interest from loans payable	<u> </u>	<u>766</u>
	40.958	9.234
Total liabilities	90.414	40.493

Profit- and loss account

	31/12/15	31/12/14
Gross operating result		
Total sales	39.359	0
Other income	720	0
Costs of sales	<u>-5.095</u>	<u>-16.375</u>
	34.984	-16.375
Operating expenses		
Salaries	66.429	16.768
Other staff expenses		5.258
Sales & marketing costs	3.095	3.081
Office expenditures	7.877	10.751
Legal fees	5.547	0
Audit fees	6.762	6.125
Other operating expenses	<u>13.243</u>	<u> </u>
	-102.953	-41.983
Net operating result		-58.358
Financial income and expenses		
Banking costs	-419	-411
Interest and costs Tax authorities	-173	-236
Interest on loans payable	<u> 0</u>	<u>-700</u>
	-592	-1.347
Result before taxes	-68.561	-59.705
Corporate taxes	0	0
Result after taxes	-68.561	-59.705

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Accounting policies

5.1

General

The annual report has been edited according to the legal definitions of Title 9 of Book 2 BW (Dutch Law).

Unless indicated otherwise, the assets and liabilities are presented at their nominal values.

5.2

Non-current assets

Long-term receivables are recorded to nominal values, keeping in mind the risk of bad and doubtful debts.

5.3

Current assets

Current receivables are recorded to nominal values, keeping in mind the risk of bad and doubtful debts.

All current receivables are due within 12 months from the balance sheet date.

5.4

Equity

The capital consists of one share of € 1 nominal. The share is owned by Scrap Connection Inc.

The other reserves regard the retained earnings of the company.

5.5

Non-current liabilities

Long-term payables are recorded to nominal values, keeping in mind the risk of bad and doubtful debts.

5.6

Current liabilities

Current liabilities are recorded to nominal values, keeping in mind the risk of bad and doubtful debts.

All current payables are due within 12 months from the balance sheet date.

5.7

Net operating result

Operating results are determined by subtracting the operating expenditure, interest and depreciation from the sales, valued against historical costs.

In the breakdown of the operating results only those profits are accounted for that have effectuated during the financial year. Furthermore risks and losses that have been identified before the end of the financial year have been accounted for.