

Final Cut For Real ApS

Forbindelsesvej 7, 2100 København
CVR no. 32 77 80 70

Annual report for 2015

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 06.06.16

Signe Byrge Sørensen
Dirigent

Company information etc.	3
Statement of the Board of Directors and Executive Board on the annual report	4
Independent auditor's reports	5 - 6
Management's review	7 - 9
Income statement	10
Balance sheet	11 - 12
Accounting policies	13 - 17
Notes	18 - 20

The company

Final Cut For Real ApS
Forbindelsesvej 7
2100 København
Website: www.final-cut.dk
Registered office: København
CVR no.: 32 77 80 70
Financial year: 01.01 - 31.12

Board of Directors

Thomas Stenderup
Janus Billeskov Jansen
Joshua Lincoln Oppenheimer
Signe Byrge Sørensen

Executive Board

Janus Billeskov Jansen
Signe Byrge Sørensen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement of the Board of Directors and Executive Board on the annual report

Board of Directors and Executive Board have on this day considered and adopted the annual report for the financial year 01.01.15 - 31.12.15 for Final Cut For Real ApS.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities, financial position and results.

We believe that the management's review gives a true and fair review of the matters dealt with in the review.

The annual report is submitted for adoption by the general meeting.

Copenhagen, May 31, 2016

Executive Board

Janus Billeskov Jansen

Signe Byrge Sørensen

Board of Directors

Thomas Stenderup

Janus Billeskov Jansen

Joshua Lincoln Oppenheimer

Signe Byrge Sørensen

To the capital owners of Final Cut For Real ApS**REPORT ON FINANCIAL STATEMENTS**

We have audited the financial statements of Final Cut For Real ApS for the financial year 01.01.15 - 31.12.15, which comprise the income statement, balance sheet, accounting policies and notes. The financial statements are prepared in accordance with Danish Financial Statements Act.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements 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 that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of financial statements 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 financial statements.

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

Our audit has not resulted in any qualifications.

Opinion

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.15 and of the results of the company's operations for the financial year 01.01.15 - 31.12.15 in accordance with the Danish Financial Statements Act.

STATEMENT ON THE MANAGEMENT'S REVIEW

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, May 31, 2016

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Kim Nielsen
State Authorized Public Accountant

Main activities

The company's activities comprise production and trade in film and video

Development in the company's financial activities and affairs

The income statement for the period 01.01.15 - 31.12.15 showed a result of DKK 120,549 against DKK 33,442 for the period 01.01.14 - 31.12.14. The balance sheet showed equity of DKK 394,642.

The management considers the net profit for the year to be satisfactory.

2015 was a good year for Final Cut for Real ApS. We had three world premieres, a large number of festivals screenings, lots of awards and one Oscar shortlisting. We also managed to develop some projects further, shoot and edit on some projects already in production, and to start new ones up, both major ones and minor co-productions.

Own Premieres

"Pervert Park" had its US premiere at Sundance and won the Special Jury Award for Impact. It then went on to 30 other festivals in 2015 and won 2 more awards. "Pebbles at Your Door" premiered in the Berlinale Short Film competition and went to 9 other festivals in 2015. It won an award at Palm Springs Int. Shortfest, USA. "15 minutes – The Dvor Massacre" had its world premiere in Sarajevo International Film Festival. Three out of four remaining "Sport Kids" films premiered at IDFA.

Co-production premieres

"Night will Fall" had its world TV-premiere in January 2015 on the 70th year anniversary of the liberation of the concentrations camps. We did screenings as part of a Cinemateque program before the TV-premiere at DR K.

Other films in festivals

"The Look of Silence" was in the Jury program in Berlin because Joshua Oppenheimer was in the jury. The film started cinema distribution in a number of territories including US, France and Australia. It won approx. 60 awards including a Robert, a Bodil, a Dragon Award, the Gotham Award in New York and in December it was shortlisted for an Oscar. "Far from Home" had its international festival premiere in Prague's One World Festival, where it screened along side "Life is Sacred" and "The Look of Silence". "Pervert Park" also travelled the festival circuit widely and at one time in July we had both "The Look of Silence", "Pervert Park" and "Life is Sacred" playing in New York in festivals and cinemas at the same time.

Danish launch of films

"Life is Sacred" was screened in a number of indoor and outdoor events during August and September up to its TV-premiere at DR2 in collaboration with Dokumania. In end of May "Pervert Park" was screened with panel debates a number of places around the country, in a

collaboration with Dokumania Live, and with help from Save the Children and the association SPOR. It was broadcast on DR2 on June 2nd with 137.000 viewers, second highest for its slot. Since then it has been broadcast again, and altogether viewing numbers are approx. 250.000. In September in connection with Veterans Day "15 Minutes – The Dvor Massacre" was screened, with panel debates, around the country and broadcast on TV2 on September 7th.

Work in progress – own films

During most of 2015 "Transformation" was being shot in Los Angeles, directed by Camilla Magid. Heidi started developing "Thyland" with director Vibeke Bryld. Heidi and Signe also started producing the documentary "Les Sauteurs" by Estephan Wagner and Moritz Siebert, supported by the Film Workshop. Anne worked on developing "What Walaa Wants", directed by Christy Garland and "Death of a Child" by Frida and Lasse Barkfors and started the project "The Sacred Earth" with Carl Olsson. Monica took on "No Regrets", a New Danish Screen project by Sun-Hee Engelstoft and started developing "The Distant Barking of Dogs" by long term collaborator Simon Lereng Wilmont. Monica continued the development of the short film "Albert". Anne and Monica also continued the development of "Flee" by Jonas Poher Rasmussen. Signe continued developing "On Screen Off Record" and "A Comedian in a Syrian Tragedy" with Rami Farah and Lyana Saleh, both based in Paris, collaborating also with Postyr Post Production House where intern Walteri Vahanen did a big job sorting out all the files. Signe worked with Joshua Oppenheimer on his "American Dream". Signe continued developing Eva Weber's project "Ghost Wives", including shooting a pilot in China with help from Maria and intern Piotr Winiewicz. Signe also worked with Mahdi Fleifel on developing his debut feature "Men in the Sun". Signe and Nitesh finished the TV-version of "Far from home". Maria was postproducer and/or technical support on most of the films mentioned above and besides this produced the DVD for "The Look of Silence". She was also in charge of renting out our camera equipment and of running the editing rooms. Besides Piotr Winiewicz we had the following interns during the year: Anna Risgaard Dahl, Selma Jusufbegovic, Walteri Vanhanen, Kasper Kjems and Troels Faldorf.

Work in progress – co-productions

In Spring 2015 "Blood Sisters" was finished and it premiered in Sweden in September. We finished editing "Shadow World" in August, and then the post production of this film started in New York. We began our first fiction co-production "The Nile Hilton Incident", directed by Tarik Saleh. We got support from the DFI for two new co-productions: "Angels are made of light" and "Strong Island", which both started editing in Copenhagen, the first one with Per K. Kirkegaard and the second one with Janus Billskov Jansen.

Important events occurring after the end of the financial year

No events materially affecting the financial position of the company have occurred after the end of the financial year.

Income statement

Note	2015 DKK	2014 DKK
Revenue	10.532.033	13.799.284
Expenses for raw materials and consumables	-9.300.991	-12.830.063
Other operating expenses	-95.977	-190.494
Gross profit	1.135.065	778.727
1 Staff costs	-826.325	-588.691
Profit/loss before depreciation, amortisation, write-downs and impairment losses	308.740	190.036
Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment	-156.836	-142.893
Operating profit/loss	151.904	47.143
Other financial income	3.354	645
Other financial expenses	-31	-1.207
Total net financials	3.323	-562
Profit/loss before tax and extraordinary items	155.227	46.581
2 Tax on profit/loss for the year	-34.678	-13.139
Profit/loss for the year	120.549	33.442
Proposed appropriation account		
Retained earnings	120.549	33.442
Total	120.549	33.442

ASSETS		31.12.15	31.12.14
		DKK	DKK
Note			
	Other plant, fixtures and fittings, tools and equipment	315.427	362.438
3	Total property, plant and equipment	315.427	362.438
	Total non-current assets	315.427	362.438
	Work in progress	11.625.209	10.893.656
4	Total inventories	11.625.209	10.893.656
	Trade receivables	1.027.488	505.381
	Other receivables	195.587	64.202
	Prepayments	29.465	33.809
	Total receivables	1.252.540	603.392
	Cash	6.984.709	4.218.798
	Total current assets	19.862.458	15.715.846
	Total assets	20.177.885	16.078.284

EQUITY AND LIABILITIES		31.12.15	31.12.14
		DKK	DKK
Note			
	Share capital	125.000	125.000
	Retained earnings	269.642	149.093
5	Total equity	394.642	274.093
	Provisions for deferred tax	27.397	23.786
	Total provisions	27.397	23.786
	Prepayments received from customers	16.322.019	13.324.159
	Trade payables	3.277.347	2.233.390
	Income tax	27.067	0
	Other payables	129.413	222.856
	Total short-term payables	19.755.846	15.780.405
	Total payables	19.755.846	15.780.405
	Total equity and liabilities	20.177.885	16.078.284

GENERAL

The annual report has been presented in accordance with the provisions of the Danish Financial Statements Act for reporting class B enterprises.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of such liabilities can be measured reliably. On 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 applying a constant effective rate of interest over the term of the assets and liabilities. Amortised cost is determined as original cost less any principal repayments and less/plus accumulated amortisation of the difference between cost and nominal value.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the time at which the annual report is presented and proving or disproving matters arising on the balance sheet date.

INCOME STATEMENT

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year. Revenue is determined at fair value exclusive of VAT and discounts.

Staff cost

Staff cost consist of wages, salaries and other cost related to staff.

Other external expenses

Other external expenses comprise distribution, selling, advertising and administration costs as well as costs of premises, bad debts and operating leases.

Depreciation

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. The following useful lives and residual values are applied by the company:

	Useful life, year	Residual value, per cent
Andre anlæg, driftsmateriel og inventar	5	0

New acquisitions of other fixtures and fittings, tools and equipment with a cost of less than DKK 12,800 each are expensed in the income statement in the year of acquisition.

Net financials

Interest income and interest expenses, foreign currency translation adjustments as well as realised and unrealised capital gains and losses on securities are recognised under net financials.

Amortisation of capital losses and loan costs relating to financial assets and liabilities is recognised on an ongoing basis as financial expenses and financial income, respectively.

Tax

The current and deferred taxes for the year are recognised in the income statement as taxes for the year with the portion attributable to the net profit or loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment are measured in the balance sheet at the lower of cost less accumulated depreciation and recoverable amount.

Cost comprises the purchase price and any costs directly related to the purchase until the date when the asset is available for use.

Gains and losses from the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount on the date of disposal.

Impairment of assets

The carrying amount of non-current assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation/amortisation.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets. The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Work in progress

The cost of work in progress is determined as the value of direct and indirect material and labour costs. Production overheads include indirect material and labour costs as well as maintenance and depreciation of machinery, buildings and equipment used in the production process as well as the costs of factory administration and management. Interest on loans to finance production is not included in the cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined on the basis of an assessment of the individual receivables.

Prepayments

Prepayments comprise costs incurred in respect of the next financial year.

Cash

Cash consist of bank deposits and cash at bank and in hand.

Equity

The proposed dividend for the financial year is recognised as a special item under equity.

Current and deferred taxes

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for taxes paid on account.

Deferred tax liabilities and deferred tax assets are computed on the basis of all temporary differences between the carrying amount and tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting either the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of the management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Liabilities

Current liabilities are measured at amortised cost, which usually corresponds to the nominal value of the liability.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

	2015	2014
	DKK	DKK
1. Staff costs		
Wages	685.828	472.537
Pensions	67.499	58.198
Other social security expenses	27.648	26.490
Other staff costs	45.350	31.466
Total	826.325	588.691
Average number of employees in the year	8	8

2. Taxes

Tax on profit for the year	31.067	0
Deferred tax of the year	3.611	13.139
Total	34.678	13.139

3. Property, plant and equipment

Figures in DKK	Other plant, fixtures and fittings, tools and equipment
Cost as at 31.12.14	753.923
Additions during the year	109.825
Cost as at 31.12.15	863.748
Depreciation and impairment losses as at 31.12.14	391.485
Depreciation during the year	156.836
Depreciation and impairment losses as at 31.12.15	548.321
Carrying amount as at 31.12.15	315.427

4. Inventories

Prepayments received from customers offset against inventories	0	0
--	---	---

5. Equity

Figures in DKK	Share capital	Retained earnings
<i>Statement of changes in equity for the period 01.01.14 - 31.12.14</i>		
Balance as at 31.12.13	125.000	115.651
Proposed distribution of net profit	0	33.442
Balance as at 31.12.14	125.000	149.093
<i>Statement of changes in equity for the period 01.01.15 - 31.12.15</i>		
Statement of changes in equity for the period as at 01.01.15	125.000	149.093
Proposed distribution of net profit	0	120.549
Statement of changes in equity for the period as at 31.12.15	125.000	269.642

There have been no changes in share capital during the four preceding financial years.