

Final Cut For Real ApS

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

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 30.06.24

Signe Byrge Sørensen
Dirigent

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The company

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

Executive Board

Janus Billeskov Jansen
Signe Byrge Sørensen

Board of Directors

Janus Billeskov Jansen
Joshua Lincoln Oppenheimer
Signe Byrge Sørensen
Anne Helene Köhncke

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Banks

Nordea Bank Danmark
Merkur Andelskasse

Lawyer

Law Factory, Advokatfirmaet Katrine Schlüter Schierbeck ApS

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

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Final Cut For Real ApS.

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 company's assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

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

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

Copenhagen, June 28, 2024

Executive Board

Janus Billeskov Jansen

Signe Byrge Sørensen

Board of Directors

Janus Billeskov Jansen
Chairman

Joshua Lincoln Oppenheimer

Signe Byrge Sørensen

Anne Helene Köhncke

Independent auditor's report on extended review

To the capital owners of Final Cut For Real ApS

Conclusion

We have conducted an extended review of the financial statements of Final Cut For Real ApS for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the company's financial position at 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the 'Auditor's responsibilities for the extended review of the financial statements' section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our basis for conclusion.

Statement regarding the management's review

Management is responsible for the management's review.

Our conclusion on the financial statements does not cover the management's review, and we do not express any form of assurance conclusion there on.

In connection with our extended review of the financial statements, it is our responsibility to read the management's review and in doing so consider whether the management's review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report on extended review

Based on the work we have performed, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in the management's review.

Management's responsibility for the financial statements

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

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of inquiries to management and others within the company, as appropriate, analytical procedures, the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Soeborg, Copenhagen, June 28, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Kim Nielsen
State Authorized Public Accountant
MNE-no. mne29417

Primary activities

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

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK 389,813 against DKK 1,666,332 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 4,768,382.

Final Cut for Real has continued it's activities in 2023. A highlight of the year was the Oscar nomination for our film A House Made of Splinters.

Otherwise the year has mainly been focused on the shoot and production of THE END, a six country European co-production, of which Final Cut for Real is one of the co-producers.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2023 DKK	2022 DKK
	Gross profit	4,573,218	5,123,009
1	Staff costs	-3,928,201	-2,931,645
	Profit before depreciation, amortisation, write-downs and impairment losses	645,017	2,191,364
	Depreciation and impairments losses of property, plant and equipment	-48,079	-53,373
	Operating profit	596,938	2,137,991
	Financial income	3,740	38,000
	Financial expenses	-98,146	-37,838
	Profit before tax	502,532	2,138,153
	Tax on profit for the year	-112,719	-471,821
	Profit for the year	389,813	1,666,332
	Proposed appropriation account		
	Retained earnings	389,813	1,666,332
	Total	389,813	1,666,332

ASSETS		31.12.23	31.12.22
		DKK	DKK
Note			
	Other fixtures and fittings, tools and equipment	73,363	75,900
2	Total property, plant and equipment	73,363	75,900
	Total non-current assets	73,363	75,900
3	Work in progress for third parties	3,566,491	2,311,338
	Trade receivables	2,026,200	1,455,183
	Other receivables	563,455	393,577
	Prepayments	0	313,849
	Total receivables	6,156,146	4,473,947
	Cash	5,343,711	10,405,845
	Total current assets	11,499,857	14,879,792
	Total assets	11,573,220	14,955,692

EQUITY AND LIABILITIES		31.12.23	31.12.22
		DKK	DKK
Note			
	Share capital	125,000	125,000
	Retained earnings	4,643,382	4,253,569
	Total equity	4,768,382	4,378,569
	Provisions for deferred tax	459,526	525,438
	Total provisions	459,526	525,438
3	Prepayments received from work in progress for third parties	3,393,480	2,099,622
	Trade payables	2,463,075	1,993,153
	Income taxes	68,082	193,982
	Other payables	420,675	5,764,928
	Total short-term payables	6,345,312	10,051,685
	Total payables	6,345,312	10,051,685
	Total equity and liabilities	11,573,220	14,955,692
4	Contingent liabilities		

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 01.01.22 - 31.12.22			
Balance as at 01.01.22	125,000	2,587,237	2,712,237
Net profit/loss for the year	0	1,666,332	1,666,332
Balance as at 31.12.22	125,000	4,253,569	4,378,569
Statement of changes in equity for 01.01.23 - 31.12.23			
Balance as at 01.01.23	125,000	4,253,569	4,378,569
Net profit/loss for the year	0	389,813	389,813
Balance as at 31.12.23	125,000	4,643,382	4,768,382

	2023	2022
	DKK	DKK
1. Staff costs		
Wages and salaries	4,411,985	3,998,858
Other social security costs	325,282	359,030
Other staff costs	257,516	142,795
Transferred to discontinuing operations	-1,066,582	-1,569,038
Total	3,928,201	2,931,645
Average number of employees during the year	8	8

2. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.23	1,173,841
Additions during the year	45,542
Cost as at 31.12.23	1,219,383
Depreciation and impairment losses as at 01.01.23	-1,097,941
Depreciation during the year	-48,079
Depreciation and impairment losses as at 31.12.23	-1,146,020
Carrying amount as at 31.12.23	73,363

	31.12.23 DKK	31.12.22 DKK
3. Work in progress for third parties		
Work in progress for third parties	11,119,726	11,183,190
On-account invoicing	-10,946,714	-10,971,476
Total work in progress for third parties	173,012	211,714
Work in progress for third parties	3,566,491	2,311,335
Prepayments received from work in progress for third parties, short-term payables	-3,393,480	-2,099,622
Total	173,011	211,713

4. Contingent liabilities

Recourse guarantee commitments

The company has provided a guarantee for the debt to credit institutions of which is not a group enterprise or associate. The guarantee is maximised at DKK 46,446. The debt to credit institutions concerned of amounts to DKK 41,504 at the balance sheet date.

5. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

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.

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

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

5. Accounting policies - continued -**GRANTS**

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for grants are expensed. Grants are recognised under other operating income.

INCOME STATEMENT**Gross profit**

Gross profit comprises revenue and cost of sales and other external expenses.

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 and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

5. Accounting policies - continued -

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value DKK
Other plant, fixtures and fittings, tools and equipment	5	0

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/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 comprise other fixtures and fittings, tools and equipment.

5. Accounting policies - continued -

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

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

Impairment losses on fixed assets

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

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

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.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

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

5. Accounting policies - continued -

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

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 tax paid on account.

5. Accounting policies - continued -

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases 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 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 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 elimination in 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.

Payables

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.