

Violent Heart ApS

c/o Revision København, Nimbusparken 24, 3. sal, 2000 Frederiksberg

Company reg-no.: 35205624

Annual report
1st January – 31th December 2016

(4th Financial year)

Approved at the annual General Meeting of the Company, on __/__/2017



Chairman of the meeting
Karen Marie Aagaard Ørsted Andersen

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MANAGEMENT'S STATEMENT

Today the Executive Board has discussed and approved the Annual Report of Violent Heart ApS for the period 1. January - 31. December 2016.

The Annual Report has been prepared in conformity with the Financial Statements Act.

The unaudited Annual Report has been prepared in conformity with the Financial Statements Act. The Executive Board considers the conditions for not performing an audit to have been met.

In my opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31. December 2016 and of its financial performance for the period 1. January - 31. December 2016.

In my opinion the Management commentary includes a fair review of the matters described.

We recommend that the Annual Report be approved by the Annual General Meeting.

Frederiksberg, March 16 2017

Directors



Karen Marie Aagaard Ørsted Andersen

AUDITORS' COMPILATION REPORT ON FINANCIAL STATEMENTS

To Management of Violent Heart ApS

We have compiled these financial statements of Violent Heart ApS for the period 1. January - 31. December 2016 based on the bookkeeping records of the Company and other information provided by you.

The financial statements include accounting policies, income statement, balance sheet and notes.

We have performed the compilation in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in preparing and presenting the financial statements in conformity with the Danish Financial Statements Act. We have observed the relevant provisions of the Danish Act on Approved Auditors and Audit Firms and the Code of Ethics for Professional Accountants issued by FSR - Danish Auditors, including the principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us for use in the compilation of these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements have been prepared in conformity with the Danish Financial Statements Act.

Frederiksberg, March 16 2017

Revision København

Certified public accountants (ltd.)

CVR.: 34619654



Mads Lutz Jørgensen
Certified Public Accountant FSR – Danish Auditors,
MSc in Business Administration and Auditing

COMPANY INFORMATION

The Company

Violent Heart ApS
c/o Revision København, Nimbusparken 24, 3. sal
2000 Frederiksberg

CVR-no.: 35 20 56 24
Financial year: 1. January - 31. December
Customer number: 14500841

Executive board

Karen Marie Aagaard Ørsted Andersen

Accountant

Revision København
Certified public accountants (Ltd.)
Nimbusparken 24, 3.
2000 Frederiksberg

MANAGEMENT COMMENTARY

Main activities of the Company

As in previous years, the main activities of the Company were music production and performances.

Unusual circumstances

There have been no other single events in the financial year, which is of such a significant nature that it requires mention in the management report.

Information on the company's revenue is omitted for competitive reasons.

There have been no significant uncertainty regarding recognition and measurement of financial statement items during the financial year.

Development in the activities and the financial situation of the Company

The company has continued its normal operations and has delivered a satisfactory result, which further helps to strengthen the company's equity.

Net profit is considered satisfactory.

Material events after the reporting date

No events have occurred after the reporting date that may materially affect the financial position of the company.

ACCOUNTING POLICIES

GENERAL INFORMATION

The financial statements of Violent Heart ApS for the financial year 2016 have been prepared in conformity with the provisions of the Financial Statement Act on class B enterprises.

The accounting policies applied in the financial statements are consistent with those of the previous year. The reporting currency is Danish kroner.

Recognition and measurement in general

The financial statements have been prepared under the historical cost convention.

Income is recognized in the income statement when earned. Value adjustments of financial assets and liabilities measured at fair value or amortized cost are also recognized in the income statement. Costs incurred to generate the earnings for the year are also recognized in the income statement, including amortization, depreciation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future financial benefits will flow to the Company and it is possible to obtain a reliable measurement of the individual assets.

Liabilities are recognized in the balance sheet when it is probable that future financial benefits will flow from the Company and it is possible to obtain a reliable measurement of the individual liabilities.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item.

Certain financial assets and liabilities are measured at amortized cost, whereby a constant effective interest rate is recognized over the life of the individual asset or liability. Amortized cost is determined as original cost less any repayments and with the addition/deduction of the accumulated amortization of the difference between cost and nominal amount.

Anticipated losses and risks arising before the presentation of the financial statements and confirming or disconfirming facts and circumstances known at the reporting date are taken into consideration at recognition and measurement.

The functional currency used is Danish kroner. All other currencies are considered foreign currencies.

Foreign currency translation

Foreign currency transactions are translated at the exchange rates ruling at the transaction dates. Gains and losses arising from movements between the exchange rates at the date of the individual transaction and the date of payment are recognized in the income statement as financial income or financial expenses.

ACCOUNTING POLICIES

Receivables, accounts payable and other monetary items denominated in a foreign currency, but not settled at the reporting date, are translated at the exchange rates ruling at the reporting date. Exchange rate differences between the exchange rates at the reporting date and the date of the individual transaction are recognized in the income statement as financial income or financial expenses.

INCOME STATEMENT

General information

Certain income and expenses have been aggregated in the item designated 'Gross profit' with reference to section 32 of the Financial Statements Act.

Gross profit

Gross profit is a combination of the items of 'Revenue', 'Change in inventories of finished goods, work in progress and goods for resale', 'Other operating income', 'Cost of raw materials and consumables' and 'Other external costs'.

Revenue

Revenue from the sale of goods for resale and finished goods is recognized in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end. Revenue is recognized exclusive of VAT and net of sales discounts.

Cost of raw materials and consumables

Cost of raw materials and consumables includes the cost related to music production, concerts, tour-expenses etc.

Other external expenses

Other external expenses include costs for sales, advertising, administration, premises, bad debts, rental expenses under operating leases, etc.

Staff costs

Staff costs include wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement from the Government.

Financial income and expenses

Financial income and expenses are recognized in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses, accounts payable and transactions in foreign currencies.

Tax on net profit for the year

Tax for the year comprises current tax and changes in deferred tax. The share attributable to the profit or loss for the year is recognized in the income statement, and the share attributable directly to equity is recognized directly in equity.

ACCOUNTING POLICIES

Any change in deferred tax as a result of changes in the tax rate, the share attributable to the profit is recognized in the income statement, and the share attributable directly to equity is recognized directly in equity.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued. Land is not depreciated.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognized prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of a composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

User time

Tools and equipment

5 years

Receivables

Receivables are measured at amortized cost, which normally corresponds to the nominal value. The value is reduced by an allowance for expected impairment losses.

Impairment of accounts receivable past due is established on individual assessment of receivables.

ACCOUNTING POLICIES

Dividends

Proposed dividends for the year are recognized as a separate item under equity. Proposed dividends are recognized as a liability when approved by the Annual General Meeting.

Corporate income tax and deferred tax

Current tax liabilities and current tax receivable are recognized in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured using the balance-sheet liability method on temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases. In cases where the tax base can be determined under alternative taxation rules, such as in relation to shares, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are measured at their anticipated net realizable value, either by elimination in tax on future earnings or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at their net realizable values.

Payables

Other payables, comprising trade payables and amounts owed to Group enterprises and associates and other accounts payable, are measured at amortized cost, which normally corresponds to the nominal value.

Deferred income

Where income that relates to subsequent years is received, the income is treated as deferred income.

INCOME STATEMENT 1. JANUARY - 31. DECEMBER 2016

	2016 kr.	2015 kr.
GROSS PROFIT	8.086.150	3.895.106
1 Staff costs	-2.921.160	-1.405.915
Amortization, depreciation and impairment losses - intangible assets and property, plant and equipment	-7.058	-9.848
Impairment of current assets	-85.250	-402.203
OPERATING PROFIT OR LOSS	5.072.682	2.077.140
Other financial income	1.883	0
Other financial expenses	-103.729	-59.784
PROFIT OR LOSS BEFORE TAX	4.970.836	2.017.356
2 Tax on net profit for the year	-1.086.332	-481.974
Other taxes	35.333	-202.382
PROFIT OR LOSS FOR THE YEAR	3.919.837	1.333.000
PROPOSED DISTRIBUTION OF NET PROFIT		
Proposed dividends for the year	500.000	50.600
Retained earnings	3.419.837	1.282.400
SETTLEMENT OF DISTRIBUTION TOTAL	3.919.837	1.333.000

BALANCE SHEET AT 31. DECEMBER 2016 ASSETS

	2016 kr.	2015 kr.
Other plant, fixtures and operating equipment	105.361	0
Property, plant and equipment	105.361	0
NON-CURRENT ASSETS	105.361	0
Trade receivables	1.216.416	1.152.065
Other receivables	336.905	473.514
Accruals	59.272	1.709
Receivables	1.612.593	1.627.288
Cash	5.639.243	476.973
CURRENT ASSETS	7.251.836	2.104.261
ASSETS	7.357.197	2.104.261

BALANCE SHEET AT 31. DECEMBER 2016 EQUITY AND LIABILITIES

	2016 kr.	2015 kr.
Contributed capital	80.000	80.000
Retained earnings	4.975.533	1.555.696
Proposed dividends for the year	500.000	50.600
3 EQUITY	5.555.533	1.686.296
Provision for deferred tax	4.630	0
PROVISIONS	4.630	0
Prepayments received on account	257.198	0
Trade creditors	999.503	370.437
Corporate income tax	501.962	27.781
Other accounts payable	19.734	17.789
Payables to owners and management	18.637	1.958
Short-term payables	1.797.034	417.965
PAYABLES	1.797.034	417.965
EQUITY AND LIABILITIES	7.357.197	2.104.261
4 Contingencies contingent etc.		
5 Charges and securities		

NOTES

	2016 kr.	2015 kr.
1 Staff costs		
Number of people employed	1	1
Wages and salaries	2.917.752	1.400.704
Other social security costs	3.408	5.211
	2.921.160	1.405.915

2 Tax on net profit for the year

Calculated tax on net profit for the year	1.100.176	481.985
Adjustment of deferred tax	4.630	-11
Adjustment of prior year tax	-18.474	0
	1.086.332	481.974

3 Equity

	Opening balance	Dividends distributed	Proposed distribution of net profit	Closing balance
Contributed capital	80.000	0	0	80.000
Retained earnings	1.555.696	0	3.419.837	4.975.533
Proposed dividends for the year	50.600	-50.600	500.000	500.000
	1.686.296	-50.600	3.919.837	5.555.533

The share capital is divided as follows:

80 shares of nom DKK 1.000	80.000
	80.000

NOTES

2016	2015
kr.	kr.

4 Contingencies contingent etc.

The company has no contingent assets or liabilities.

5 Charges and securities

The Company has not pawned assets or made other kind of security.

