

Skandinavisk Musikk Engros Distribusjon ApS

Vinkelgade 11, 5450 Otterup

Company reg. no. 39 46 46 32

Annual report

3 April - 31 December 2018

The annual report was submitted and approved by the general meeting on the 11 July 2019.



Benoit André Pierre Meurin
Chairman of the Board

Medlem af Grant Thornton International Ltd
Medlem af Revisorgruppen Danmark

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23.5 % means 23.5 %.

Management's report

The managing director has today presented the annual report of Skandinavisk Musikk Engros Distribusjon ApS for the financial year 3 April to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 3 April to 31 December 2018.

The managing director considers the requirements of omission of audit of the annual accounts for 2018 as met.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 11 July 2019

Managing Director


Benoit André Pierre Meurin

Auditor's report on compilation of the annual accounts

To the shareholders of Skandinavisk Musikk Engros Distribusjon ApS

We have compiled the annual accounts of Skandinavisk Musikk Engros Distribusjon ApS for the period 3 April to 31 December 2018 based on the bookkeeping of the company and on further information you have provided.

The annual accounts comprise the accounting policies used, profit and loss account, balance sheet and notes.

We performed this engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the annual accounts in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The annual accounts and the accuracy and completeness of the information used to compile them are your responsibility.

Since 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 to compile the annual accounts. Accordingly, we do not express an audit opinion or a review conclusion on whether the annual accounts are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 11 July 2019

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36



Michael Beuchert
State Authorised Public Accountant
mne32794

Company data

The company	Skandinavisk Musikk Engros Distribusjon ApS Vinkelgade 11 5450 Otterup
	Company reg. no. 39 46 46 32 Financial year: 3 April - 31 December
Managing Director	Benoit André Pierre Meurin
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Bankers	Nordfyns Bank A/S

Management's review

The principal activities of the company

The company's purpose is distribution of musical instruments and other accessories for musicians to Danish, Swedish, Finnish and Norwegian music stores and other related business.

Unusual matters

There have been no unusual matters during the fiscal year.

Uncertainties as to recognition or measurement

There have been no uncertainties as to recognition or measurement.

Development in activities and financial matters

The gross profit for the year is TDKK 372. The results from ordinary activities after tax are TDKK 285. The management consider the results satisfactory.

Events subsequent to the financial year

There have been no events subsequent to the financial year.

Accounting policies used

The annual report for Skandinavisk Musikk Engros Distribusjon ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement and administration etc.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Accounting policies used

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account

All amounts in DKK.

<u>Note</u>	3/4 2018 - 31/12 2018
Gross profit	371.543
Other financial costs	-6.246
Results before tax	365.297
1 Tax on ordinary results	-80.542
Results for the year	284.755
Proposed distribution of the results:	
Allocated to results brought forward	284.755
Distribution in total	284.755

Balance sheet

All amounts in DKK.

Assets	31/12 2018
<u>Note</u>	
Current assets	
Raw materials and consumables	<u>191.034</u>
Inventories in total	<u>191.034</u>
Trade debtors	<u>387.383</u>
Debtors in total	<u>387.383</u>
Available funds	<u>189.568</u>
Current assets in total	<u>767.985</u>
Assets in total	<u>767.985</u>

Balance sheet

All amounts in DKK.

<u>Note</u>	<u>31/12 2018</u>
Equity and liabilities	
Equity	
2 Contributed capital	50.000
3 Results brought forward	284.755
Equity in total	334.755
Liabilities	
Trade creditors	299.022
Corporate tax	80.542
Other debts	53.666
Short-term liabilities in total	433.230
Liabilities in total	433.230
Equity and liabilities in total	767.985
4 Mortgage and securities	
5 Contingencies	

Notes

All amounts in DKK.

	3/4 2018 - 31/12 2018
1. Tax on ordinary results	
Tax of the results for the year	80.542
	<u>80.542</u>
2. Contributed capital	
Contributed capital 3 April 2018	50.000
	<u>50.000</u>
3. Results brought forward	
Profit or loss for the year brought forward	284.755
	<u>284.755</u>
4. Mortgage and securities	
There are no mortgage and securities as of 31 December 2018.	
5. Contingencies	
There are no contingencies as of 31 December 2018.	