



# Naxos Denmark ApS

Worsaaesvej 19

1972 Frederiksberg C

CVR No. 75318413

## Annual Report 2016

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 23 May 2017

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Henrik Rørdam  
Chairman

**Bent Pedersen, registreret revisor**  
Råmosevej 11 A, 4672 Klippinge  
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Naxos Denmark ApS

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## Management's Statement

Today, Management has considered and adopted the Annual Report of Naxos Denmark ApS for the financial year 1 January 2016 - 31 December 2016.

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 assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 23 May 2017

Executive Board

Henrik Rørdam  
Manager

Naxos Denmark ApS

## Auditor's Report on Compilation of Financial Statements

To the day-to-day management of Naxos Denmark ApS

We have compiled the Financial Statements of Naxos Denmark ApS for the financial year 1 January 2016 - 31 December 2016 based on the Company's bookkeeping and other information provided by it.

The Financial Statements comprise Accounting Policies, Income Statement, Balance Sheet and Notes.

We have completed the engagement of Compiling Financial Information in accordance with The International Standards on Related Services, ISRS 4410 (Revised), Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of these Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions in the Danish Act on Auditors and Audit Firms as well as Danish Auditors' (FSR) ethical rules for auditors, including principles of integrity, objectivity, professional competence and due care.

The Financial Statement and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement regarding financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you have given us in order for us to compile the Financial Statements. Accordingly, we do not express an audit or review opinion on whether the Financial Statements are prepared in accordance with the Danish Financial Accounts Act.

Klippinge, 23 May 2017

bp-revision  
registreret revisorer FSR-danske revisorer  
approved auditfirm  
CVR-no. 15735376

Bent Pedersen  
certified accountant FSR

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## Company details

Company	Naxos Denmark ApS Worsaaesvej 19 1972 Frederiksberg C
CVR No.	75318413
Date of formation	9 August 1984
Financial year	1 January 2016 - 31 December 2016
Executive Board	Henrik Rørdam, Manager
Auditors	bp-revision registreret revisorer FSR-danske revisorer Råmosevej 11A 4672 Klippinge CVR-no.: 15735376

## Management's Review

### The Company's principal activities

The Company's principal activities consist in to manufacture and distribute classical music.

### Development in activities and financial matters

The Company's Income Statement of the financial year 01-01-2016 - 31-12-2016 shows a result of DKK 705.938 and the Balance Sheet at 31-12-2016 a balance sheet total of DKK 1.308.975 and an equity of DKK -5.931.947.

### Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

### Risks

The Company's ultimate parent company, Naxos Global Distribution Ltd., has in writing declared its willingness to supply the Company with sufficient financing until at least 31 December 2016, for which reason the financial statements have been prepared on a going concern basis.

It is Management's opinion that that the Company has sufficient financial resources to continue operations as a going concern.

## Accounting Policies

### Reporting Class

The Annual Report of Naxos Denmark ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

### Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

## Income Statement

### Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

### Revenue

Income from the sale of goods and finished goods is recognized in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in revenue.

### Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale.

### Other external expenses

Other external expenses comprise expenses regarding sale and administration.

### Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

### Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, debt and foreign currency transactions and allowances under the tax repayment scheme.

### Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

## Accounting Policies

### Balance Sheet

#### Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Merchandise are measured at cost comprising purchase price plus delivery costs.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

#### Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

#### Provisions

##### Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### Financial liabilities

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

#### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

#### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.



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Income Statement

	Note	2016 kr.	2015 kr.
Gross profit		721.020	-785.931
Staff costs	1	<u>0</u>	<u>0</u>
Profit from ordinary operating activities		721.020	-785.931
Finance expences		<u>-15.082</u>	<u>-23.815</u>
Profit from ordinary activities before tax		705.938	-809.746
Tax for the year		<u>0</u>	<u>0</u>
Profit		<u>705.938</u>	<u>-809.746</u>
		<u>705.938</u>	<u>-809.746</u>
Distribution of profit		<u>705.938</u>	<u>-809.746</u>

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Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
Assets			
Manufactured goods and goods for resale Inventories		<u>79.129</u>	<u>71.377</u>
Short-term trade receivables		244.701	854.688
Short-term receivables from group enterprises		19.506	157.719
Other short-term receivables		16.582	15.915
Deferred income		<u>0</u>	<u>40.084</u>
Receivables		<u>280.789</u>	<u>1.068.406</u>
Cash and cash equivalents		<u>949.057</u>	<u>1.508.741</u>
Current assets		<u>1.308.975</u>	<u>2.648.524</u>
Assets		<u>1.308.975</u>	<u>2.648.524</u>

## Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
Liabilities and equity			
Contributed capital	2	1.000.000	1.000.000
Retained earnings	3	-6.931.947	-7.637.885
Equity		<u>-5.931.947</u>	<u>-6.637.885</u>
Trade payables		26.538	129.685
Payables to group enterprises		7.040.251	8.400.130
Other payables		174.133	756.594
Short-term liabilities other than provisions		<u>7.240.922</u>	<u>9.286.409</u>
Liabilities other than provisions within the business		<u>7.240.922</u>	<u>9.286.409</u>
Liabilities and equity		<u>1.308.975</u>	<u>2.648.524</u>
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## Notes

	2016	2015
<b>1. Staff costs</b>		
Average number of employees	<u>0</u>	<u>0</u>
<b>2. Contributed capital</b>		
Balance at the beginning of the year	<u>1.000.000</u>	<u>1.000.000</u>
Balance at the end of the year	<u>1.000.000</u>	<u>1.000.000</u>
The share capital has remained unchanged for the last 5 years.		
<b>3. Retained earnings</b>		
Balance at the beginning of the year	-7.637.885	-6.828.139
Additions during the year	<u>705.938</u>	<u>-809.746</u>
Balance at the end of the year	<u>-6.931.947</u>	<u>-7.637.885</u>

**4. Uncertainties relating to going concern**

The Company's ultimate parent company, Naxos Global Distribution Ltd., has in writing declared its willingness to supply the Company with sufficient financing until at least 31 December 2017, for which reason the financial statements have been prepared on a going concern basis.

It is Management's opinion that that the Company has sufficient financial resources to continue operations as a going concern.

**5. Contingent liabilities**

No contingent liabilities exist at the balance sheet date.

**6. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.

**7. Deferred tax assets and liabilities**

There is an unrecognized deferred tax asset of t.DKK 706 relating to primary tax losses of t.DKK 5,617.