

Naxos Denmark ApS

Worsaaesvej 19
1972 Frederiksberg C

CVR No. 75318413

Annual Report 2020

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 11 May 2021

Henrik Rørdam
Chairman

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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 2020 - 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

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, 6 May 2021

Executive Board

Henrik Rørdam
Man. Director

Auditors' 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 2020 - 31 December 2020 based on the Company's bookkeeping and other information provided by it.

The Financial Statements comprise a summary of significant accounting Policies, income statement, balance sheet, statement of change in equity 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, 6 May 2021

bp-revision ApS, registrerede revisorer FSR

godkendt revisionsvirksomhed

CVR-no. 28842562

Bent Pedersen

Registered Public Accountant

mne10769

Naxos Denmark ApS



Company details

Company	Naxos Denmark ApS Worsaaesvej 19 1972 Frederiksberg C
email	henrik@naxos.dk
CVR No.	75318413
Date of formation	9 August 1984
Executive Board	Henrik Rørdam, Man. Director
Auditors	bp-revision ApS, registrerede revisorer FSR godkendt revisionsvirksomhed Råmosevej 11A 4672 Klippinge CVR-no.: 28842562

Management's Review

The Company's principal activities

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

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of DKK 310.706 and the Balance Sheet at 31 December 2020 a balance sheet total of DKK 2.920.727 and an equity of DKK -4.712.314.

The company has continued its normal operating activities. Apart from the outbreak of the Corona virus, there have been no isolated events during the financial year that are of such a significant nature that they require mention in the management's report.

The rapid spread of the Corona virus in Denmark and the rest of the world since March 2020 has necessitated a number of restrictions from the Danish authorities, which could potentially have major socio-economic consequences. The company is currently not directly affected by the restrictions implemented.

If the outbreak of the Corona virus becomes prolonged and the authorities implement further measures to stem the spread of infection, the socio-economic consequences could become significant. In such a scenario, the company may also be adversely affected. However, the authorities have already launched several financial support measures, and it is to be expected that further support measures will be implemented in the event of a prolonged outbreak that will mitigate the consequences of the restrictions.

The outbreak of the Corona virus and the restrictions imposed have not significantly affected the year's activities and economic development.

The development and result for the year are considered satisfactory in these circumstances.

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 2021, 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 2020 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.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and net of sales discounts.

Raw materials and consumables used

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs subcontractors and change in inventories for the year.

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit 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. Where the net realisable value is lower than cost, the inventories are written down to this lower value.

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

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.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

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.

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.

Liabilities

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

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

Income Statement

	2020	2019
Note	kr.	kr.
Gross profit	306.544	653.378
Profit from ordinary operating activities	306.544	653.378
Other finance income	14.354	860
Finance expences	-10.192	0
Profit from ordinary activities before tax	310.706	654.238
Tax expense on ordinary activities	0	0
Profit	310.706	654.238
Distribution of profit	310.706	654.238

Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
Assets			
Manufactured goods and goods for resale		244.183	315.997
Inventories		244.183	315.997
Short-term trade receivables		509.226	698.537
Other short-term receivables		403	112.866
Deferred income		0	600
Receivables		509.629	812.003
Cash and cash equivalents		2.166.915	2.332.552
Current assets		2.920.727	3.460.552
Assets		2.920.727	3.460.552

Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
Liabilities and equity			
Contributed capital		1.000.000	1.000.000
Retained earnings		-5.712.314	-6.023.020
Equity		-4.712.314	-5.023.020
Trade payables		1.230.433	1.688.032
Payables to group enterprises		5.612.969	5.612.970
Other payables		770.029	1.182.570
Deferred income, liabilities		19.610	0
Short-term liabilities other than provisions		7.633.041	8.483.572
Liabilities other than provisions within the business		7.633.041	8.483.572
Liabilities and equity		2.920.727	3.460.552
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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	1.000.000	-6.023.020	-5.023.020
Profit (loss)	0	310.706	310.706
Equity 31 December 2020	1.000.000	-5.712.314	-4.712.314

The share capital has remained unchanged for the last 5 years.

Notes

2020

2019

1. Staff costs

Average number of employees

0

0

2. 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 2021, 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.

3. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

4. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

5. Deferred tax assets and liabilities

There is an unrecognized deferred tax asset of t.DKK 1,024 relating to primary tax losses of t.DKK 4,657.

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Henrik Rørdam

Direktør

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