24-7 Entertainment ApS
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24-7 Entertainment ApS

Annual report 2014/15

The annual report was presented and adopted at the Company's annual general meeting

on ______________________ 2015____

____
chairman

CVR no. 29 83 46 28

Contents

Statement by the Executive Board

The Executive Board have today discussed and approved the annual report of 24-7 Entertainment ApS for the annual report for the financial year 1 October 2014 – 30 September 2015.

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

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2015 and of the results of the Company's operations for the financial year 1 October 2014 – 30 September 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 9 December 2015

Executive Board:

Erik Röser Dibbern

Morten Henrik Dahlgren

Independent auditor's report

To the shareholders of 24-7 Entertainment ApS

Independent auditor's report on the financial statements

We have audited the financial statements of 24-7 Entertainment ApS for the financial year 1 October 2014 – 30 September 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud of error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Independent auditor's report

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2015 and of the results of the Company's operations for the financial year 1 October 2014 – 30 September 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 9 December 2015
KPMG
Statsautoriseret Revisionspartnerselskab

Poul P. Petersen
State Authorised
Public Accountant

Management's review

Company details

24-7 Entertainment ApS
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1123 Copenhagen K

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CVR no.:	29 83 46 28
Established:	18 December 2006
Registered office:	Copenhagen
Financial year:	1 October – 30 September

Executive Board

Erik Roser Dibbern
Morten Henrik Dahlgren

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

CVR no.: 25 57 81 98

Annual general meeting

The annual general meeting will be held on 9 December 2015.

Management's review

Operating review

Principal activities

As in previous years, the Company's principal activities have included developing technical business-to-business solutions for online and mobile distribution of digital media.

Development in the year

The profit for the year amounts to DKK 1,725,727, which in Management's opinion is satisfactory. Management expects a profit for the coming years.

Subsequent events

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Financial statements 1 October 2014 – 30 September 2015

Accounting policies

The annual report of 24-7 Entertainment ApS for 2014/15 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange difference arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 October 2014 – 30 September 2015

Accounting policies

Income statement

Revenue

Income from the sale of services, is recognised in the income statement provided that transfer of risk to the buyer have taken place and that the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Net revenue and certain costs are shown jointly in accordance with the Danish Financial Statements Act § 32.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Other external costs

Other external costs comprise cost for distribution, sale, advertising, administration, costs of premises, bad debts, etc.

Financial income and expenses

Financial items comprise interest income and interest expense, capital gains and losses and losses on receivables, debts and transactions in foreign currency as well as surcharges and refunds under the on-account scheme, etc.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Financial statements 1 October 2014 – 30 September 2015

Accounting policies

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Tools and equipment	3-5 years

Financial statements 1 October 2014 – 30 September 2015

Accounting policies

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Receivables

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

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement and in equity.

Liabilities other than provisions

Liabilities are measured at net realisable value.

Financial statements 1 October 2014 – 30 September 2015

Income statement

	Note	2014/15	2013/14
Gross profit		25,221,414	23,219,545
Staff costs	1	-21,970,869	-21,168,182
Earnings before interest taxes, depreciation and amortisation		3,250,545	2,051,363
Depreciation on, amortisation of and impairment losses on property, plant and equipment	5	-851,833	-463,456
Profit before financial income and expenses		2,398,712	1,587,907
Financial income	2	0	1,143
Financial expenses	3	-63,952	-12,242
Profit before tax		2,334,760	1,576,808
Tax on profit for the year	4	-609,033	-381,806
Profit for the year		1,725,727	1,958,614

Proposed profit appropriation

Retained earnings		1,725,727	1,195,002
		1,725,727	1,195,002

Financial statements 1 October 2014 – 30 September 2015

Balance sheet

	Note	2014/15	2013/14
ASSETS			
Other fixtures and fittings, tools and equipment		1,756,780	1,465,088
Property, plant and equipment	5	1,756,780	1,465,088
Deposits		401,295	373,588
Financial assets		401,295	373,588
Total non-current assets		2,158,075	1,838,676
Trade receivables		0	35,265
Receivables from group entities		985,451	4,135,009
Other receivables		1,986,872	753,103
Deferred tax asset		34,827	60,666
		3,007,150	4,984,043
Cash at bank in and in hand		3,808,671	1,384,239
Total current assets		6,815,821	6,368,282
TOTAL ASSETS		8,973,896	8,206,958

Financial statements 1 October 2014 – 30 September 2015

Balance sheet

	Note	2014/15	2013/14
EQUITY AND LIABILTIES			
Equity			
Share capital		125,000	125,000
Retained earnings		4,840,282	3,114,555
Total equity	6	4,965,282	3,239,555
Trade payables		767,578	1,250,248
Corporation tax		829,325	654,382
Other payables		2,411,711	3,062,773
Current liabilities		4,008,614	4,967,403
Total liabilities		4,008,614	4,967,403
TOTAL EQUITY AND LIABILITIES		8,973,896	8,206,958
Contractual obligations, contingencies, etc.	7		
Related party disclosures	8		

Financial statements 1 October 2014 – 30 September 2015

Notes

		2014/15	2013/14
1	**Staff costs**		
	Wages and salaries	20,558,285	20,282,833
	Pensions	151,581	141,477
	Other social security costs	74,160	69,300
	Other staff costs	1,186,843	674,572
		21,970,869	21,168,182
2	**Financial income**		
	Other financial income	0	1,143
		0	1,143
3	**Financial expenses**		
	Other financial expenses	22,179	2,626
	Exchange loss	41,773	9,616
		63,952	12,242
4	**Tax on profit for the year**		
	Current tax for the year	583,194	366,131
	Deferred tax for the year	25,839	15,675
		609,033	381,806

Financial statements 1 October 2014 – 30 September 2015

Notes

5 Property, plant and equipment

	Fixtures and fittings, tools and equipment
Cost at 1 October 2014	3,052,025
Additions for the year	1,156,375
Disposals for the year	-13,350
Cost at 30 September 2015	4,195,050
Impairment losses and depreciation at 1 October 2014	1,586,937
Depreciation for the year	851,833
Impairment losses and depreciation at 30 September 2015	2,438,270
Carrying amount at 30 September 2015	1,756,780

6 Equity

	Share capital	Retained earnings	Total
Equity at 1 October 2014	125,000	3,114,555	3,239,555
Profit for the year	0	1,725,727	1,725,727
Equity at 30 September 2015	125,000	4,840,282	4,965,282

There has been no changes to the share capital during the last five years.

The share capital consists of 1,250 shares of a nominal value of DKK 100 each.

7 Contractual obligations, contingencies, etc.

At 30 September 2015, the Company has rental obligations amounting to DKK 657,939 (2013/14: DKK 638,775), equivalent to 6 months' notice.

8 Related party disclosures

24-7 Entertainment ApS' related parties comprise the following:

24-7 Entertainment GmbH, who is the principal shareholder.

24-7 Entertainment ApS is a part of the consolidated financial statements of 24-7 Entertainment GmbH and the consolidated financial statements of the ultimate parent company Metro AG. The consolidated financial statements for Metro AG Group can be obtained at the Company's website, www.metrogroup.de.