



Normann Copenhagen ApS

Niels Hemmingsens Gade 12
1153 Copenhagen
CVR No. 10008824

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Morten Toft

Chairman of the General Meeting

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Entity details

Entity

Normann Copenhagen ApS
Niels Hemmingsens Gade 12
1153 Copenhagen

Business Registration No.: 10008824
Registered office: Copenhagen
Financial year: 01.01.2023 - 31.12.2023

Executive Board

Jan Normann Andersen
Poul Andrzej Madsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Normann Copenhagen ApS for the financial year 01.01.2023 - 31.12.2023.

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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.06.2024

Executive Board

Jan Normann Andersen

Poul Andrzej Madsen

Independent auditor's report

To the shareholders of Normann Copenhagen ApS

Opinion

We have audited the financial statements of Normann Copenhagen ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

København, 28.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Henrik Jacob Vilmann Wellejus

State Authorised Public Accountant

Identification No (MNE) mne24807

Brian Schmit Jensen

State Authorised Public Accountant

Identification No (MNE) mne40050

Management commentary

Primary activities

The Company's main activity is design, production and sales of designer furniture, lamps and design articles.

Development in activities and finances

The Company generated a loss for the year before tax of DKK 13,868k. Last year the loss before tax was DKK 4,073k.

The result for the year is considered unsatisfactory.

Gross profit in 2023 was DKK 43,078k. Last year it amounted to DKK 53,527k. During the same period the operating loss was DKK 11,957k in 2023 compared to an operating loss of DKK 2,269k last year.

The development is considered unsatisfactory and can exclusively be attributed to the rising prices and slowdown within certain customer segments.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Gross profit/loss		43,078	53,527
Staff costs	2	(48,822)	(49,482)
Depreciation, amortisation and impairment losses		(6,213)	(6,314)
Operating profit/loss		(11,957)	(2,269)
Other financial income	3	471	256
Other financial expenses		(2,382)	(2,060)
Profit/loss before tax		(13,868)	(4,073)
Tax on profit/loss for the year	4	2,913	742
Profit/loss for the year		(10,955)	(3,331)
Proposed distribution of profit and loss			
Retained earnings		(10,955)	(3,331)
Proposed distribution of profit and loss		(10,955)	(3,331)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Completed development projects	5	5,688	6,486
Intangible assets		5,688	6,486
Other fixtures and fittings, tools and equipment		5,648	5,852
Leasehold improvements		3,570	4,319
Property, plant and equipment		9,218	10,171
Deposits		176	0
Other receivables		168	168
Financial assets		344	168
Fixed assets		15,250	16,825
Manufactured goods and goods for resale		55,457	60,582
Prepayments for goods		0	1,751
Inventories		55,457	62,333
Trade receivables		21,010	24,109
Receivables from group enterprises		18,886	17,285
Deferred tax		2,063	0
Other receivables		1,312	1,490
Income tax receivable		0	121
Joint taxation contribution receivable		0	37
Prepayments		669	1,905
Receivables		43,940	44,947
Cash		7,920	6,777
Current assets		107,317	114,057
Assets		122,567	130,882

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		125	125
Reserve for development expenditure		4,437	5,059
Retained earnings		62,232	72,563
Equity		66,794	77,747
Deferred tax		0	1,086
Provisions		0	1,086
Other payables		3,536	3,414
Non-current liabilities other than provisions	6	3,536	3,414
Bank loans		26,100	19,442
Prepayments received from customers		1,665	2,570
Trade payables		19,860	23,380
Income tax payable		11	0
Other payables		3,228	2,138
Deferred income		1,373	1,105
Current liabilities other than provisions		52,237	48,635
Liabilities other than provisions		55,773	52,049
Equity and liabilities		122,567	130,882
Uncertainty relating to recognition and measurement	1		
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Assets charged and collateral	9		
Non-arm's length-related party transactions	10		
Group relations	11		

Statement of changes in equity for 2023

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	125	5,060	72,564	77,749
Transfer to reserves	0	(623)	623	0
Profit/loss for the year	0	0	(10,955)	(10,955)
Equity end of year	125	4,437	62,232	66,794

Notes

1 Uncertainty relating to recognition and measurement

Normann Copenhagen has had negative results two years in a row. There is uncertainty in the recognition and measurement related to deferred tax assets. Deferred tax assets mainly consist of tax losses carried forward. Management expects positive results within the next three years and therefore Normann Copenhagen will be able to utilize the tax losses carried forward.

2 Staff costs

	2023	2022
	DKK'000	DKK'000
Wages and salaries	46,827	47,507
Pension costs	1,653	1,708
Other social security costs	342	267
	48,822	49,482
Average number of full-time employees	85	86

3 Other financial income

	2023	2022
	DKK'000	DKK'000
Financial income from group enterprises	442	256
Other interest income	29	0
	471	256

4 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Current tax	236	261
Change in deferred tax	(3,149)	(991)
Adjustment concerning previous years	0	25
Refund in joint taxation arrangement	0	(37)
	(2,913)	(742)

5 Development projects

Development projects involve software development, digital design, and artwork for product launches and campaigns, as well as the design and development of products that are being produced and sold.

6 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
Other payables	3,536	3,536
	3,536	3,536

Non-current liabilities consists of long-term holiday pay.

7 Unrecognised rental and lease commitments

	2023 DKK'000	2022 DKK'000
Liabilities under rental or lease agreements until maturity in total	16,213	19,402

8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Normann Copenhagen Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Entity has issued a letter of support to the affiliated entity JAPO Trading.

9 Assets charged and collateral

Bank loans of DKK 26,100k are secured by way of a deposited mortgage deed registered to the mortgagor of DKK 19,000k and two times DKK 3,000k nominal.

The company has issued a joint and several surety bond against total bank debt of DKK 8,542k in JAPO Trading ApS.

Payment guarantees have been provided of DKK 2,753k.

10 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

11 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Normann Copenhagen Holding ApS, Niels Hemmingsens Gade 12, 1153 Copenhagen.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Due to the exception in the Danish Financial Statements Act section 78a, the company reports as a class B enterprise in the current year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, cost of raw materials and consumables, other operating income and external expenses.

Revenue

Revenue from sales is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, such as profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc comprise development projects completed with related intellectual property rights and acquired intellectual property rights.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5-10 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	5-10 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

Items of plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.