HOLMRIS B8 A/S

Odinsvej 5
8850 Bjerringbro

Business Registration No. 21 32 00 80

Annual Report
01.05.2020 – 30.04.2021

The Annual General Meeting adopted the Annual Report on / 2021

Chairman of the General Meeting

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Name: Peter Thostrup

Contents

Company information

The Company

HOLMRIS B8 A/S
Odinsvej 5
DK-8850 Bjerringbro

Business Registration No.: 21 32 00 80
Registered office: Viborg

Date of incorporation: 01.12.1998
Financial year: 01.05.2020 – 30.04.2021

Board of Directors:
Peter Thostrup, Chairman
Jacob Østergaard Bergenholtz, Vice Chairman
Jens-Peter Poulsen
Peter Liu Johansen
Jan Lythcke-Jørgensen

Executive Board
Flemming Ib Windfeld
Henrik Holmris Hansen
Niels Henrik Lauritzen

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management

The Board of Directors and Executive Board have today discussed and approved the annual report for HOLMRIS B8 A/S for the financial year 2020/21.

The consolidated financial statements and the parent's financial statements have been prepared in accordance with International Financial Reporting Standards, which have been adopted by the EU.

Further, the consolidated financial statements have been prepared in accordance with additional requirements under the Danish Financial Statements Act.

In our opinion the consolidated financial statements and the financial statements for the parent company give a true and fair view of HOLMRIS B8 Group's and the parent company's assets, liabilities and financial position at April 30, 2021 and of the results of the HOLMRIS B8 Group's and the parent company's operations and cash flow for the financial year 2020/21.

The management review contains in our opinion a true and fair review of the development in the HOLMRIS B8 Group's and the parent company's operations, financial circumstances and results for the year, and the parent company's financial position, and describes the material risks and uncertainties affecting the HOLMRIS B8 Group and the parent company.

We recommend that the Annual Report will be approved at the Annual General Meeting.

Copenhagen, 31 August 2021

Executive Board

Flemming Ib Windfeld   Henrik Holmris Hansen   Niels Henrik Lauritzen

Board of Directors

Peter Thostrup
Chairman

Jacob Østergaard Bergenholtz
Vice Chairman

Jens-Peter Poulsen   Peter Liu Johansen   Jan Lythcke-Jørgensen

Independent auditor's report

To the Shareholders of HOLMRIS B8 A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of HOLMRIS B8 A/S for the financial year 01.05.2020 – 30.04.2021, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.04.2021, and of the results of their operations and cash flows for the financial year 01.05.2020 - 30.04.2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Management's responsibilities for the consolidated financial statements and the parent financial statements
Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Parent to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Violation of the Danies Companies Act

Contrary to § 206 Danish Companies Act, the Parent has indirectly contributed to the financing of Holmris Holding A/S' acquisition of shares in the Parent. The financing ceased in August 2021 through an extraordinary dividend payment.

Aarhus, 31 August 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Jacob Nørmark
State-Authorised Public Accountant
Identification No (MNE) mne30176

Management commentary

Primary activities

The Group is a leading Scandinavian design house developing, selling and servicing innovative interior design solutions for spaces within offices, learning environments and the hospitality sectors as well as related consultancy services. The solutions are based on own products and third-party products from more than 1,000 brand partners supported by a flexible supply chain. The Group's sales activities take place from both the parent company and subsidiaries. The solutions are sold partly in Denmark where the Group is a clear market leader, in markets where our customers operate and in selected export markets.

Development in activities and finances

In the 2020/21 accounting year, the Group achieved a revenue of DKK 852,974 thousand and a normalized EBITDA of DKK 45,759 thousand. The revenue was higher than expected, but lower than previous accounting year. The decrease from the previous year was solely driven by a low revenue level in the first couple of months of the 2020/21 accounting year due to the Global Covid-19 situation depressing order intake in March through May 2020. In light of the uncertain outlook at the time and to secure sufficient financial buffer enabling future growth the Group strengthened its balance sheet with support of the Group's bank, long-term lenders and shareholders. Order intake returned to normal levels already in June 2020 and following strong and focused sales efforts, the order book stood at an all-time high level at the end of the 2020/21 accounting year, i.e. in April 2021.

In the previous year, the 2019/20 accounting year, the integration of the B8 acquisition was completed and the complexity in the Group was significantly reduced. A further simplification of the supply chain was also initiated, and this was completed during the 2020/21 accounting year where the main production in the Group was outsourced to existing and new partners in Denmark and abroad. The Group has deliberately maintained a minor production capacity. All these actions have secured that the Group can continue to be able to deliver innovative solutions to its customers based on an efficient and flexible supply chain. In addition, the actions have resulted in a significant reduction of the Group’s fixed cost. The positive effects from the actions were evidenced by increased profitability month by month throughout the 2020/21 accounting year.

The Group merged its Norwegian entity with Form Funk AS creating a larger player to serve the Norwegian market with the Group’s products. The Group retains a 40 % equity stake in the new Norwegian company. This leaves the Group with strong footholds in both Norway and the Netherlands (100 % owned).

Thereby the Group has maintained its market position and its ability to deliver innovative solutions to its customers, both in Denmark and abroad. The focus on sustainability has continued to increase throughout the 2020/21 accounting year across all business segments and tech and data-driven concepts are expanding.

To further support the strategy of the Group, Flemming Ib Windfeld was appointed as new CEO as of 1 February 2021 and former CEO Henrik Holmris appointed to a new role as Creative Director.

Profit/loss for the year in relation to expected developments

The revenue level has been realized higher than expected due to a more rapid return of order intake than originally expected on the back of the Global Covid-19 situation. The result for the year has also been realized above original expectations, mainly driven by the higher revenue level coupled with the positive effects from the lower fixed costs.

Outlook

Group management is confident about the future and note that the operating entity, HOLMRIS B8 A/S, has become significantly stronger and much less complex than in previous years. For 2021/22, Group management expects a higher revenue than in 2020/21 driven by the strong order backlog and generally higher activity level. Group management also expects the profitability to increase in the 2021/22 accounting year, driven by both higher revenue as well as full-year effects of the many completed initiatives.

Particular risks

The Group is not exposed to any particular risks beyond usual risks within the Group's industry. In general, the Global Covid-19 situation is currently seen to represent the most significant external risk, in particular the increasing raw material prices and scarcity of products and raw materials impacting the supply chain.

Price risks

Increased risk is seen driven by the Global Covid-19 situation, cf. the above.

Foreign exchange risks

It is the Group's policy to hedge the commercial foreign exchange risks for up to 12 months. Such hedging is primarily obtained through foreign exchange contracts on anticipated sales and purchases over the next 12 months in the relevant currencies. Exchange adjustments of investments in subsidiaries and associates which are independent entities are recognized directly in equity. As a principal rule, related currency risks are not hedged, as the Group believes that current hedging of such long-term investments will not be optimal from an overall risk and cost point of view.

Interest rate risks

Significant changes in the interest rate level will have a minor impact on earnings, which, however, is not considered material.

Intellectual capital resources

In addition to the Group's primary activity of developing, selling and servicing innovative interior solutions, the Group's business foundation includes advisory services to customers on the design of the workplace. The Group has own product designs and brand and cooperation with more than 1,000 third-party brand partners. This places particularly high demands on the knowledge resources regarding employees and business processes. Moreover, there are special requirements for the knowledge resources in the development and production of the Group's main products. In order to continuously deliver these solutions, it is crucial for the Group to be able to recruit and retain employees, both employees with a high educational level and employees with technical experience.

The critical business processes relating to the Group's main products are design, construction, service, quality and, to a less extent, individual solutions. In order to ensure that the customer receives the agreed service, the individual methods and procedures are required to be documented. As a measure of whether the Group meets this requirement, observance of delivery time and the number of customer complaints are important indicators of how the business processes are working. In the coming year, emphasis will be on a further reduction of delivery and development times without compromising on quality and the technological level.

Environmental performance

On behalf of the Group, HOLMRIS B8 A/S has prepared an overall strategy for its environmental efforts. An environmental policy and related objectives have been developed in this respect to manage the environmental efforts. The environmental policy is based on environmentally sound operations and is integrated as a natural element of the Group's objectives for product quality and supply chain.

Research and development activities

The development activities are managed in the parent company where they are primarily carried out. There were no major development activities during the accounting year.

Statutory report on corporate social responsibility

The Group has prepared a CSR report. The CSR report includes HOLMRIS B8's report on the gender composition of management, see S. 99b of the Danish Financial Statements Act, and HOLMRIS B8's report on corporate social responsibility, see S. 99a of the Danish Financial Statements Act. The CSR report can be found on HOLMRIS B8's website at the following link: http://media.holmris.com/csr/csr-rapport-2021/

Statutory report on the underrepresented gender

The report on the underrepresented gender is incorporated in the above CSR report.

Events after the balance sheet date

No significant events have been experienced since the balance sheet date.

Key figures and ratios

DKK'000	2020/21	2019/20	2018/19	2017/18*	2016*
Income statement					
Revenue	852,974	1,140,881	1,139,912	1,076,920	678,292
Gross profit/loss	271,172	357,197	385,858	247,568	166,445
Normalised EBITDA (non-IFRS)	45,759	52,728	56,979	35,948	40,441
EBITDA (IFRS)	45,499	37,413	56,979	35,948	40,441
Operating profit before non-recurring items	12,224	(20,306)	18,904	8,851	21,512
Non-recurring items	754	(27,295)	(14,185)	-	-
Net financials	(12,834)	(12,379)	(8,621)	(11,293)	(499)
Profit/loss before tax	142	(59,980)	(3,902)	(2,442)	21,013
Profit/loss for the year	14,431	(58,755)	(5,783)	(7,483)	13,920
Statement of financial position					
Investments in property, plant and equipment	4,465	3,205	10,537	20,107	8,178
Total assets	383,937	401,704	506,375	379,583	374,106
Equity	42,002	27,602	93,264	93,094	76,104
Gross margin	31.8%	31.3%	33.8%	23.0%	24.5%
Net margin	1.7%	(5.1%)	(0.5%)	(0.7%)	2.1%
Return on equity	41,5%	(97.2%)	(6.2%)	(8.8%)	25.6%
Equity ratio with netting of cash position	10.9%	7.4%	18.4%	25.9%	20.3%
Equity ratio	10.9%	6.9%	18.4%	24.5%	20.3%

* In accordance with section 101 of the Danish Financial Statements Act, key figures for the years 2015 – 2017/18 have not been adjusted to reflect the effects of the transition to IFRS. Refer to note 2 for details on the transition to IFRS.

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio with netting of cash position (%)	$\frac{\text{Equity including shareholder loans x 100}}{\text{Total assets, cash net}}$	The financial strength of the entity.
Equity ratio (%)	$\frac{\text{Equity including shareholder loans x 100}}{\text{Total assets}}$	The financial strength of the entity.

Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income

Consolidated income statement

DKK'000	Note	2020/21	2019/20
Revenue	3	852,974	1,140,881
Cost of sales		(581,802)	(783,684)
Gross profit/(loss)		**271,172**	**357,197**
Staff costs	4	(165,723)	(227,404)
Other external expenses		(59,950)	(92,380)
Operating profit/(loss) before amortisation and depreciation		**45,499**	**37,413**
Amortisation and depreciation	6	(33,275)	(57,719)
Operating profit/(loss) before non-recurring items		**12,224**	**(20,306)**
Non-recurring items	7	754	(27,295)
Financial income	8	435	28
Financial expenses	9	(13,271)	(12,407)
Profit/(loss) before tax		**142**	**(59,980)**
Tax on profit/(loss)	10	14,289	1,225
Profit/(loss) for the financial year		**14,431**	**(58,755)**
Other comprehensive income/loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign enterprises		(31)	(318)
Other comprehensive income/(loss) after tax		**(31)**	**(318)**
Total comprehensive income/(loss)		**14,400**	**(59,073)**

Consolidated financial statements

Consolidated statement of financial position

DKK'000	Note	30 April 2021	30 April 2020
Assets			
Goodwill		112,920	112,920
Acquired intangible assets		5,631	6,514
Completed development projects		7,125	7,446
Development projects in progress		204	2,466
Total intangible assets	11	**125,880**	**129,346**
Plant and machinery	12	1,949	867
Other fixtures, fittings and operating equipment	12	2,746	3,133
Leasehold improvements	12	1,274	969
Property, plant and equipment in progress	12	-	-
Right-of-use assets	13	33,251	55,012
Total property, plant and equipment		**39,220**	**59,981**
Investment in associates	14	10,846	-
Deposits		3,256	3,319
Deferred tax	10	22,851	8,369
Total financial assets		**36,953**	**11,688**
Total non-current assets		**202,053**	**201,015**
Inventories	15	77,284	93,239
Trade receivables	16	73,044	60,445
Receivables from group enterprises		2,189	1,068
Receivables from associates		12,653	-
Other receivables	16	11,824	2,318
Tax receivables	10	-	76
Prepaid expenses		4,709	2,926
Cash and cash equivalents		181	40,617
Current assets		**181,884**	**200,689**
Total current assets		**181,884**	**200,689**
Assets		**383,937**	**401,704**

DKK'000	Note	30 April 2021	30 April 2020
Equity and liabilities			
Share capital		545	545
Retained earnings		41,457	27,057
Total equity		**42,002**	**27,602**
Other provisions	17	1,225	7,262
Bank loans	18	45,000	-
Other non-current liabilities	18	18,712	15,919
Lease liabilities	18	20,658	33,412
Total non-current liabilities		**85,595**	**56,593**
Current portion of long-term liabilities other than provisions	18	19,167	26,650
Revolving Credit Facility	18	18,835	119,312
Contract liabilities	3	26,121	12,971
Trade payables		134,232	96,380
Joint taxation contribution payable	10	510	962
Other payables		57,475	61,234
Total current liabilities		**256,340**	**317,509**
Total liabilities		**341,935**	**374,102**
Equity and liabilities		**383,937**	**401,704**

Consolidated financial statements

Consolidated statement of changes in equity

DKK'000	**Contributed capital**	**Retained earnings**	**Total**
2020/2021			
Equity at 1 May	**545**	**27,057**	**27,602**
Profit/loss for the year	-	14,431	14,431
Comprehensive income for the year			
Exchange rate adjustments	-	(31)	(31)
Other comprehensive income	-	-	-
Equity at 30 April	**545**	**41,457**	**42,002**

DKK'000	**Contributed capital**	**Retained earnings**	**Total**
2019/2020			
Equity at 1 May	**545**	**86,130**	**86,675**
Profit/loss for the year	-	(58,755)	(58,755)
Comprehensive income for the year			
Exchange rate adjustments	-	(318)	(318)
Other comprehensive income	-	-	-
Equity at 30 April	**545**	**27,057**	**27,602**

Share capital

Share capital consists of 545 shares of DKK 1,000 each.

The Board of Directors proposes an extraordinary dividend of DKK 20,000 thousand which will be adopted at the General Meeting 27 August 2021.

Consolidated financial statements

Cash flow statement

DKK'000	Note	2020/21	2019/20
Operating profit /loss		12,224	(20,306)
Amortisation, depreciation and impairment losses		33,275	58,658
Non-recurring items		(10,410)	(27,295)
Other provisions		(7,003)	7,011
Working capital changes	19	26,051	14,017
Cash flow from ordinary operating activities		**54,137**	**32,085**
Interest received / income		435	28
Interest paid / expenses		(13,271)	(12,407)
Income taxes refunded / paid		(646)	(2,988)
Cash flow from operating activities		**40,655**	**16,718**
Investments in intangible assets		(774)	(10,069)
Investments in property, plant and equipment		(4,760)	(826)
Sale of property, plant and equipment		4,612	1,418
Sale of intangible assets		194	-
Deposits		-	618
Other investments		-	-
Cash flows from investing activities		**(728)**	**(8,859)**
Changes in Revolving Credit Facility, net	20	(100,477)	17,016
Changes in other borrowings	20	50,806	14,896
Payment of principal portion of lease liabilities	20	(30,692)	(26,103)
Changes in loans to group enterprises		-	16,775
Cash flows from financing activities		**(80,363)**	**22,584**
Cash flows for the year		(40,436)	30,443
Cash at 1 May		40,617	10,174
Cash and cash equivalents at 30 April		**181**	**40,617**

Notes

Notes

1. Summary of significant accounting policies

Compliance with International Financial Reporting Standards

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and additional Danish disclosure requirements for the financial statements of reporting class C (Large) enterprises, cf. the Danish Executive Order on Adoption of IFRSs ("IFRS-bekendtgørelsen") issued in accordance with the Danish Financial Statements Act ("DFSA").

Basis of preparation

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The consolidated financial statements are presented in DKK thousands and all values are rounded to the nearest thousand (DKK'000), except when otherwise indicated.

The accounting policies set out below have been used consistently in respect of the financial year and the comparative figures.

Basis of consolidation

The financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The profits or losses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

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 Group, and the value of the asset can be measured reliably.

1. Summary of significant accounting policies (continued)

Liabilities are recognised in the balance sheet when the Group 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 Group, 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.

Functional currency and presentation currency

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.

When recognising foreign subsidiaries and associates that are independent entities with different functional currencies, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Going concern

The Board of Directors has a reasonable expectation that the Group has adequate resources to continue as a going concern for the foreseeable future, having considered the Group's forecasts and projections, taking account of reasonably possible changes in operating performance and the current economic uncertainty. Accordingly, they have adopted the going concern basis of accounting in preparing the financial statements.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

1. Summary of significant accounting policies (continued)

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, utilisation of revolving credit facility, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and cash equivalents.

Income statement

Revenue from contracts with customers
Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements. The normal credit term is 14 to 60 days upon delivery.

Office interior solutions
Revenue from the sale of furniture is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment or at the customer's acceptance, if the contract contains acceptance requirements.

Hospitality services
The Group provides installation and services that are either sold separately or in a bundle together with the sale of furniture to a customer. Installation and services comprise one performance obligation because the Group determined that the hospitality services are a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. Contracts for bundled sales of furniture and installation/services are therefore comprised of two performance obligations because the promises to transfer furniture and provide installation/services are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

The Group concluded that revenue from installation/services is to be recognised over time because the Group's performance enhances the assets and that the customer simultaneously receives and consumes the benefits provided by the Group. The Group determined that the output method is the best method in measuring progress of the services, hence the Group recognises revenue on the basis of milestones reached (e.g. rooms finished).

1. Summary of significant accounting policies (continued)

Cost of sales

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

Other external expenses

Other external expenses include expenses relating to the Group's ordinary activities, 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 as well as social security contributions, pension contributions, etc. for group staff.

Non-recurring items

Non-recurring items include significant income and expenses of a special nature in terms of the Group's revenue-generating activities that cannot be attributed directly to the Group's ordinary operating activities.

Non-recurring items include costs related to outsourcing and restructuring activities, premises costs related to consolidation on fewer physical locations, other normalizations one-off issues and strategy, consolidation and process optimization.

Non-recurring items are shown separately from the Group's ordinary operations to facilitate a better understanding of the Group's financial performance.

Depreciation and amortisation

Depreciation and amortisation relating to property, plant and equipment and intangible assets comprise depreciation and amortisation for the financial year, as well as gains and losses from the sale of intangible assets and property, plant and equipment.

Financial expenses

Financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

1. Summary of significant accounting policies (continued)

Taxation

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 in other comprehensive income (OCI) for items in OCI and directly in equity by the portion attributable to entries directly in equity. The Group is jointly taxed with the Parent Company, Holmris Holding A/S, and all of the Parent Company's other Danish subsidiaries. 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).

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 or the planned settlement of each liability. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carry forwards, 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.

Income tax receivable or payable

Current tax receivable or payable 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 receivable or payable are recognised in the balance sheet, calculated as tax computed on the taxable income of 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.

Balance sheet

Goodwill

Goodwill comprises the amount by which the cost of the acquired operation exceeds the established fair value of identifiable net assets, as recognised in the acquisition analysis. In connection with the acquisition of operating activities, goodwill is allocated to cash-generating units. Since goodwill has an indefinite useful life, it is not amortised. Thus, it is not possible to determine a useful life. Instead, goodwill is subject to impairment testing either annually or when an indication of impairment arises. The carrying amount comprises the cost less any accumulated impairment losses.

1. Summary of significant accounting policies (continued)

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is lower than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis on the carrying amount of each asset in the unit. Any impairment of goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit/(loss) on disposal.

Other intangible assets
Other intangible assets comprise development projects completed and in progress with related intangible assets acquired.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.
The cost of development projects comprises costs that are directly and indirectly attributable to the development projects.

Development projects in progress are subject to impairment testing either annually or when an indication of impairment arises. The carrying amount comprises the cost less any accumulated impairment losses.

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 amortisation period is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Other intangible assets acquired are measured at cost less accumulated amortisation, and are written down to the lower of recoverable amount and carrying amount. The amortisation period is 10 years.

1. Summary of significant accounting policies (continued)

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment 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:

Plant and machinery	3 - 10 years
Other fixtures and fittings, tools and equipment	3 - 8 years

Estimated useful lives and residual values are reassessed annually. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Leases

When entering into an agreement, the Company assesses whether an agreement is a lease agreement or contains a lease element.

The right-of-use asset is measured at cost, which is calculated as the present value of the lease obligation plus any direct costs related to the entering into of the lease and prepaid lease payments.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset.

The Company leases vehicles and properties which include a service element in the payments to the lessor. This service is deducted from the lease payment when measuring the lease obligation. Where the Company cannot reliably separate lease and non-lease items, it is considered a single lease payment.

Short leases with a maximum lease term of 12 months and leases where the underlying asset has a low value are not recognised in the statement of financial position.

The lease term is defined as the non-cancellable period of a lease together with periods covered by options to extend the lease if it is reasonably certain that the options will be exercised and periods covered by options to terminate the lease if it is reasonably certain that the options will not be exercised. A number of leases contain extension and termination options in order to guarantee operational flexibility in managing the leases.

1. Summary of significant accounting policies (continued)

The lease obligation, which is recognised under “Lease liabilities”, is measured at the present value of the remaining lease payments, discounted by the Company’s incremental loan interest rate, if the implicit interest rate is not stated in the lease agreement or cannot reasonably be determined. The lease obligation is subsequently adjusted if:

- The value of the index or interest rate on which the lease payments are based changes.
- There is a change in the exercise of options to extend or shorten the lease period due to a material event or material change in circumstances which are within the control of the lessee.
- The lease term is changed as a result of exercising an option to extend or shorten the lease term.

Subsequent adjustments of the lease obligation are recognised as a correction to the right-of-use asset. However, if the right-of-use asset has a value of DKK 0, a negative reassessment of the right-of-use asset is recognised in the income statement.

Investments in associates

Associates is an entity over which the Group has significant influence, but not control. Investments in associates are accounted for using the equity method. Under the equity method, interests in associates are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group’s share of losses in a associate equals or exceeds its interests in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’ interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Deposits

On initial recognition, deposits are measured at fair value and subsequently at amortised cost less impairment losses, if any.

Inventories

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

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

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

1. Summary of significant accounting policies (continued)

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

Contract assets and liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays the consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

Trade receivables

Trade receivables consist of trade receivables not subject to factoring and are measured at amortised cost less provisions for expected credit losses. The Group applies the simplified approach in order to measure lifetime expected credit losses. Trade receivables have been grouped based on shared credit risk characteristics. Trade receivables are subject to impairment, where the actual provision made is based on a predefined percentage dependent on the number of reminders sent to the customer.

Other receiveables

Other receivables consist of unpaid consideration from the factoring agreement measured at amortised cost, usually equalling nominal value.

Prepayments

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

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the end of reporting period.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments etc. Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

1. Summary of significant accounting policies (continued)

Bank loans

Bank loans are initially recognised at fair value net of transaction expenses and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities comprise holiday allowances, other payables, VAT and other accrued costs. Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

2. Significant accounting estimates and judgements

Significant accounting estimates

As part of the preparation of the consolidated financial statements, Management makes a number of accounting estimates and judgements as well as assumptions as a basis for recognising and measuring the Group's assets, liabilities, income and expenses. The estimates, judgements and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur for which reason the actual results may differ from the estimates and judgements made. The Group's accounting policies are described in detail in note 1 to the consolidated financial statements to which we refer.

Management considers the following accounting estimates and judgements to be significant in the preparation of the annual report.

Impairment test of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires Management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value of the cash flows. Where the present value of the expected cash flows will not exceed the carrying amount of goodwill, a material impairment loss may arise. The key assumptions used in the impairment tests of goodwill are disclosed in note 11. The carrying amount of goodwill is DKK 112,920 thousand (2019/20: DKK 112,920 thousand).

The Group has determined that the group as a whole comprises the only CGU where it is possible to determine relevant cash flows and used as a part of reporting hereof to management and it is not possible to distinguish cash flow from entities on a stand alone basis. Key factors which have been considered in this determination is that even though the group comprises several entities they all contribute with different parts of the fully combined solution towards the clients (acqiusition of furniture, development of new solutions etc.).

2. Significant accounting estimates and judgements (continued)

Determining the lease term of contracts

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. Refer to note 13 for information on potential future rental payments relating to periods following the exercise date of termination options that are not included in the lease term.

Non-recurring items

The use of special items entails management judgement in the separation from ordinary items. Management carefully considers individual items and projects (including restructurings) in order to ensure the correct distinction and split between operating activities and significant income and expenses of a special nature.

Management initially assesses the entire restructuring project and recognises all present costs of the project. The projects are assessed on an ongoing basis, with additional costs possibly being incurred during the lifetime of the project.

The estimate includes expenses related to costs related to outsourcing and restructuring activities, premises costs related to consolidation on fewer physical locations, other normalizations one-off issues and strategy, consolidation and process optimization. Management reassesses the useful life and residual value of non-current assets used in an entity undergoing restructuring.

Valuation of deferred tax assets

Management has evaluated the measurement of deferred tax assets on the basis of budgets and forecasts and expected future income for the period 2021/22 - 2025/26. Deferred tax assets are expected to be utilised against future positive income over the next 3-5 years. Since the calculation of expected future taxable income for the coming years is subject to significant estimation and judgment, the valuation of the recognised deferred tax asset is inherently subject to uncertainty.

3. Revenue and contract assets and liabilities

DKK'000	2020/21	2019/20
Revenue by business activity		
Office interior solutions	799,927	995,897
Hospitality	53,047	144,984
Total revenue by business activity	**852,974**	**1,140,881**
Revenue by country		
Denmark	698,687	883,036
Other countries	154,287	257,845
Total revenue by country	**852,974**	**1,140,881**

Contract assets and liabilities

Contract balances	**30 April 2021**	**30 April 2020**
Contract assets		
Current contract assets	-	-
Total current contract assets	**-**	**-**
Contract liabilities		
Current contract liabilities	26,121	12,971
Total current contract liabilities	**26,121**	**12,971**

The Group has decided to use the practical expedient provided under IFRS and has therefore not disclosed the amount of the remaining performance obligation for contracts that qualify for invoicing.

4. Staff costs

DKK'000	2020/21	2019/20
Salaries and wages	147,633	196,987
Pension contributions	11,735	17,159
Other social security costs	2,257	3,269
Other staff costs	4,098	9,989
Total staff costs	**165,723**	**227,404**
Average number of employees	293	431

4. Staff costs (continued)

During 2020/21, the Group has received 7,611 thousand in compensation of payroll costs in aid packages due to Covid-19. The Group has recognised 6,609 thousand under salaries and wages, and the expected regulation to the compensation of 750 thousand, has been recognised as a provision. The Group has not applied for additional compensation.

2020/21	**Salary and pension**	**Bonus**	**Benefits and other related expenses**	**Total**
Remuneration to Executive Board	5,711	-	-	5,711
Remuneration to Board of Directors	1,199	-	-	1,199
	6,910	**-**	**-**	**6,910**
2019/20				
Remuneration to Executive Board	3,867	-	-	3,867
Remuneration to Board of Directors	626	-	-	626
	4,493	**-**	**-**	**4,493**

5. Share-based payments

Common stock warrants

In 2018, Holmris Holding A/S issued 55,000 D-share warrants to directors of the Company. The holders of the warrants have paid fair market value and therefore no compensation expense is recognised. The warrants give the holders the right (without a pre-emption right for the Company's existing shareholders) to subscribe for 1 D-share in the Company with a par value of one Danish Krone, by cash contribution at exercise.

The D-share warrants expire at the earlier of (i) a change of control of the Group or an IPO or (ii) the period from 1 April 2023 to 15 April 2023.

The development in outstanding warrants can be specified as follows:

	Number of warrants	
	30 April 2021	**30 April 2020**
Outstanding at 1 May	45,000	45,000
Granted during the period	-	-
Forfeited during the period	-	-
Exercised during the period	-	-
Outstanding at 30 April	**45,000**	**45,000**
Weighted average remaining contractual life (years)	1,96	2,96

6. Amortisation and depreciation

DKK'000	2020/21	2019/20
Amortisation, intangible assets	3,759	24,188
Depreciation of property, plant and equipment	4,889	6,752
Profit/loss from sale of intangible assets and property, plant and equipment	517	27
Leasing of property, plant and equipment	24,110	26,752
Total	**33,275**	**57,719**

7. Non-recurring items

DKK'000	2020/21	2019/20
Non-recurring items:		
Gain related to restructuring activities	(9,487)	-
Optimization of synergies and restructuring costs	-	11,464
Premises costs related to consolidation on fewer physical locations	8,733	15,831
Total non-recurring items	**(754)**	**27,295**

Impact of non-recurring items on operating profit

If non-recurring items had been recognised in operating profit before non-recurring items, they would have been included in the following line items:

DKK'000	2020/21	2019/20
Other external expenses	7,983	12,049
Staff costs	750	15,246
Income from investment in group enterprises	(9,487)	-
Total non-recurring items	**(754)**	**27,295**

In 2019/20, the Group continued the integration of B8 A/S which was acquired in 2018 including harvesting of synergies related to combining two large production facilities on one location and streamlining systems and processes (including termination of employees). Towards the end of 2019/20 and during 2020/21, following the outbreak of Covid-19, additional actions were carried out to mitigate a scenario where the activity level would remain low following the Covid-19 situation for an extended period, even though signs of a relatively rapid order intake rebound were seen. These actions included increased outsourcing of production to existing and new partners in Denmark and abroad as well as adjustments to the geographical footprint and organizational setup (including termination of employees) to increase flexibility and agility as well as to improve operational KPIs related to quality and delivery performance.

8. Financial income

DKK'000	2020/21	2019/20
Interest income	435	28
Financial income	-	-
Total financial income	**435**	**28**

9. Financial expenses

DKK'000	2020/21	2019/20
Interest expenses	10,030	9,669
Financial expenses	3,241	2,738
Total financial expenses	**13,271**	**12,407**

10. Taxation including current and deferred tax

DKK'000	2020/21	2019/20
Current tax	194	0
Changes in deferred tax	(14,483)	(1,105)
Adjustment previous year	-	(120)
Total	**(14,289)**	**(1,225)**

Reconciliation of tax expense and the profit multiplied by domestic tax rate for 2019/20 and 2020/21:

Profit before tax	142	(59,980)
Tax computed as statutory 22% tax rate (2019/20: 22%)	31	(13,196)
Other adjustment	-	(858)
Utilisation of previously unrecognised tax losses	(7,146)	16,563
Utilisation of tax losses (gains) from companies within the joint taxation contribution	(4,884)	(3,449)
Non-deductible expenses	(5)	(349)
Non-taxable income	(2,456)	-
Adjustment previous year	-	7
Income tax at the effective income tax rate of 22 % (2019/20: 22%)	**(14,318)**	**(1,282)**
Income tax expense reported in the income statement	**(14,289)**	**(1,225)**

Deferred tax assets, net

DKK'000	2020/21	2019/20
Deferred tax at 1 May	8,369	7,263
Deferred tax for the year recognised in the income statement	14,482	1,106
Other adjustments	-	0
Deferred tax at 30 April	**22,851**	**8,369**

10. Taxation including current and deferred tax (continued)

Deferred tax is recognised in the statement of financial position as follows:

DKK'000	2020/21	2019/20
Deferred tax (asset)	22,851	8,369
Deferred tax (liability)	-	-
Deferred tax at 30 April	**22,851**	**8,369**

Deferred tax concerns

DKK'000	2020/21	2019/20
Intangible assets	2,806	3,819
Property, plant and equipment	(915)	(2,111)
Inventories	-	(666)
Provisions	336	1,333
Liabilities other than provisions	1,711	3,269
Tax loss carry forwards	18,913	2,692
Other deductible temporary differences	-	33
Deferred tax at 30 April	**22,851**	**8,369**

Deferred tax

Management has evaluated the measurement of deferred tax assets on the basis of budgets and forecasts and expected future income for the period 2021/22 - 2024/25. Deferred tax asset is expected to be utilised against future positive income over the next 3-5 years. Since the calculation of expected future taxable income for the coming years is subject to significant estimation and judgment, the valuation of the recognised deferred tax asset is inherently subject to uncertainty.

11. Total intangible assets

DKK'000	Goodwill	Acquired intangible assets	Completed development projects	Development projects in progress
30 April 2021				
Cost at 1 May	112,920	33,750	23,690	2,466
Transfers	-	-	2,178	(2,178)
Additions	-	-	774	-
Disposals	-	(18,404)	(8,457)	(84)
Cost at 30 April	**112,920**	**15,346**	**18,185**	**204**
Amortisation at 1 May	-	(27,236)	(16,244)	-
Transfers	-	-	-	-
Amortisation	-	(635)	(3,124)	-
Impairment	-	(203)	-	-
Reversal of amortisation	-	18,359	8,308	-
Amortisation at 30 April 2021	-	**(9,715)**	**(11,060)**	-
Carrying amount at 30 April 2021	**112,920**	**5,631**	**7,125**	**204**
30 April 2020				
Cost at 1 May	112,920	33,618	7,536	8,683
Transfers	-	(429)	11,496	(7,695)
Additions	-	561	4,658	1,478
Cost at 30 April 2020	**112,920**	**33,750**	**23.690**	**2.466**
Amortisation at 1 May	-	(15,541)	(3,237)	-
Transfers	-	(2,566)	(3,081)	-
Amortisation	-	(6,357)	(4,615)	-
Impairment	-	(7,904)	(5,311)	-
Amortisation at 30 April 2020	-	**(27,236)**	**(16,244)**	-
Carrying amount at 1 May 2019	**112,920**	**18,077**	**4,299**	**8,683**
Carrying amount at 30 April 2020	**112,920**	**6,514**	**7,446**	**2,466**

Goodwill

At 30 April 2021, goodwill amounted to DKK 112,920 thousand (2019/20: DKK 112.900 thousand) for the Group. The Group has on 30 April in 2021 and 2020 performed impairment testing of the carrying amount of goodwill at the end of the financial year based on value in use. Impairment testing is performed each year based on the budgets or business plans approved by the Board of Directors.

The Group has determined that the Group itself represents the only identifyable CGU. As this is the case, then the carrying amount of goodwill and development projects in progress is allocated thereto. The impairment test for cash-generating units compares the recoverable amount, equivalent to the present value of the expected future free cash flow, with the carrying amount of the individual cash-generating units.

11. Total intangible assets (continued)

Budgets and projections for the 2021-2030 period are based on business plans and external market surveys, assessing risks associated with key parameters and incorporating these in expected future free cash flows. A ten-year period as opposed to a shorter period is used to make sure that assumptions are modelled as detailed as possible. The value for the period after 2030 takes into account the real growth and inflation expectations, which is described below.

When calculating the recoverable amount of goodwill, a discount rate of 10.2% (2019/20: 10.5%) after tax is assumed. The discount rate is based on a risk-free interest rate of -0.4% (2020: 0.0%). The discount rate has been determined based on the Cost of Capital model. The risk-free interest rate, the market risk premium and the beta factor are determined using external sources. The impairment tests performed at April 2021 indicate significantly higher value in use of the assets compared to the carrying amounts, and the impairment tests are therefore not sensitive to changes in the significant conditions and factors.

Key assumptions from the impairment testing of goodwill are as follows:

	Value drivers based on average for the period 2021-2030	**Value drivers based on average for the terminal period**
Net sales growth	4.8%	2.0%
EBITDA margin	8.9%	9.0%
EBITA margin	7.3%	8.0%
Intangible assets/Sales	28.4%	24.0%
Property, plant and equipment/Sales	2.8%	1.9%
NWC/Sales	7.3%	9.2%
ROIC (beginning of the year invested capital)	15.2%	17.9%

Acquired intangible assets, completed development projects and development projects in progress

The intangible assets comprising acquired intangible assets, completed development projects and development projects in progress have a total recoverable amount at 30 April 2021 of DKK 13,004 thousand (30 April 2020: DKK 16,426 thousand) and a carrying amount of DKK 13,207 thousand (DKK 29,641 thousand), resulting in an impairment loss of DKK 203 thousand at 30 April 2021 (DKK 13,215 thousand at 30 April 2020).

As a consequence, and part of the plan initiated in April 2021 to outsource production, the ERP system and associated systems linked to this production site, became obsolete and therefore the total carrying amount related to these assets were written down to a carrying amount of DKK 0 and thereby realizing the impairment loss of DKK 203 thousand.

11. Total intangible assets (continued)

The remaining recoverable amount at 30 April 2021 of DKK 13,004 thousand relate to development of new office furniture and business areas as well as optimisation of internal processes, supply chain and sales. The development is proceeding as planned and is expected to be completed within 1-3 years. Both completed development projects and development projects in progress contribute or are expected to contribute significantly to the Group's earnings going forward.

12. Total property, plant and equipment

DKK'000	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
30 April 2021				
Cost at 1 May	8,044	3,770	3,898	-
Reclassification	-	-	-	-
Additions	391	1,349	2,725	-
Disposals	(4,806)	-	(2,065)	-
Cost at 30 April	**3,629**	**5,119**	**4,558**	-
Depreciation at 1 May	(7,177)	(637)	(2,929)	-
Reclassification	-	-	-	-
Depreciation	(1,460)	(1,827)	(1,602)	-
Disposals	6,957	91	1,247	-
Depreciation at 30 April 2021	**(1,680)**	**(2,373)**	**(3,284)**	-
Carrying amount at 30 April 2021	**1,949**	**2,746**	**1,274**	**-**
30 April 2020				
Cost at 1 May	6,588	8,112	3.898	770
Reclassification	(587)	(3,517)	206	-
Additions	2,043	920	242	0
Disposals	0	(1,745)	(1,622)	-770
Cost at 30 April	**8,044**	**3,770**	**3.898**	-
Depreciation at 1 May	(4,113)	(1,046)	(3,255)	-
Reclassification	292	1,370	(34)	
Depreciation	(3,356)	(2,134)	(1,160)	
Disposals	0	1,173	1,520	
Depreciation at 30 April 2020		**(637)**	**(2,929)**	-
Carrying amount at 30 April 2020	**867**	**3,133**	**969**	**-**

13. Right-of-use assets

DKK'000	Leaseholds	Other fixtured and fittings, tools and equipment	Vehicles	Total
30 April 2021				
Cost at 1 May	66,447	22,972	19,353	**108,772**
Exchange rate adjustments	13	2	13	**28**
Additions	1,421	2,295	1,276	**4,992**
Adjustments and revaluations	743	(3,715)	300	**(2,672)**
Cost at 30 April	**68,624**	**21,554**	**20,942**	**111,120**
Depreciation at 1 May	(34,050)	(9,484)	(10,226)	**(53,760)**
Depreciation	(13,630)	(5,606)	(4,874)	**(24,110)**
Impairment	-	-	-	**-**
Depreciation at 30 April 2021	**(47,680)**	**(15,090)**	**(15,100)**	**(77,870)**
Carrying amount at 30 April 2021	**20,944**	**6,464**	**5,843**	**33,250**
30 April 2020				
Cost at 1 May	66,447	19,342	15,023	**100,812**
Exchange rate adjustments	-	-	-	**-**
Additions	-	3,628	4,330	**7,958**
Adjustments and revaluations	-	2	-	**2**
Cost at 30 April	**66,447**	**22,972**	**19,353**	**108,772**
Depreciation at 1 May	(17,016)	(4,295)	(4,731)	**(26,042)**
Depreciation	(16,068)	(5,189)	(5,495)	**(26,752)**
Impairment	(966)	0	0	**(966)**
Depreciation at 30 April 2020	**(34,050)**	**(9,484)**	**(10,226)**	**(53,760)**
Carrying amount at 30 April 2020	**32,397**	**13,488**	**9,127**	**55,012**

Carrying amounts of lease liabilities and movements during the period:

DKK'000	30 April 2021	30 April 2020
At 1 May	58,074	76,349
Additions	4,993	7.958
Accrual of interest	1,400	2,101
Payments	(26,318)	(28,204)
Exchange rate adjustments	28	(132)
Adjustments and revaluation	(3,605)	2
At 30 April	**34,572**	**58,074**
Current	13,913	24,662
Non-current	20,658	33,412

The maturity analysis of lease liabilities is disclosed in note 18.

13. Right-of-use assets (continued)

The following amounts have been recognised in profit or loss:

DKK'000	2020/2021	2019/2020
Depreciation expense of right-of-use assets	24,110	26,752
Interest expense on lease liabilities	1,400	2,101
Expense relating to short-term leases (included in cost of sales)	0	2
Total amount recognised in profit or loss	**25,510**	**28,855**

The Group had total cash outflow for leases of DKK 26,318 thousand (2019/20: DKK 28,204 thousand).
The Group leases various properties, production equipment, equipment and cars. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. As part of Covid-19 no rent concession has been received.

14. Investment in associates

Investment in associate consists of a 40% share in the Norwegian entity FormFunk AS. The shares were acquired in 2020/21 by exchanging 100% of the shares in Holmris B8 AS Norway with the 40% share in the combined entity. As a result of the transaction a gain of DKK 9,487 thousand was recognized under non-recurring items.
The net result for the first months of ownership is considered immaterial, hence no financial information about FormFunk AS is disclosed.

15. Inventories

DKK'000	30 April 2021	30 April 2020
Raw materials and consumables	12,849	45,780
Work in progress	2,699	7,558
Manufactured goods and goods for resale	54,565	38,900
Prepayments for goods	7,171	1,001
Total inventories	**77,284**	**93,239**

Included in the income statement
During 2020/21, DKK 582,302 thousand (2019/20: DKK 783,684 thousand) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

During 2020/21, DKK 10,740 thousand (2019/20: DKK 10,784 thousand) were recognised as write down of inventories carried at net realisable value. This is recognised in cost of sales.

16. Trade and other receivables

DKK'000	30 April 2021	30 April 2020
Trade receivables	66,437	55,525
Loss allowance	(775)	(1,657)
Other receivables	7,382	6,577
Total receivables	**73,044**	**60,445**

The average credit period for the sale of goods is 30 days. The Group holds a portfolio of trade receivables which meets the SPPI test. The trade receivables are either held to collect their cash flows whereas some receivables are subject to factoring arrangements. The factoring arrangement results in derecognition of the trade receivables and recognition of a separate asset representing the unpaid consideration from the factor.

Trade receivables

Trade receivables consist of trade receivables less considerations from the factoring agreements and are measured at amortised cost less provisions for expected credit losses. The Group applies the simplified approach in order to measure lifetime expected credit losses. Trade receivables have been grouped based on shared credit risk characteristics. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors. Set out below is the movement in the allowance for expected credit losses:

DKK'000	30 April 2021	30 April 2020
At 1 May	1,657	2,741
Provision for expected credit loss	775	1,657
Reversal of write-off	(1,595)	-
Write-off	(62)	(2,741)
At 30 April	**775**	**1,657**

The expected credit losses generally relate to customers outside of Denmark. Customers based in Denmark amount to DKK 58,244 thousand (2019/20: 42,447 thousand) where 16% (2019/20: 38%) is overdue and is subject to impairment. Customers based outside of Denmark amount to DKK 14,800 thousand (2019/20: 12,679 thousand), where 35% (2019/20: 20%) is overdue and the expected credit loss amounts to 775 thousand (2019/20: 1,657 thousand).

16. Trade and other receivables (continued)

Other receivables

Other receivables consist of unpaid consideration from the factoring agreement. Under this arrangement, the Parent Company transfers the title to the individual receivable to the factor in exchange for cash consideration equalling 90% of the face value. The remaining 10% of the face value is paid once the underlying receivable is settled. The Parent Company collects the consideration on behalf of the factor until full payment has been received from the debtor.

As the full control and 90% of the credit risk are transferred, the Parent Company has concluded that all risks and rewards are neither transferred nor retained. Therefore, the Parent Company derecognises the trade receivables in their entirety and recognises separately the right of the remaining 10% from the factor. The maximum exposure to loss of the transferred assets equals the carrying amount. All of the factored trade receivables are subject to credit insurance and hence the majority of the counterparties are creditworthy. In addition, the short length of credit has led to the conclusion that the face value is a reasonable estimation of fair value.

17. Other provisions

DKK'000	30 April 2021	30 April 2020
Balance at 1 May	7,262	250
Reduction arising from payment	(7,012)	0
Additions	975	7,012
Other provisions at 30 April	**1,225**	**7,262**
Other provisions are expected to fall due as follows:		
0-1 year	1,225	7,262
1-5 years	0	0
Other provisions at 30 April	**1,225**	**7,262**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns etc.

18. Financial risks

Capital management

The Group's Management assesses whether the Group's capital structure is in line with the interests of the Group and its shareholders. The overall objective is to ensure a capital structure that supports long-term profitable growth. At 30 April 2021, the Group's interest-bearing debt net, including leases, amounts to DKK 122 million (30 April 2020: DKK 195 million).

18. Financial risks (continued)

In August 2020 following uncertainty and weak trade after the outbreak of COVID-19 the Group raised an additional 50 mDKK in new financing and secured extension of existing facilities. The new financial structure was backed by the Group's shareholders, lenders and bank. The available funding is deemed sufficient to develop and grow the Group in the current economic environment.

Financial risk management

The overall framework to manage financial risks is reflected in the Group's financial risk management policies. The policies include identification, limits, measurement and how to address risks regarding credit, foreign currency, liquidity and interest rates.

The policies are updated annually and approved by the Board of Directors.

It is the Group's policy not to speculate in financial risks. Hence, the financial risk management strategy aims at managing and reducing risks due to the Group's operations, investments and finance activities.

Only significant risks are described below. Each section gives a short description of the financial risk, the related business activity, risk management and impact during the year.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations towards the Group, leading to a financial loss. The Group is exposed to credit risk primarily related to its trade and other receivables, receivables from group enterprises, contract assets and cash held at financial institutions.

Trade and other receivables

In general, trade and other receivables consist of counterparties within the public sector or large corporations. To reduce credit risk and to secure flexibility in terms of liquidity related to the activity level in the business, the Group sells the majority of its trade receivables under a factoring agreement. In order for a trade receivable to qualify for factoring, an insurance company must approve the debtor's creditworthiness. Hence, the credit risk on factored receivables is reduced to a minimum. For the remaining trade receivables (i.e. not factored), Management assesses credit risk based on available information regarding the particular counterparty. Historic information typically relates to registered payment profiles, potential previous losses, annual reports etc. However, information used to estimate expected losses is derived from rating agencies, budgets, general development in macro-economic variables (e.g. unemployment rates) etc. Management assesses the need for credit insurance or collateral on an ongoing basis.

The maximum exposure to credit risk of trade and other receivables at the end of the reporting period equals the carrying amounts, see note 16.

18. Financial risks (continued)

Receivables from group enterprises

The Group has receivables from group enterprises which mainly relates to day-to-day operations. The carrying amount is DKK 2,189 thousand (30 April 2020: DKK 1,068 thousand). Credit risk from group enterprises is managed like counterparties from core operations as described above.

Cash

The carrying amount of cash is DKK 181 thousand (30 April 2020: DKK 40,617 thousand). According to the Group's policy, cash is deposited at financial institutions with a high credit rating.

Liquidity risk

Liquidity risk is the risk of a loss or higher than expected costs to ensure the ability to fulfil the Group's short-term and long-term payment obligations. The Group aims to ensure that it is able to timely obtain the financing from both related and external counterparties.

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

DKK'000	Carrying amount	< 1 year	1 to 5 years	> 5 years	Total
30 April 2021					
Bank loans	50,000	5,080	33,040	15,240	**53,360**
Revolving Credit Facility	18,835	18,835	-	-	**18,835**
Trade payables	134,232	134,232	-	-	**134,232**
Other payables	59,238	57,477	1,761	-	**59,238**
Holiday allowances	16,952	-	653	16,299	**16,952**
Lease liabilities	34,572	14,752	21,146	426	**36,324**
Total	**313,829**	**230,376**	**56600**	**31,965**	**318,941**

DKK'000	Carrying amount	< 1 year	1 to 5 years	> 5 years	Total
30 April 2020					
Revolving Credit Facility	119,312	119,312	-	-	**119,312**
Trade payables	96,935	96,380	555	-	**96,935**
Payables to group enterprises	-	-	-	-	**-**
Payables to shareholders and management	-	-	-	-	**-**
Other payables	61,233	61,233	-	-	**61,233**
Holiday allowances	15,364	-	15,364	-	**15,364**
Lease liabilities	58,074	26,061	34,809	40	**60,910**
Total	**350,918**	**302,986**	**50,728**	**40**	**353,754**

18. Financial risks (continued)

Methods and assumptions of the maturity analysis

The maturity analysis is based on undiscounted cash flows which include estimated interest payments. The Revolving Credit Facility can be called by the bank on demand, hence the interest is deemed immaterial.

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's liabilities towards banks carrying floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings. Therefore, the Group's net interest rate risk exposure is limited at 30 April 2021 and 30 April 2020.

Interest rate sensitivity

The Group is primarily exposed to CIBOR 3M which is floored at zero percent. CIBOR 3M has been negative throughout the financial year and it is Management's assessment that it is uncertain whether a reasonable possible change in CIBOR 3M would lead to a positive interest rate fixing. Therefore, a reasonable possible change is assessed to have an immaterial impact on the Group's profit or loss and equity for the years ended 30 April 2021 and 30 April 2020. This assessment is based on recognised financial assets and liabilities at year-end.

If market interest rates increased by one percentage point, it would not affect the interest rate sensitivity.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency other than the Group entity's functional currency) and the Group's net investments in foreign subsidiaries.

The Group's net foreign currency risk exposure is limited as goods are sourced locally in each subsidiary's own currency at 30 April 2021 and 30 April 2020. However, Management assesses on an ongoing basis whether risk exposures exceed the risk limits.

18. Financial risks (continued)

Financial assets and liabilities

DKK'000	30 April 2021	30 April 2020
Trade receivables	73,044	60,445
Receivables from group enterprises	2,189	1,068
Receivables from associates	12,653	-
Other receivables	11,824	2,318
Prepaid expenses	4,709	2,926
Cash	181	40,617
Financial assets measured at amortised cost	**104,600**	**107,374**
Revolving Credit Facility	18,835	119,312
Bank loans	45,000	-
Trade payables	134,232	96,380
Payables to group enterprises	-	-
Payables to shareholders and management	-	-
Other payables	56,736	61,233
Lease liabilities	34,572	58,075
Financial liabilities measured at amortised cost	**289,375**	**335,000**

Since the Group's financial instruments measured at amortised cost are either short-term and/or exposed to floating interest rates, Management has assessed that the carrying amount is a reasonable approximation of fair value.

19. Working capital changes

DKK'000	30 April 2021	30 April 2020
Increase (-)/decrease (+) in inventories	15,955	55,662
Increase (-)/decrease (+) in receivables etc.	(37,151)	18,709
Increase (+)/decrease (-) in current liabilities	47,247	(60,354)
Total	**26,051**	**14,017**

20. Reconciliation of liabilities arising from financing activities

DKK'000	Other borrowings	Revolving Credit Facility	Lease liabilities	Total liabilities from financing activities
30 April 2021				
Liabilities at 1 May	17,906	119,312	58,073	195,291
Loan raised	50,000	-	4,993	54,993
Repayments	-	-	(24,918)	(24,918)
Change in Revolving Credit Facility, net	-	(100,477)	-	(100,477)
Foreign exchange rate movements	-	-	28	28
Adjustments and revaluations	-	-	(3,605)	(3,605)
Other	806	-	-	806
Liabilities at 30 April	**68,712**	**18,835**	**34,571**	**122,118**
30 April 2020				
Liabilities at 1 May	3,010	102,296	76,350	181,656
Loan raised	14,896		7,958	22,854
Repayments	0	-	(26,103)	(26,103)
Change in Revolving Credit Facility, net	-	17,016	-	17,016
Foreign exchange rate movements	-	-	(132)	(132)
Other	-	-	-	-
Liabilities at 30 April	**17,906**	**119,312**	**58,073**	**195,291**

21. Guarantees, contingent liabilities and collateral

The following assets are provided as collateral in favour of credit institutions in the Group:

DKK'000	30 April 2021	30 April 2020
Property, plant and equipment	39,220	59,981
Inventories	77,284	93,239
Trade receiveables	73,044	60,445
Carrying amount of assets held as collateral	**189,548**	**213,665**

Debt to the factoring company is secured on a receivables charge on unsecured claims relating to the sale of goods and services. Debt to the factoring company has been set off against the value of trade receivables.

As security for commitments with clients and lessors, performance and payments guarantees of DKK 12,911 thousand (2019/20: DKK 8,237 thousand) have been provided through the bank.

22. Related parties

The Entity's related party exercising control is Holmris Holding A/S.
The ultimate owner is BWB Partners I K/S with a registered office in Kokkedal.

Related parties also comprise the members of the Board of Directors and the Executive Board as well as close family members of the members of the Board of Directors and the Executive Board as well as other senior executives.

Transactions with related parties

DKK'000	2020/21	2019/20
Financial income	-	348
Financial expenses	-	-

23. Events after the balance sheet date

The company is not aware of any events, including the outbreak of Covid-19, that have occured after 30 April 2021 and expected to have a material impact on the Comapny's current financial situation or future that is not already incorporated in this annual report.

24. Adoption of new and amended Standards

The new and amended Standards and Interpretations that have been issued, but which are not yet effective, up to the date of issuance of the Group’s Financial Statements have not been adopted by the Group. The Group intends to adopt these new and amended Standards and Interpretations, if applicable, when they become effective. The adoption of these is not expected to have significant impact on the financial reporting for future periods.

Parent income statement

DKK’000	Note	2020/21	2019/20
Revenue	3	779,975	925,992
Cost of sales		(581,423)	(619,579)
Gross profit/(loss)		**198,552**	**306,413**
Staff costs	4	(133,053)	(185,478)
Other external expenses		(42,299)	(79,102)
Other operating income		224	-
Operating profit/(loss) before amortisation and depreciation		**23,424**	**41,833**
Amortisation and depreciation	6	(28,035)	(54,181)
Operating profit/(loss) before non-recurring items		**(4,611)**	**(12,348)**
Non-recurring items	7	754	(27,295)
Income from investments in group enterprises		11,200	(112)
Financial income	8	372	1,565
Financial expenses	9	(12,606)	(14,308)
Profit/(loss) before tax		**(4,891)**	**(52,498)**
Tax on profit/(loss)	10	15,671	3,377
Profit/(loss) for the financial year		**10,780**	**(49,121)**
Other comprehensive income/loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign enterprises		(31)	0
Other comprehensive income/(loss) after tax		**(31)**	**0**
Total comprehensive income/(loss)		**10,749**	**(49,121)**

Parent balance sheet

DKK'000	Note	30 April 2021	30 April 2020
Assets			
Goodwill		112,438	112,438
Acquired intangible assets		5,632	6,515
Completed development projects		4,011	4,392
Development projects in progress		-	1,620
Total intangible assets	11	**122,081**	**124,965**
Plant and machinery	12	927	392
Other fixtures, fittings and operating equipment	12	557	1,689
Leasehold improvements	12	2,317	2,012
Right-of-use assets	13	28,278	50,217
Total property, plant and equipment		**32,080**	**54,310**
Investment in group enterprises	14	33,055	36,450
Investment in associates	15	10,846	-
Deposits		3,020	3,083
Deferred tax	10	20,000	9,000
Total financial assets		**66,921**	**48,533**
Total non-current assets		**221,082**	**227,803**
Inventories	16	39,489	72,401
Trade receivables	17	37,975	33,345
Receivables from group enterprises		6,139	18,273
Receivables from associates		16,368	-
Other receivables	17	7,930	1,701
Joint taxation contribution receivable		5,717	3,125
Prepaid expenses		3,337	2,369
Cash and cash equivalents		-	27,886
Current assets		**116,955**	**159,100**
Total current assets		**116,955**	**159,100**
Assets		**338,037**	**386,908**

Parent balance sheet

DKK'000	Note	30 April 2021	30 April 2020
Equity and liabilities			
Share capital		545	545
Other capital reserves		3,129	4,690
Retained earnings		54,872	42,562
Total equity		**58,546**	**47,797**
Other provisions	18	500	4,165
Bank loans	19	45,000	-
Other payables	19	16,901	14,182
Lease liabilities	19	18,188	31,028
Total non-current liabilities		**80,589**	**49,375**
Current portion of long-term liabilities other than provisions	19	16,234	24,185
Bank loans	19	3,263	113,379
Contract liabilities	3	13,260	9,963
Trade payables		81,164	74,417
Payables to group enterprises		54,473	16,116
Joint taxation contribution payable	10	-	-
Other payables		30,508	51,676
Total current liabilities		**198,902**	**289,736**
Total liabilities		**279,491**	**339,111**
Equity and liabilities		**338,037**	**386,908**

Parent statement of changes in equity

DKK'000	Share capital	Reserve for development expenditure	Retained earnings	Total
2020/2021				
Equity at 1 May	**545**	**4,690**	**42,562**	**47,797**
Profit/loss for the year	-	-	10,780	10,780
Transfer to reserves	-	(1,561)	1,561	-
Comprehensive income for the year				
Exchange rate adjustments	-	-	(31)	(31)
Other comprehensive income	-	-	-	-
Equity at 30 April	**545**	**3,129**	**54,872**	**58,546**

DKK'000	Share capital	Reserve for development expenditure	Retained earnings	Total
2019/2020				
Equity at 1 May	**545**	**7,732**	**88,641**	**96,918**
Profit/loss for the year	-	-	(49,121)	(49,121)
Transfer to reserves	-	(3,042)	3,042	-
Comprehensive income for the year				
Exchange rate adjustments	-	-	-	-
Other comprehensive income	-	-	-	-
Equity at 30 April	**545**	**4,690**	**42,562**	**47,797**

Share capital
Share capital consists of 545 shares of DKK 1,000 each.

The Board of Directors proposes an extraordinary dividend of DKK 20,000 thousand which will be adopted at the General Meeting 27 August 2021.

Parent cash flow statement

DKK'000	Note	2020/21	2019/20
Operating profit /loss		(4,611)	(12,348)
Amortisation, depreciation and impairment losses		28,035	53,915
Non-recurring items		(10,410)	(27,295)
Other provisions		(5,361)	(5,611)
Working capital changes	20	49,011	(28,737)
Cash flow from ordinary operating activities		**56,664**	**32,085**
Interest received / income		372	28
Interest paid / expenses		(12,608)	(12,407)
Income taxes refunded / paid		2,079	(2,988)
Cash flow from operating activities		**46,507**	**16,718**
Investments in intangible assets		(425)	(5,219)
Investments in property, plant and equipment		(3,180)	(2,268)
Sale of property, plant and equipment		8,525	500
Sale of intangible assets		194	-
Received dividends		10,750	-
Cash flows from investing activities		**15,864**	**(8,859)**
Changes in other borrowings long-term borrowings	21	50,435	13,425
Changes in Revolving Credit Facility, net	21	(110,116)	45,707
Payment of principal portion of lease liabilities	21	(30,577)	(22,520)
Changes in loans to group enterprises		-	15,948
Repayment of payables to shareholders and management		-	296
Cash flows from financing activities		**(90,258)**	**22,584**
Cash flows for the year		(27,887)	21,661
Cash at 1 May		27,887	6,225
Cash and cash equivalents at 30 April		**-**	**27,886**

Notes

Notes

1. Summary of significant accounting policies

Accounting policies

The accounting policies of the HOLMRIS B8 Group and the Parent Company are identical except for the situations mentioned below.

Situations, where the accounting policies of the Parent Company deviate from those of the Group

Investments in subsidiaries
Investments in subsidiaries are measured at cost in the parent company financial statements. If an indication of impairment exists, then an impairment test is performed as described in the accounting policies for the consolidated financial statements. If the carrying amount exceeds the recoverable amount, investments are written down to such lower amount.

If distributions are made from reserves other than retained earnings of subsidiaries, such distribution will reduce the cost of the investments if the distribution is in the nature of a repayment of the Parent Company's investment.

Distribution of profits accumulated by subsidiaries is recognised as income in the Parent Company's income statement in the financial year in which the dividend is declared. If an amount is distributed exceeding the subsidiary's comprehensive income for the period, then an impairment test is performed.

Other intangible assets
Other intangible assets comprise development projects completed and in progress with related intangible assets acquired.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. The cost of development projects comprises costs that are directly and indirectly attributable to the development projects.

When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

2. Significant accounting estimates and judgements

As part of the preparation of the parent company financial statements, Management makes a number of accounting estimates and judgements as well as assumptions as a basis for recognising and measuring the Parent Company's assets, liabilities, income and expenses. The estimates, judgements and assumptions made are in all respects, except for the situations described below, similar to the ones for the HOLMRIS B8 Group described in note 2 to the consolidated financial statements.

Situations where the significant accounting estimates of the Parent Company deviate from those of the Group:

Impairment test of investments in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of the value in use of the cash-generating units representing the investments in subsidiaries. The value-in-use calculation requires Management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value of the cash flows. Where the present value of the expected cash flows will not exceed the carrying amount of investments in subsidiaries, a material impairment loss may arise. The key assumptions used in the impairment tests are disclosed in note 11.

3. Revenue and contract assets and liabilities

DKK'000	**2020/21**	**2019/20**
Revenue by business activity		
Office interior solutions	779,975	925,992
Hospitality	-	-
Total revenue by business activity	**779,975**	**925,992**
Revenue by country		
Denmark	673,114	791,174
Other countries	106,861	134,818
Total revenue by country	**779,975**	**925,992**

Contract assets and liabilities

Contract balances	**30 April 2021**	**30 April 2020**
Contract assets		
Current contract assets	-	-
Total current contract assets	**-**	**-**
Contract liabilities		
Current contract liabilities	13,260	9,963
Total current contract liabilities	**13,260**	**9,963**

3. Revenue and contract assets and liabilities (continued)

The Parent Company has decided to use the practical expedient provided under IFRS and has therefore not disclosed the amount of the remaining performance obligation for contracts that qualify for invoicing.

4. Staff costs

DKK'000	2020/21	2019/20
Salaries and wages	117,631	158,185
Pension contributions	9,657	13,279
Other social security costs	1,722	2,662
Other staff costs	4,043	11,352
Total staff costs	**133,053**	**185,478**
Average number of employees	222	348

During 2020/21, the Group has received 4,171 thousand in compensation of payroll costs in aid packages due to Covid-19. The Group has recognised 3,421 thousand under salaries and wages, and the expected regulation to the compensation of 750 thousand, has been recognised as a provision. The Group has not applied for additional compensation.

2020/21	**Salary and pension**	**Bonus**	**Benefits and other related expenses**	**Total**
Remuneration to Executive Board	5,711	-	-	5,711
Remuneration to Board of Directors	1,199	-	-	1,199
	6,910	**-**	**-**	**6,910**
2019/20				
Remuneration to Executive Board	3,867	-	-	3,867
Remuneration to Board of Directors	626	-	-	626
	4,493	-	-	**4,493**

5. Share-based payments

Common stock warrants

In 2018, Holmris Holding A/S issued 55,000 D-share warrants to directors of the Company. The holders of the warrants have paid fair market value and therefore no compensation expense is recognised. The warrants give the holders the right (without a pre-emption right for the Company's existing shareholders) to subscribe for 1 D-share in the Company with a par value of one Danish Krone, by cash contribution at exercise.

The D-share warrants expire at the earlier of (i) a change of control of the Group or an IPO or (ii) the period from 1 April 2023 to 15 April 2023.

The development in outstanding warrants can be specified as follows:

	Number of warrants	
	30 April 2021	**30 April 2020**
Outstanding at 1 May	45,000	45,000
Granted during the period	-	-
Forfeited during the period	-	-
Exercised during the period	-	-
Outstanding at 30 April	45,000	45,000
Weighted average remaining contractual life (years)	1,96	2,96

6. Amortisation and depreciation

DKK'000	**2020/21**	**2019/20**
Amortisation, intangible assets	3,304	23,542
Depreciation of property, plant and equipment	4,077	4,614
Profit/loss from sale of intangible assets and property, plant and equipment	641	27
Leasing of property, plant and equipment	20,013	23,131
Impairment of intercompany receivables	-	2,867
Total	**28,035**	**54,181**

7. Non-recurring items

DKK'000	**2020/21**	**2019/20**
Non-recurring items:		
Gain related to restructuring activities	(9,487)	-
Optimization of synergies and restructuring costs	-	11,464
Premises costs related to consolidation on fewer physical locations	8,733	15,831
Total non-recurring items	**(754)**	**27,295**

7. Non-recurring items (continued)

Impact of non-recurring items on operating profit

If non-recurring items had been recognised in operating profit before non-recurring items, they would have been included in the following line items:

DKK'000	2020/21	2019/20
Other external expenses	7,983	12,049
Staff costs	750	15,246
Income from investment in group enterprises	(9,487)	-
Total non-recurring items	**(754)**	**27,295**

In 2019/20, the Group continued the integration of B8 A/S which was acquired in 2018 including harvesting of synergies related to combining two large production facilities on one location and streamlining systems and processes (including termination of employees). Towards the end of 2019/20 and during 2020/21, following the outbreak of Covid-19, additional actions were carried out to mitigate a scenario where the activity level would remain low following the Covid-19 situation for an extended period, even though signs of a relatively rapid order intake rebound were seen. These actions included increased outsourcing of production to existing and new partners in Denmark and abroad as well as adjustments to the geographical footprint and organizational setup (including termination of employees) to increase flexibility and agility as well as to improve operational KPIs related to quality and delivery performance.

8. Financial income

DKK'000	2020/21	2019/20
Financial income arising from subsidiaries	371	1,325
Interest income	1	1
Exchange rate adjustments	-	239
Financial income	-	-
Total financial income	**372**	**1,565**

9. Financial expenses

DKK'000	2020/21	2019/20
Financial expenses from subsidiaries	645	3,054
Interest expenses	8,615	7,435
Exchange rate adjustments	782	1,302
Financial expenses	2,564	2,517
Total financial expenses	**12,606**	**14,308**

10. Taxation including current and deferred tax

DKK'000	2020/21	2019/20
Current tax	(4,676)	-
Changes in deferred tax	(11,000)	(1,870)
Adjustment previous year	5	(1,507)
Total	**(15,671)**	**(3,377)**

Reconciliation of tax expense and the profit multiplied by domestic tax rate for 2019/20 and 2020/21:

Profit before tax	(4,892)	(52,498)
Tax computed as statutory 22% tax rate (2019/20: 22%)	(1,076)	(11,550)
Other adjustment	-	(858)
Utilisation of previously unrecognised tax losses	(4,672)	11,855
Utilisation of tax losses (gains) from companies within the joint taxation contribution	(4,845)	(3,125)
Non-deductible expenses	(6)	513
Non-taxable income	(4,920)	-
Adjustment previous year	-	7
Income tax at the effective income tax rate of 22 % (2019/20: 22%)	**(15,519)**	**(3,158)**
Income tax expense reported in the income statement	**(15,671)**	**(3,377)**

Deferred tax assets, net

DKK'000	2020/21	2019/20
Deferred tax at 1 May	8,995	7,125
Adjustment previous year	5	-
Deferred tax for the year recognised in the income statement	11,000	1,870
Deferred tax at 30 April	**20,000**	**8,995**

Deferred tax is recognised in the statement of financial position as follows:

DKK'000	2020/21	2019/20
Deferred tax (asset)	20,000	8,995
Deferred tax (liability)	-	-
Deferred tax at 30 April	**20,000**	**8,995**

Deferred tax concerns

DKK'000	2020/21	2019/20
Intangible assets	3,397	4,590
Property, plant and equipment	216	(1,699)
Inventories	-	(666)
Provisions	220	1,289
Liabilities other than provisions	620	2,789
Tax loss carry forwards	15,547	2,692
Deferred tax at 30 April	**20,000**	**8,995**

10 Taxation including current and deferred tax (continued)

Deferred tax

Management has evaluated the measurement of deferred tax assets on the basis of budgets and forecasts and expected future income for the period 2019/20-2023/24. Deferred tax asset is expected to be utilised against future positive income over the next 3-5 years. Since the calculation of expected future taxable income for the coming years is subject to significant estimation and judgment, the valuation of the recognised deferred tax asset is inherently subject to uncertainty.

11. Total intangible assets

DKK'000	Goodwill	Acquired intangible assets	Completed development projects	Development projects in progress
30 April 2021				
Cost at 1 May	112,438	56,803	18,776	1,620
Reclassification	-	-	1,620	(1,620)
Additions	-	-	425	-
Disposals	-	(42,585)	(8,457)	-
Cost at 30 April	**112,438**	**14,218**	**12,364**	**-**
Amortisation at 1 May	-	(50,288)	(14,384)	-
Reclassification	-	-	-	-
Amortisation	-	(635)	(2,277)	-
Impairment	-	(203)	-	-
Reversal of amortisations	-	42,540	8,308	-
Amortisation at 30 April 2021	**-**	**(8,586)**	**(8,353)**	**-**
Carrying amount at 30 April 2021	**112,438**	**5,632**	**4,011**	**-**
30 April 2020				
Cost at 1 May	112,438	56,671	5.266	6,671
Transfers	-	(429)	8.852	(5,051)
Additions	-	561	4.658	-
Disposals	-	-	-	-
Cost at 30 April 2020	**112,438**	**56,803**	**18,776**	**1,620**
Amortisation at 1 May	-	(38,593)	(2,023)	-
Transfers	-	2,566	(3,081)	
Amortisation	-	(6,357)	(3,969)	-
Impairment		(7,904)	(5,311)	
Amortisation at 30 April 2020	-	**(50,288)**	**(14,384)**	-
Carrying amount at 1 May 2019	**112,438**	**18,078**	**3,243**	**6,671**
Carrying amount at 30 April 2020	**112,438**	**6,515**	**4,392**	**1,620**

11 Total intangible assets (continued)

Goodwill

At 30 April 2021, goodwill amounted to DKK 112,438 million (2019/20: DKK 112 million) for the Group. The Group has on 30 April in 2021 and 2020 performed impairment testing of the carrying amount of goodwill at the end of the financial year based on value in use. Impairment testing is performed each year based on the budgets or business plans approved by the Board of Directors.

The Parent Company has determined that the Parent Company itself represents the only identifyable CGU. As this is the case, then the carrying amount of goodwill and development projects in progress is allocated thereto. The impairment test for cash-generating units compares the recoverable amount, equivalent to the present value of the expected future free cash flow, with the carrying amount of the individual cash-generating units.

Budgets and projections for the 2021-2030 period are based on business plans and external market surveys, assessing risks associated with key parameters and incorporating these in expected future free cash flows. A ten-year period as opposed to a shorter period is used to make sure that assumptions are modelled as detailed as possible. The value for the period after 2030 takes into account the real growth and inflation expectations, which is described below.

When calculating the recoverable amount of goodwill, a discount rate of 10.2% (2019/20: 10.5%) after tax is assumed. The discount rate is based on a risk-free interest rate of -0.4% (2020: 0.0%). The discount rate has been determined based on the Cost of Capital model. The risk-free interest rate, the market risk premium and the beta factor are determined using external sources. The impairment tests performed at April 2021 indicate significantly higher value in use of the assets compared to the carrying amounts, and the impairment tests are therefore not sensitive to changes in the significant conditions and factors.

Key assumptions from the impairment testing of goodwill are as follows:

	Value drivers based on average for the period 2021-2030	**Value drivers based on average for the terminal period**
Net sales growth	4.8%	2.0%
EBITDA margin	8.9%	9.0%
EBITA margin	7.3%	8.0%
Intangible assets/Sales	28.4%	24.0%
Property, plant and equipment/Sales	2.8%	1.9%
NWC/Sales	7.3%	9.2%
ROIC (beginning of year invested capital)	15.2%	17.9%

11 Total intangible assets (continued)

Acquired intangible assets, completed development projects and development projects in progress

The intangible assets comprising acquired intangible assets, completed development projects and development projects in progress have a total recoverable amount at 30 April 2021 of DKK 9,643 thousand (30 April 2020: DKK 12,527 thousand) and a carrying amount of DKK 9,846 thousand (DKK 25,752 thousand), resulting in an impairment loss of DKK 203 thousand at 30 April 2021 (DKK 13,215 thousand at 30 April 2020).

As a consequence, and part of the plan initiated in April 2020 to outsource production, the ERP system and associated systems linked to this production site, became obsolete and therefore the total carrying amount related to these assets were written down to a carrying amount of DKK 0 and thereby realizing the impairment loss of DKK 13,215 thousand.

The remaining recoverable amount at 30 April 2021 of DKK 0,643 thousand relate to development of new office furniture and business areas as well as optimisation of internal processes, supply chain and sales.

The development is proceeding as planned and is expected to be completed within 1-3 years. Both completed development projects and development projects in progress contribute or are expected to contribute significantly to the Group's earnings going forward.

12 Total property, plant and equipment

DKK'000	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
30 April 2021				
Cost at 1 May	24,616	19,792	5,131	
Reclassification	-	-	-	
Additions	391	65	2,725	
Disposals	(22,628)	(16,028)	(2,065)	
Cost at 30 April	**2,379**	**3,829**	**5,791**	-
Depreciation at 1 May	(24,224)	(18,103)	(3,119)	-
Reclassification	-	-	-	
Depreciation	(1,488)	(987)	(1,602)	
Disposals	24,260	15,818	1,247	
Depreciation at 30 April 2021	**(1,452)**	**(3,272)**	**(3,474)**	-
Carrying amount at 30 April 2021	**927**	**557**	**2,317**	**-**
30 April 2020				
Cost at 1 May	23,892	24,010	6,305	770
Exchange rate adjustments	(587)	(3,335)	206	-
Reclassification	1,311	716	242	0
Additions	0	(1,599)	(1,622)	(770)
Disposals	24,616	(19,792)	5,131	0
Cost at 30 April	**(22,419)**	**(19,288)**	**(3,445)**	**0**
Depreciation at 1 May	(292)	1,370	(34)	0
Reclassification	(1,513)	(1,358)	(1,160)	-
Depreciation	0	1.173	1,520	-
Disposals	(24,224)	(18,103)	(3,119)	0
Depreciation at 30 April 2020	**23,892**	**24,010**	**6,305**	**770**
Carrying amount at 30 April 2020	**392**	**1,689**	**2,012**	**0**

13 Right-of-use assets

DKK'000	Leaseholds	Other fixtured and fittings, tools and equipment	Vehicles	Total
30 April 2021				
Cost at 1 May	57,745	19,938	19,251	96,934
Additions	1,044	-	889	1,933
Adjustments and revaluations	(470)	(3,702)	300	(3,872)
Exchange rate adjustments	-	-	13	13
Cost at 30 April	**58,319**	**16,236**	**20,453**	**95,008**
Depreciation at 1 May	(28,493)	(8,100)	(10,124)	(46,717)
Depreciation	(11,427)	(3,850)	(4,736)	(20,013)
Impairment	**-**	**-**	**-**	**-**
Depreciation at 30 April 2021	**(39,920)**	**(11,950)**	**(14,860)**	**(66,730)**
Carrying amount at 30 April 2021	**18,399**	**4,286**	**5,593**	**28,278**
30 April 2020				
Cost at 1 May	57,745	16,613	14,921	89,279
Additions		3,325	4,330	7,655
Cost at 30 April	**57,745**	**19,938**	**19,251**	**96,934**
Depreciation at 1 May	(14,291)	(3,666)	(4,663)	(22,620)
Depreciation	(13,236)	(4,434)	(5,461)	(23,131)
Impairment	(966)	**-**	**-**	**(966)**
Depreciation at 30 April 2020	**(28,493)**	**(8,100)**	**(10,124)**	**(46,717)**
Carrying amount at 1 May	**43,454**	**12,947**	**10,258**	**66,659**
Carrying amount at 30 April	**29,252**	**11,838**	**9,127**	**50,217**

Carrying amounts of lease liabilities and movements during the period:

DKK'000	30 April 2021	30 April 2020
At 1 May	53,226	68,090
Additions	1,933	7,656
Accrual of interest	1,199	1,884
Payments	(22,123)	(24,364)
Exchange rate adjustments	13	(40)
Adjustments and revaluation	(4,825)	-
At 30 April	**29,423**	**53,226**
Current	11,235	22,198
Non-current	18,188	31,028

The maturity analysis of lease liabilities is disclosed in note 19 (Financial risk).

13 Right-of-use assets (continued)

The following amounts have been recognised in profit or loss:

DKK'000	2020/2021	2019/2020
Depreciation expense of right-of-use assets	20,013	23,131
Interest expense on lease liabilities	1,199	1,885
Expense relating to short-term leases (included in cost of sales)	0	2
Total amount recognised in profit or loss	**21,212**	**25,018**

The Group had total cash outflow for leases of DKK 22,123 thousand (2019/20: DKK 24,364 thousand).
The Group leases various properties, production equipment, equipment and cars. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. As part of Covid-19 no rent concession has been received.

14 Fixed assets investments

DKK'000	Investment in sub-sidiaries	Deposits
2020/21		
Cost at 1 May	36,450	3,083
Additions	-	-
Disposals	(3,395)	(63)
Cost at 30 April	**33,055**	**3,020**
2019/20		
Cost at 1 May	36,572	3,623
Additions	-	82
Disposals	(122)	(622)
Cost at 30 April	**36,450**	**3,083**

Investments in subsidiaries are being assessed on a recurring basis for any indication of the recoverable amount exceeding the carrying amount. There has not been any indication thereof during the years 2020/21 and 2019/20. The disposal relates to the divestment of Holmris Norway AS and Holmris US, Inc. as of 30 November 2020.

List of subsidiaries owned be the Parent Company:	Registered in:	Equity interest %
Holmris Customized A/S	Silkeborg	100
Labofa A/S	Slagelse	100
Designbrokers Hospitality DK ApS	Copenhagen	100
Designbrokers Benelux B.V.	Netherlands	100
Designbrokers Ltd.	Great Britain	100

15 Investment in associates

Investment in associate consists of a 40% share in the Norwegian entity FormFunk AS. The shares was acquired in 2020/21 by exchanging 100% of the shares in Holmris B8 AS Norway with the 40% share in the combined entity. As a result of the transaction a gain of 9,487 thousand. was recognized under non-recurring items.
The net result for the first months of ownership is considered immaterial, hence no financial information about FormFunk AS is disclosed.

16 Inventories

DKK'000	30 April 2021	30 April 2020
Raw materials and consumables	-	38,414
Work in progress	-	341
Manufactured goods and goods for resale	39,489	33,646
Total inventories	**39,489**	**72,401**

Included in the income statement
During 2020/21, DKK 581,923 thousand (2019/20: DKK 619,579 thousand) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

During 2020/21, DKK 800 thousand (2019/20: DKK 9,596 thousand) were recognised as write down of inventories carried at net realisable value. This is recognised in cost of sales.

17 Trade and other receivables

DKK'000	30 April 2021	30 April 2020
Trade receivables	34,537	31,577
Loss allowance	(400)	(1,382)
Other receivables	3,838	3,150
Total receivables	**37,975**	**33,345**

The average credit period for the sale of goods is 30 days.
The Parent Company holds a portfolio of trade receivables which meets the SPPI test. The trade receivables are either held to collect their cash flows whereas some receivables are subject to factoring arrangements. The factoring arrangement results in derecognition of the trade receivables and recognition of a separate asset representing the unpaid consideration from the factor.

Trade receivables
Trade receivables consist of trade receivables less considerations from the factoring agreements and are measured at amortised cost less provisions for expected credit losses. The Parent Company applies the simplified approach in order to measure lifetime expected credit losses.

17 Trade and other receivables (continued)

Trade receivables have been grouped based on shared credit risk characteristics. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors. Set out below is the movement in the allowance for expected credit losses:

DKK'000	30 April 2021	30 April 2020
At 1 May	1,382	2,466
Provision for expected credit loss	400	1,382
Reversal of write-off	(1,382)	-
Write-off	-	(2,466)
At 30 April	**400**	**1,382**

The expected credit losses generally relate to customers in Denmark. Customers based in Denmark amount to DKK 30,150 thousand (2019/20: DKK 24,314 thousand) where 16% (2019/20: 12%) is overdue and is subject to impairment. Customers based outside of Denmark amount to DKK 7,825 thousand (2019/20: DKK 7,263 thousand), where 40% (2019/20: 52%) is overdue and the expected credit loss amounts to DKK 400 thousand (2019/20: DKK 1,382 thousand).

Receivables from group enterprises

For receivables from group enterprises the Company applies a simplified approach in calculating expected credit losses. Therefore, the Parent Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date.

During 2020/21 a receivable from a group enterprise has been impaired by an amount corresponding to DKK 0 thousand (2019/20: DKK 2,867 thousand).

Other receivables

Other receivables consist of unpaid consideration from the factoring agreement. Under this arrangement, the Parent Company transfers the title to the individual receivable to the factor in exchange for cash consideration equalling 90% of the face value. The remaining 10% of the face value is paid once the underlying receivable is settled. The Parent Company collects the consideration on behalf of the factor until full payment has been received from the debtor.

As the full control and 90% of the credit risk are transferred, the Parent Company has concluded that all risks and rewards are neither transferred nor retained. Therefore, the Parent Company derecognises the trade receivables in their entirety and recognises separately the right of the remaining 10% from the factor. The maximum exposure to loss of the transferred assets equals the carrying amount. All of the factored trade receivables are subject to credit insurance and hence the majority of the counterparties are creditworthy. In addition, the short length of credit has led to the conclusion that the face value is a reasonable estimation of fair value.

18 Other provisions

DKK'000	30 April 2021	30 April 2020
Balance at 1 May	4,165	250
Reduction arising from payment	(3,915)	3,915
Additions	250	
Other provisions at 30 April	**500**	**4,165**
Other provisions are expected to fall due as follows:		
0-1 year	500	4,165
1-5 years	0	0
Other provisions at 30 April	**500**	**4,165**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns etc.

19 Financial risks

For a description of the Parent Company's financial risks, including a description of the risk management policy, credit risk, liquidity risks, interest rate risks and foreign currency risks, see note 18 to the consolidated financial statements.

The tables below summarise the maturity profile of the Entity’s financial liabilities based on contractual undiscounted payments:

DKK’000	Carrying amount	< 1 year	1 to 5 years	> 5 years	Total
30 April 2021					
Bank loans	50,000	5,080	33,040	15,240	**53,360**
Revolving Credit Facility	3,263	3,263	-	-	**3,263**
Trade payables	81,164	81,164	-	-	**81,164**
Payables to group enterprises	54,473	54,473	-	-	**54,473**
Other payables	32,270	30,509	1,761	-	**32,270**
Holiday allowances	15,140	-	653	14,487	**15,140**
Lease liabilities	29,423	11,956	21,146	426	**33,528**
Total	**265,733**	**186,445**	**56,600**	**30,153**	**273,198**

19. Financial risks (continued)

DKK'000	Carrying amount	< 1 year	1 to 5 years	> 5 years	Total
30 April 2020				-	
Revolving Credit Facility	113,379	113,379	-	-	113,379
Trade payables	74,417	74,417	-	-	74,417
Payables to group enterprises	16,116	16,116	-	-	16,116
Payables to shareholders and management	-	-	-	-	-
Other payables	11,482		11,482	-	11,482
Holiday allowances	56,361	53,661	2,700	-	56,361
Lease liabilities	53,226	23,477	32.370	31	55,878
Total	**324,981**	**281,050**	**46,552**	**31**	**327,633**

Financial assets and liabilities

DKK'000	30 April 2021	30 April 2020
Trade receivables	37,975	33,345
Receivables from group enterprises	6,139	18,273
Other receivables	7,930	1,701
Prepaid expenses	3,336	2,369
Cash	-	27,886
Financial assets measured at amortised cost	**55,380**	**83,574**
Revolving Credit Facility	3,263	113,379
Trade payables	81,164	74,417
Payables to group enterprises	54,473	16,116
Payables to shareholders and management	-	-
Other payables	31,279	56,361
Lease liabilities	29,423	53,226
Financial liabilities measured at amortised cost	**199,602**	**313,499**

Since the Group's financial instruments measured at amortised cost are either short-term and/or exposed to floating interest rates, Management has assessed that the carrying amount is a reasonable approximation of fair value.

20 Working capital changes

DKK'000	30 April 2021	30 April 2020
Increase (-)/decrease (+) in inventories	32,912	34,964
Increase (-)/decrease (+) in receivables etc.	(11,134)	1,844
Increase (+)/decrease (-) in current liabilities	27,233	(65,545)
Total	**49,011**	**(28,737)**

21 Reconciliation of liabilities arising from financing activities

DKK'000	Other borrowings	Revolving Credit Facility	Lease liabilities	Total liabilities from financing activities
30 April 2021				
Liabilities at 1 May	16,435	113,378	53,186	182,999
Loan raised	50,000	-	1,933	51,933
Repayments	-	-	(20,924)	(20,924)
Change in Revolving Credit Facility, net	-	(110,116)	-	(110,116)
Foreign exchange rate movements	-	-	13	13
Adjustments and revaluations	-	-	(4,785)	(4,785)
Other	465	-	-	465
Liabilities at 30 April	**66,900**	**3,262**	**29,423**	**99,585**
30 April 2020				
Liabilities at 1 May	3,010	67,671	68,090	138,771
Loan raised	13,425	-	7,656	21,081
Repayments	-		(22,520)	(22,520)
Change in Revolving Credit Facility, net	-	45,707	-	45,707
Foreign exchange rate movements	-	-	(40)	(40)
Other	-	-	-	-
Liabilities at 30 April	**16,435**	**113,378**	**53,186**	**182,999**

22 Guarantees, contingent liabilities and collateral

The following assets are provided as collateral in favour of credit institutions in the Parent Company:

DKK'000	30 April 2021	30 April 2020
Acquired intangible assets	5,631	6,515
Property, plant and equipment	32,081	54,310
Receivables from group enterprises	9,490	8,729
Inventories	39,489	72,401
Trade receiveables	37,975	33,345
Carrying amount of assets held as collateral	**124,666**	**175,300**

The Parent Company has guaranteed group enterprises' debt to Sydbank. The maximum limit of the guarantee is DKK 130,000 thousand (30 April 2020: DKK 130,000 thousand). Bank loans of group enterprises amount to DKK 15,559 thousand (30 April 2020: DKK 90,221 thousand).

Debt to the factoring company is secured on a receivables charge on unsecured claims relating to the sale of goods and services. Debt to the factoring company has been set off against the value of trade receivables.

22 Guarantees, contingent liabilities and collateral (continued)

As security for commitments with clients and lessors, performance and payments guarantees of DKK 8,450 thousand (2019/20: DKK 8,237 thousand) have been provided through the bank.

Contingent liabilities

The Parent Company participates in a Danish joint taxation arrangement where Holmris Holding A/S 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 for obligations, 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.

23 Related parties

The Entity's related parties exercising control is Holmris Holding A/S: HOLMRIS B8 A/S is also included in the consolidated financial statements prepared for Holmris Holding A/S with a registered office in Viborg.

The ultimate owner is BWB Partners I K/S with a registered office in Kokkedal.
Related parties also comprise the members of the Board of Directors and the Executive Board as well as close family members of the members of the Board of Directors and the Executive Board as well as other senior executives.

Transactions with the Board of Directors and the Executive Board which comprise salaries, pension and other benefits are described in note 4
Other transactions with group enterprises:

DKK'000	2020/21	2019/20
Sale of goods	16,161	37,143
Purchase of goods	(140,082)	(61,113)
Management fee	224	2,788
Sales commission to UK	(1,357)	(2,139)
Financial income from subsidiaries	372	1,325
Financial cost from subsidiaries	(645)	(3,054)

24 Events after the balance sheet date

The company is not aware of any events, including the outbreak of Covid-19, that have occured after 30. April 2021 and expected to have a material impact on the Comapny's current financial situation or future that is not already incorporated in this annual report.

25 Adoption of new and amended Standards

The new and amended Standards and Interpretations that have been issued, but which are not yet effective, up to the date of issuance of the Group's Financial Statements have not been adopted by the Group. The Group intends to adopt these new and amended Standards and Interpretations, if applicable, when they become effective. The adoption of these is not expected to have significant impact on the financial reporting for future periods.