



## **Forsco ApS**

Balticagade 15 C, 2. tv  
8000 Aarhus C  
CVR No. 25611799

## **Annual report 2022**

The Annual General Meeting adopted the  
annual report on 09.02.2023

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**Christian Frismodt**

Chairman of the General Meeting

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# Entity details

## Entity

Forsco ApS

Balticagade 15 C, 2. tv

8000 Aarhus C

Business Registration No.: 25611799

Registered office: Aarhus

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Christian Frismodt, chairman

Jeffrey David Steed

Aaron David Womack

## Executive Board

Claus Gade Løvgreen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Forsco ApS for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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

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

Aarhus, 09.02.2023

## Executive Board

**Claus Gade Løvgreen**

## Board of Directors

**Christian Frismodt**  
chairman

**Jeffrey David Steed**

**Aaron David Womack**

# Independent auditor's report

## To the shareholders of Forsco ApS

### Opinion

We have audited the financial statements of Forsco ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

**Statement on the management commentary**

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Aarhus, 09.02.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Henrik Vedel**

State Authorised Public Accountant  
Identification No (MNE) mne10052

**Søren Marquart Alsen**

State Authorised Public Accountant  
Identification No (MNE) mne40040

# Management commentary

## Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	39,601	37,525	31,872	42,606	27,537
Operating profit/loss	22,961	23,295	20,585	24,449	10,616
Net financials	1,420	1,696	(1,840)	801	(805)
Profit/loss for the year	18,972	19,491	14,491	20,004	7,615
Total assets	60,775	78,091	63,181	65,749	46,170
Investments in property, plant and equipment	0	95	276	116	448
Investment in intangibles	1,136	299	243	228	0
Equity	13,819	22,847	3,317	29,265	18,761
<b>Ratios</b>					
Return on equity (%)	103.49	148.99	88.95	83.30	66.90
Equity ratio (%)	22.74	29.26	5.25	44.51	40.63

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Average equity

### Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets



**Primary activities**

The activity of the company is to operate in trade and in related business and consultancy business.

**Development in activities and finances**

The company realized a profit of DKK 19m for the financial year 2022. This is on level with last year's result of DKK 19.5m. Management considers profit for the year satisfactory given the circumstances around the development in inflation and the USD exchange rate.

**Profit/loss for the year in relation to expected developments**

Management expected an increase in the result, but given the circumstances around the development in inflation and the USD exchange rate.

**Outlook**

Management expects an increase in the activity level for the coming financial year, primarily driven by more sales to existing customers, and sales to new customers. The profit is expected to increase by up to 10-20% in 2023.

We do not have any significant investments planned for the year of 2023.

Regarding future performance, the development of the USD exchange rate must be taken into account as all trading is done in USD. We do not use future exchange contracts. Exchanges are done when the exchange rate is favorable.

# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>39,601,425</b>	<b>37,525,205</b>
Staff costs	2	(15,960,843)	(13,734,210)
Depreciation, amortisation and impairment losses	3	(679,168)	(496,290)
<b>Operating profit/loss</b>		<b>22,961,414</b>	<b>23,294,705</b>
Other financial income	4	1,954,090	1,809,171
Other financial expenses	5	(533,772)	(113,177)
<b>Profit/loss before tax</b>		<b>24,381,732</b>	<b>24,990,699</b>
Tax on profit/loss for the year	6	(5,409,944)	(5,499,517)
<b>Profit/loss for the year</b>	7	<b>18,971,788</b>	<b>19,491,182</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		1,064,288	394,121
<b>Intangible assets</b>	8	<b>1,064,288</b>	<b>394,121</b>
Other fixtures and fittings, tools and equipment		241,562	454,753
<b>Property, plant and equipment</b>	9	<b>241,562</b>	<b>454,753</b>
Investments in group enterprises		3,996,659	1,895,800
Deposits		334,338	261,688
<b>Financial assets</b>	10	<b>4,330,997</b>	<b>2,157,488</b>
<b>Fixed assets</b>		<b>5,636,847</b>	<b>3,006,362</b>
Trade receivables		27,163,078	43,886,717
Receivables from group enterprises		8,270,823	86,244
Other receivables		59,981	0
Prepayments	11	106,844	150,436
<b>Receivables</b>		<b>35,600,726</b>	<b>44,123,397</b>
<b>Cash</b>		<b>19,537,089</b>	<b>30,961,564</b>
<b>Current assets</b>		<b>55,137,815</b>	<b>75,084,961</b>
<b>Assets</b>		<b>60,774,662</b>	<b>78,091,323</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		125,000	125,000
Retained earnings		13,694,123	22,722,335
<b>Equity</b>		<b>13,819,123</b>	<b>22,847,335</b>
Deferred tax	12	23,500	42,848
<b>Provisions</b>		<b>23,500</b>	<b>42,848</b>
Trade payables		32,773,449	44,227,570
Payables to associates		5,942,313	5,675,440
Tax payable		5,483,949	3,496,863
Other payables		2,732,328	1,801,267
<b>Current liabilities other than provisions</b>		<b>46,932,039</b>	<b>55,201,140</b>
<b>Liabilities other than provisions</b>		<b>46,932,039</b>	<b>55,201,140</b>
<b>Equity and liabilities</b>		<b>60,774,662</b>	<b>78,091,323</b>

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# Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,000	22,722,335	22,847,335
Extraordinary dividend paid	0	(28,000,000)	(28,000,000)
Profit/loss for the year	0	18,971,788	18,971,788
<b>Equity end of year</b>	<b>125,000</b>	<b>13,694,123</b>	<b>13,819,123</b>

# Notes

## 1 Events after the balance sheet date

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

## 2 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	14,658,483	13,232,745
Pension costs	558,658	225,417
Other social security costs	167,927	123,992
Other staff costs	575,775	152,056
	<b>15,960,843</b>	<b>13,734,210</b>
Average number of full-time employees	<b>17</b>	<b>14</b>

## 3 Depreciation, amortisation and impairment losses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	465,977	287,157
Depreciation of property, plant and equipment	213,191	209,133
	<b>679,168</b>	<b>496,290</b>

## 4 Other financial income

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	292,728	0
Other interest income	82,027	0
Exchange rate adjustments	1,579,335	1,809,171
	<b>1,954,090</b>	<b>1,809,171</b>

## 5 Other financial expenses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from associates	321,530	86,951
Other interest expenses	212,242	26,226
	<b>533,772</b>	<b>113,177</b>

**6 Tax on profit/loss for the year**

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	5,429,292	5,496,863
Change in deferred tax	(19,348)	2,654
	<b>5,409,944</b>	<b>5,499,517</b>

**7 Proposed distribution of profit and loss**

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Retained earnings	18,971,788	19,491,182
	<b>18,971,788</b>	<b>19,491,182</b>

**8 Intangible assets**

	<b>Acquired intangible assets DKK</b>
Cost beginning of year	981,499
Additions	1,136,144
<b>Cost end of year</b>	<b>2,117,643</b>
Amortisation and impairment losses beginning of year	(587,378)
Amortisation for the year	(465,977)
<b>Amortisation and impairment losses end of year</b>	<b>(1,053,355)</b>
<b>Carrying amount end of year</b>	<b>1,064,288</b>

**9 Property, plant and equipment**

	<b>Other fixtures and fittings, tools and equipment DKK</b>
Cost beginning of year	1,081,911
<b>Cost end of year</b>	<b>1,081,911</b>
Depreciation and impairment losses beginning of year	(627,158)
Depreciation for the year	(213,191)
<b>Depreciation and impairment losses end of year</b>	<b>(840,349)</b>
<b>Carrying amount end of year</b>	<b>241,562</b>

## 10 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Deposits DKK</b>
Cost beginning of year	1,895,800	261,688
Additions	2,100,859	72,650
<b>Cost end of year</b>	<b>3,996,659</b>	<b>334,338</b>
<b>Carrying amount end of year</b>	<b>3,996,659</b>	<b>334,338</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
Shanghai EverRest Furniture Limited Company	China	Company	100.00

## 11 Prepayments

Prepayments contains insurances and rent.

## 12 Deferred tax

	<b>2022 DKK</b>	<b>2021 DKK</b>
<b>Changes during the year</b>		
Beginning of year	42,848	40,194
Recognised in the income statement	(19,348)	2,654
<b>End of year</b>	<b>23,500</b>	<b>42,848</b>

Deferred tax relates to intangible assets and equipment

## 13 Contingent liabilities

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

## 14 Assets charged and collateral

As security for bank commitments the company has provided a floating charge of DKK 1 million.

## 15 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
M DK Holdings ApS, Aarhus



# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

## Recognition and measurement

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

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

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

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

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

## Income statement

### Gross profit or loss

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

### Revenue

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

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

**Staff costs**

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

**Depreciation, amortisation and impairment losses**

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

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, 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.

**Tax on profit/loss for the year**

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

**Balance sheet****Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3

**Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

**Receivables**

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

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Deferred tax**

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

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

**Other financial liabilities**

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

**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.

**Cash flow statement**

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of M DK Holdings ApS, Business Reg. No. nr. 43 58 87 53