



Kebe A/S

Knastvej 3
7860 Spøttrup
CVR No. 28301898

Annual report 01.05.2023 - 30.04.2024

The Annual General Meeting adopted the annual
report on 16.09.2024

Henrik Schougaard Pedersen
Chairman of the General Meeting

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Entity details

Entity

Kebe A/S

Knastvej 3

7860 Spøttrup

Business Registration No.: 28301898

Registered office: Skive

Financial year: 01.05.2023 - 30.04.2024

Phone number: 86994666

URL: www.kebe.dk

E-mail: kebe@kebe.dk

Board of Directors

Hans Houind, chairman

Henrik Schougaard Pedersen

Jakob Willumsen

Executive Board

Henrik Schougaard Pedersen

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 Kebe A/S for the financial year 01.05.2023 - 30.04.2024.

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 30.04.2024 and of the results of its operations for the financial year 01.05.2023 - 30.04.2024.

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.

Spøttrup, 16.09.2024

Executive Board

Henrik Schougaard Pedersen

Board of Directors

Hans Houliind
chairman

Henrik Schougaard Pedersen

Jakob Willumsen

Independent auditor's report

To the shareholders of Kebe A/S

Opinion

We have audited the financial statements of Kebe A/S for the financial year 01.05.2023 - 30.04.2024, 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 30.04.2024 and of the results of its operations for the financial year 01.05.2023 - 30.04.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Aarhus, 16.09.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Michael Bach

State Authorised Public Accountant

Identification No (MNE) mne19691

Nikolaj Dyregaard Nielsen

State Authorised Public Accountant

Identification No (MNE) mne47838

Management commentary

Primary activities

Kebe A/S produce and distribute upholstered furniture in own brand and for larger OEM customers.

Description of material changes in activities and finances

The financial result of the year shows loss of DKK 1,863k, compared to a loss of DKK 998k in the previous financial year.

The 2023/24 financial year has been a year in which the negative market developments from 2022/23 has continued. High inflation and interest rates eroded the purchase power of the consumers. Combined with the increased global tensions, this has put further pressure on the global furniture sales.

At the same time this negative landscape has presented some great market opportunities, for entities capable of navigating uncertain environments and demonstrating adoptability.

For Kebe A/S, 2023/24 has therefore been a year in which, on one hand strict control of costs and adaptation of capacity had to take place, and on the other hand substantial investments have been made in new product development and fostering collaborations with new customers.

Profit/loss for the year in relation to expected developments

The continued decline in the market has had a negative impact on the year's financial result, which fall below initial projections for the financial year.

Outlook

The continued market decline observed in 2023/24 appears to have stabilized in spring 2024, and a modest market development is anticipated in 2024/25.

Several product development collaborations with new customers, initiated in 2023/24, have been completed and production and delivery are expected to start in autumn 2024. These are projected to contribute positively to the turnover and result for 2024/25.

The organization structure and capacity have been adapted to support the expected increase in business activity in the coming year.

Efforts to finalize additional projects for launch during the first half of 2025 are ongoing.

Overall, 2024/25 will require a continued balance between cautious capacity management, rigorous cost control, and strategic investments in new initiatives.

A result between DKK 500k and 2,500k before tax is expected for 2024/25.

Events after the balance sheet date

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

Income statement for 2023/24

	Notes	2023/24 DKK	2022/23 DKK
Gross profit/loss	1	195,186	2,667,072
Staff costs	2	(4,056,333)	(6,031,023)
Depreciation, amortisation and impairment losses	3	(706,235)	(519,468)
Operating profit/loss		(4,567,382)	(3,883,419)
Income from investments in group enterprises		1,975,662	2,206,219
Other financial income	4	323,865	340,706
Other financial expenses		(674,846)	(563,665)
Profit/loss before tax		(2,942,701)	(1,900,159)
Tax on profit/loss for the year	5	1,080,000	902,369
Profit/loss for the year		(1,862,701)	(997,790)
Proposed distribution of profit and loss			
Retained earnings		(1,862,701)	(997,790)
Proposed distribution of profit and loss		(1,862,701)	(997,790)

Balance sheet at 30.04.2024

Assets

	Notes	2023/24 DKK	2022/23 DKK
Acquired intangible assets		1,871,140	2,173,599
Intangible assets	6	1,871,140	2,173,599
Plant and machinery		0	0
Other fixtures and fittings, tools and equipment		472,513	522,451
Property, plant and equipment	7	472,513	522,451
Investments in group enterprises		21,472,834	18,319,634
Deposits		42,381	42,381
Financial assets	8	21,515,215	18,362,015
Fixed assets		23,858,868	21,058,065
Manufactured goods and goods for resale		280,462	0
Inventories		280,462	0
Trade receivables		12,860,496	12,484,156
Receivables from group enterprises		4,813,649	4,113,776
Deferred tax		1,858,000	778,000
Other receivables		5,790	0
Income tax receivable		35,369	0
Prepayments		377,411	243,618
Receivables		19,950,715	17,619,550
Cash		49,558	499,536
Current assets		20,280,735	18,119,086
Assets		44,139,603	39,177,151

Equity and liabilities

	Notes	2023/24 DKK	2022/23 DKK
Contributed capital		1,200,000	1,200,000
Reserve for net revaluation according to the equity method		18,612,122	15,458,922
Retained earnings		(5,843,288)	(2,004,925)
Equity		13,968,834	14,653,997
Bank loans		12,568,193	8,832,679
Payables to other credit institutions		74,775	107,459
Trade payables		1,156,153	1,181,208
Payables to group enterprises		12,706,543	10,061,961
Payables to owners and management		2,625,000	2,630,208
Joint taxation contribution payable		0	808,956
Other payables		1,040,105	900,683
Current liabilities other than provisions		30,170,769	24,523,154
Liabilities other than provisions		30,170,769	24,523,154
Equity and liabilities		44,139,603	39,177,151
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		

Statement of changes in equity for 2023/24

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,200,000	15,458,922	(2,004,925)	14,653,997
Exchange rate adjustments	0	1,177,538	0	1,177,538
Profit/loss for the year	0	1,975,662	(3,838,363)	(1,862,701)
Equity end of year	1,200,000	18,612,122	(5,843,288)	13,968,834

Notes

1 Gross profit/loss

Other operating income under gross profit/loss includes income of a secondary nature as viewed in relation to the Entity's primary activity and salary refunds.

2 Staff costs

	2023/24	2022/23
	DKK	DKK
Wages and salaries	3,678,511	5,513,035
Pension costs	315,655	441,769
Other social security costs	62,167	76,219
	4,056,333	6,031,023
Average number of full-time employees	6	7

3 Depreciation, amortisation and impairment losses

	2023/24	2022/23
	DKK	DKK
Amortisation of intangible assets	511,460	353,791
Depreciation of property, plant and equipment	194,775	165,677
	706,235	519,468

4 Other financial income

	2023/24	2022/23
	DKK	DKK
Financial income from group enterprises	145,278	107,682
Other interest income	134,953	245,846
Exchange rate adjustments	18,206	(14,336)
Other financial income	25,428	1,514
	323,865	340,706

5 Tax on profit/loss for the year

	2023/24	2022/23
	DKK	DKK
Change in deferred tax	(1,080,000)	(867,000)
Refund in joint taxation arrangement	0	(35,369)
	(1,080,000)	(902,369)

6 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	2,557,296
Additions	209,001
Cost end of year	2,766,297
Amortisation and impairment losses beginning of year	(383,697)
Amortisation for the year	(511,460)
Amortisation and impairment losses end of year	(895,157)
Carrying amount end of year	1,871,140

7 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	94,383	4,280,993
Additions	0	144,837
Cost end of year	94,383	4,425,830
Depreciation and impairment losses beginning of year	(94,383)	(3,758,542)
Depreciation for the year	0	(194,775)
Depreciation and impairment losses end of year	(94,383)	(3,953,317)
Carrying amount end of year	0	472,513

8 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	2,860,712	42,381
Cost end of year	2,860,712	42,381
Revaluations beginning of year	15,458,922	0
Exchange rate adjustments	1,177,538	0
Share of profit/loss for the year	1,975,662	0
Revaluations end of year	18,612,122	0
Carrying amount end of year	21,472,834	42,381

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Kebe Poland Sp. z.o.o.	Częstochowa, Poland	Sp. z.o.o.	100,0

9 Unrecognised rental and lease commitments

	2023/24 DKK	2022/23 DKK
Liabilities under rental or lease agreements until maturity in total	617,870	576,803

10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Kebe Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and 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.

11 Assets charged and collateral

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor in receivables of DKK 11,000k nominal.

Accounting policies

Reporting class

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

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

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

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

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, 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.

Other operating income

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

Cost of sales

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

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

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

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

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

Other financial expenses

Other financial expenses comprise interest expenses, including net capital or exchange losses payables and transactions in foreign currencies and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

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

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc comprise , 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.

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

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

	Useful life
Plant and machinery	10 years
Other fixtures and fittings, tools and equipment	3-5 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.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

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

The accounting policies applied to material financial statement items of group enterprises are:

Inventories

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

Cost consists of purchase price.

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

Inventories

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

Cost consists of purchase price.

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

Receivables

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

Deferred tax

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

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

Tax payable or receivable

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

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

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions 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.