



## Bruunmunch Furniture ApS

Ryttervænget 15  
6710 Esbjerg V  
CVR No. 28898096

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 06.07.2023

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**Henrik Johannessen Bruun**  
Chairman of the General Meeting

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# Entity details

## Entity

Bruunmunch Furniture ApS

Ryttervænget 15

6710 Esbjerg V

Business Registration No.: 28898096

Registered office: Esbjerg

Financial year: 01.01.2022 - 31.12.2022

URL: [www.bruunmunch.com](http://www.bruunmunch.com)

## Board of Directors

Henrik Johannessen Bruun

Jacob Munch

## Executive Board

Henrik Johannessen Bruun

Jacob Munch

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6700 Esbjerg

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Bruunmunch Furniture 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.

Esbjerg, 06.07.2023

## Executive Board

**Henrik Johannessen Bruun**

**Jacob Munch**

## Board of Directors

**Henrik Johannessen Bruun**

**Jacob Munch**

# Independent auditor's extended review report

To the shareholders of Bruunmunch Furniture ApS

## Report on extended review of the financial statements

### Conclusion

We have performed an extended review of the financial statements of Bruunmunch Furniture 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.

Based on our extended review, 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 conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### 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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review 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 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.

#### **Report on other legal and regulatory requirements**

##### **Violation of VAT legislation**

The company has not reported VAT returns in time to the Danish Tax Agency which is a violation of the Danish VAT legislation. Thereby the management can incur liability.

Esbjerg, 06.07.2023

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Anders Rasmussen**

State Authorised Public Accountant  
Identification No (MNE) mne34316

# Management commentary

## Primary activities

The company's primary activity is to design, produce, distribute and market art, including furniture art and any business which, in the management's opinion is related to it.

## Development in activities and finances

The annual accounts show a profit of DKK 2K. against a profit of DKK 643K in 2021. The result for the year is not considered satisfactory.

The result for the year is influenced by several factors, including the continued conceptualization. Investments have been made in developing the company's online platform, which supports the company's increased digital presence and marketing on the social platforms.

The company is focusing on strengthening the cooperation with the company's suppliers, dealer networks and the company's digital presence.

Liquidity is assessed to be sufficient for the activities up to 31.12.2023. See note 1

# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>1,654,678</b>	<b>1,779,356</b>
Staff costs	2	(1,169,227)	(1,015,598)
Depreciation, amortisation and impairment losses	3	(146,727)	(101,236)
<b>Operating profit/loss</b>		<b>338,724</b>	<b>662,522</b>
Other financial income		12,788	9,266
Other financial expenses		(338,192)	(274,539)
<b>Profit/loss before tax</b>		<b>13,320</b>	<b>397,249</b>
Tax on profit/loss for the year	4	(11,000)	246,000
<b>Profit/loss for the year</b>		<b>2,320</b>	<b>643,249</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		2,320	643,249
<b>Proposed distribution of profit and loss</b>		<b>2,320</b>	<b>643,249</b>



# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	6	466,632	242,389
Acquired intangible assets		486,500	522,625
<b>Intangible assets</b>	5	<b>953,132</b>	<b>765,014</b>
Other fixtures and fittings, tools and equipment		60,733	19,666
Leasehold improvements		38,018	55,565
<b>Property, plant and equipment</b>	7	<b>98,751</b>	<b>75,231</b>
Receivables from group enterprises		125,000	125,000
Deposits		47,025	31,444
<b>Financial assets</b>	8	<b>172,025</b>	<b>156,444</b>
<b>Fixed assets</b>		<b>1,223,908</b>	<b>996,689</b>
Manufactured goods and goods for resale		2,645,505	2,289,168
<b>Inventories</b>		<b>2,645,505</b>	<b>2,289,168</b>
Trade receivables		688,706	445,382
Deferred tax	9	235,000	246,000
Other receivables		315,757	286,975
Prepayments		69,364	96,483
<b>Receivables</b>		<b>1,308,827</b>	<b>1,074,840</b>
<b>Cash</b>		<b>250,000</b>	<b>250,000</b>
<b>Current assets</b>		<b>4,204,332</b>	<b>3,614,008</b>
<b>Assets</b>		<b>5,428,240</b>	<b>4,610,697</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		187,500	187,500
Reserve for development expenditure		189,063	189,063
Retained earnings		(1,369,091)	(1,371,411)
<b>Equity</b>		<b>(992,528)</b>	<b>(994,848)</b>
Subordinate loan capital		1,000,000	1,000,000
Bank loans		1,403,969	1,243,140
Other payables		268,143	302,277
<b>Non-current liabilities other than provisions</b>	<b>10</b>	<b>2,672,112</b>	<b>2,545,417</b>
Current portion of non-current liabilities other than provisions	10	460,000	460,000
Bank loans		1,750,266	1,083,717
Prepayments received from customers		336,610	43,930
Trade payables		1,053,794	1,279,687
Payables to owners and management		15,704	4,439
Other payables	11	132,282	188,355
<b>Current liabilities other than provisions</b>		<b>3,748,656</b>	<b>3,060,128</b>
<b>Liabilities other than provisions</b>		<b>6,420,768</b>	<b>5,605,545</b>
<b>Equity and liabilities</b>		<b>5,428,240</b>	<b>4,610,697</b>
Going concern	1		
Unrecognised rental and lease commitments	12		
Assets charged and collateral	13		

# Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	187,500	189,063	(1,371,411)	(994,848)
Profit/loss for the year	0	0	2,320	2,320
<b>Equity end of year</b>	<b>187,500</b>	<b>189,063</b>	<b>(1,369,091)</b>	<b>(992,528)</b>

# Notes

## 1 Going concern

The management of Bruunmunch Furniture ApS believes that the company's cash flow is enough until 31. december 2023.

The parent company Hb og Jm Holding ApS has given the following support statement to the company:

*"Hb og Jm Holding ApS hereby confirm that in the period until 31. december 2023 will, on demand, provide the necessary liquidity to Bruunmunch Furniture ApS one or more times, to enable Bruunmunch Furniture ApS, to fulfill its obligations as they become due. Liquidity must be in the form of equity, capital increase, tax-free group subsidy or as foreign capital through the granting of monetary loans, which are not due for payment until 31. december at the earliest and which from Hb og Jm Holding ApS is irrevocable in the period until 31. december 2023 and with amounts which the management of Bruunmunch Furniture finds sufficient to enable Bruunmunch Furniture ApS to fulfill its obligations as they fall due. This support statement is valid regardless of whether the capital increase to Bruunmunch Furniture has occurred during the period. This support statement is irrevocable and may be invoked without special terms or conditions by the management of Bruunmunch Furniture ApS"*

## 2 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	1,152,857	996,405
Other social security costs	16,370	19,193
	<b>1,169,227</b>	<b>1,015,598</b>
Average number of full-time employees	<b>2</b>	<b>2</b>

## 3 Depreciation, amortisation and impairment losses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	119,247	68,019
Depreciation of property, plant and equipment	27,480	33,217
	<b>146,727</b>	<b>101,236</b>

## 4 Tax on profit/loss for the year

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Change in deferred tax	11,000	(246,000)
	<b>11,000</b>	<b>(246,000)</b>

## 5 Intangible assets

	<b>Completed development projects DKK</b>	<b>Acquired intangible assets DKK</b>
Cost beginning of year	704,881	750,000
Additions	307,365	0
<b>Cost end of year</b>	<b>1,012,246</b>	<b>750,000</b>
Amortisation and impairment losses beginning of year	(462,492)	(227,375)
Amortisation for the year	(83,122)	(36,125)
<b>Amortisation and impairment losses end of year</b>	<b>(545,614)</b>	<b>(263,500)</b>
<b>Carrying amount end of year</b>	<b>466,632</b>	<b>486,500</b>

## 6 Development projects

The costs associated with the development projects are specifically regarding the development and design of new products as chairs, coffee tables and dining tables. The development costs incurred are clearly defined and relates to salaries, foreign payments and other directly attributable costs.

## 7 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	160,039	111,403
Additions	51,000	0
<b>Cost end of year</b>	<b>211,039</b>	<b>111,403</b>
Depreciation and impairment losses beginning of year	(140,373)	(55,838)
Depreciation for the year	(9,933)	(17,547)
<b>Depreciation and impairment losses end of year</b>	<b>(150,306)</b>	<b>(73,385)</b>
<b>Carrying amount end of year</b>	<b>60,733</b>	<b>38,018</b>

## 8 Financial assets

	<b>Receivables from group enterprises DKK</b>	<b>Deposits DKK</b>
Cost beginning of year	125,000	31,444
Additions	0	47,025
Disposals	0	(31,444)
<b>Cost end of year</b>	<b>125,000</b>	<b>47,025</b>
<b>Carrying amount end of year</b>	<b>125,000</b>	<b>47,025</b>

## 9 Deferred tax

	2022 DKK	2021 DKK
Intangible assets	(172,000)	(107,000)
Property, plant and equipment	(5,000)	(4,000)
Receivables	(15,000)	(21,000)
Tax losses carried forward	427,000	378,000
<b>Deferred tax</b>	<b>235,000</b>	<b>246,000</b>

## 10 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Subordinate loan capital	0	0	1,000,000	1,000,000
Bank loans	460,000	460,000	1,403,969	0
Other payables	0	0	268,143	58,481
	<b>460,000</b>	<b>460,000</b>	<b>2,672,112</b>	<b>1,058,481</b>

## 11 Other payables

	2022 DKK	2021 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	44,402	106,977
Other costs payable	87,880	81,378
	<b>132,282</b>	<b>188,355</b>

## 12 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	<b>141,000</b>	<b>72,000</b>

## 13 Assets charged and collateral

Bank loans are secured by corporate mortgage with a nominal value of 3,250 TDKK. The corporate mortgage comprises manufactured goods and goods for resale, other fixtures and fittings, tools and equipment, completed development projects and acquired intangible assets of which the carrying amount at 31.12.2022 are 3.520 TDKK. Bank loans at 31.12.2022 amount to 3.614 TDKK.

A bank deposit of 250 TDKK has been made for security of supplier credit.

# 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.

## Recognition and measurement

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

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

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

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

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

## Foreign currency translation

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

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods 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.

**Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

**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 property, plant and 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 property, plant and equipment.

**Other financial income**

Other financial income comprises interest income, including interest income on 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 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 development projects completed with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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



The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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

The amortisation period used are 20 years.

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**

Land and buildings, plant and machinery, and 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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

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	10 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

**Receivables**

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

**Inventories**

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

Cost consists of purchase price plus delivery costs.

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

**Deferred tax**

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

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

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Other financial liabilities**

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

**Prepayments received from customers**

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