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BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
DK-1561 Copenhagen V  
CVR no. 20 22 26 70

**FERM LIVING APS**  
**LAPLANDSGADE 11, 2300 KØBENHAVN S**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2017**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 14 March 2018**

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**Michiel Albert H. Deturck**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 30 07 01 86**

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**COMPANY DETAILS**

<b>Company</b>	firm LIVING ApS Laplandsgade 11 2300 Copenhagen S  CVR No.: 30 07 01 86 Established: 23 November 2006 Registered Office: Copenhagen Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Michiel Albert H Deturck, Chairman Joris Koen Van Troos Anna Kathrine Neve Andersen
<b>Board of Executives</b>	Peter Mikael Vedel
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>Bank</b>	Nykredit A/S Kalvebod Brygge 47 1780 Copenhagen V  Sydbank Kgs. Nytorv 30 1050 Copenhagen K

## STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of firm LIVING ApS for the financial year 1 January - 31 December 2017.

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 Company's financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

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

Copenhagen, 21 February 2018

Board of Executives

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Peter Mikael Vedel

Board of Directors

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Michiel Albert H Deturck  
Chairman

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Joris Koen Van Troos

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Anna Kathrine Neve Andersen

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of firm LIVING ApS

### Opinion

We have audited the Financial Statements of firm LIVING ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, notes and 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 assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company operations for the financial year 1 January - 31 December 2017 in accordance with 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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

### Management's Responsibility 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibility for 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 judgment and maintain professional skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## INDEPENDENT AUDITOR'S REPORT

- 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review 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 Management's Review.

Copenhagen, 21 February 2018

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Per Frost Jensen  
State Authorised Public Accountant  
MNE no. mne27740

## MANAGEMENT'S REVIEW

### **Principal activities**

The company's principal activities are to develop and market home accessories and furniture.

### **Profit for the year compared to future expectations**

The operating profit for the year was DKK ('000) 16,185.

Management expects a positive development in both revenue and earnings.

### **Significant events after the end of the financial year**

No events have occurred after the end of the financial year of material importance for the company's financial position.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	2017 DKK	2016 DKK '000
<b>GROSS PROFIT</b> .....		<b>36.832.462</b>	<b>34.280</b>
Staff costs.....	1	-19.877.372	-18.118
Depreciation, amortisation and impairment.....		-769.984	-746
<b>OPERATING PROFIT</b> .....		<b>16.185.106</b>	<b>15.416</b>
Other financial expenses.....	2	-1.405.689	-752
<b>PROFIT BEFORE TAX</b> .....		<b>14.779.417</b>	<b>14.664</b>
Tax on profit/loss for the year.....	3	-3.415.650	-3.783
<b>PROFIT FOR THE YEAR</b> .....		<b>11.363.767</b>	<b>10.881</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Proposed dividend for the year.....		0	11.000
Retained earnings.....		11.363.767	-119
<b>TOTAL</b> .....		<b>11.363.767</b>	<b>10.881</b>



BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2017 DKK	2016 DKK '000
Other plant, machinery, tools and equipment.....		271.886	502
Leasehold improvements.....		178.606	236
<b>Tangible fixed assets.....</b>	<b>4</b>	<b>450.492</b>	<b>738</b>
Rent deposit and other receivables.....		396.830	250
<b>Fixed asset investments.....</b>	<b>5</b>	<b>396.830</b>	<b>250</b>
<b>FIXED ASSETS.....</b>		<b>847.322</b>	<b>988</b>
Finished goods and goods for resale.....		23.741.859	14.147
Prepayments.....		6.345.119	2.334
<b>Inventories.....</b>		<b>30.086.978</b>	<b>16.481</b>
Trade receivables.....		12.528.343	9.176
Deferred tax assets.....		38.500	29
Other receivables.....		1.033.683	723
Prepayments and accrued income.....		696.396	1.005
<b>Receivables.....</b>		<b>14.296.922</b>	<b>10.933</b>
<b>Cash and cash equivalents.....</b>		<b>16.090.081</b>	<b>12.803</b>
<b>CURRENT ASSETS.....</b>		<b>60.473.981</b>	<b>40.217</b>
<b>ASSETS.....</b>		<b>61.321.303</b>	<b>41.205</b>

## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2017 DKK	2016 DKK '000
Share capital.....		125.000	125
Retained earnings.....		11.566.400	203
Proposed dividend.....		0	11.000
<b>EQUITY.....</b>	<b>6</b>	<b>11.691.400</b>	<b>11.328</b>
Bank debt.....		12.291.982	163
Trade payables.....		7.762.886	6.009
Payables to group enterprises.....		21.393.657	16.790
Payables to associated enterprises.....		162.513	0
Corporation tax.....		3.426.015	3.681
Other liabilities.....		4.592.850	3.234
<b>Current liabilities.....</b>		<b>49.629.903</b>	<b>29.877</b>
<b>LIABILITIES.....</b>		<b>49.629.903</b>	<b>29.877</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>61.321.303</b>	<b>41.205</b>
 Contingencies etc.	 7		
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## NOTES

	2017 DKK	2016 DKK '000	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees 35 (2016: 31)			
Wages and salaries.....	17.530.328	15.574	
Pensions.....	713.877	1.536	
Social security costs.....	285.961	238	
Other staff costs.....	1.347.206	770	
	<b>19.877.372</b>	<b>18.118</b>	
<b>Other financial expenses</b>			<b>2</b>
Group enterprises.....	594.102	395	
Other interest expenses.....	811.587	357	
	<b>1.405.689</b>	<b>752</b>	
<b>Tax on profit/loss for the year</b>			<b>3</b>
Calculated tax on taxable income of the year.....	3.426.015	3.804	
Adjustment of tax in previous years.....	-1.000	0	
Adjustment of deferred tax.....	-9.365	-21	
	<b>3.415.650</b>	<b>3.783</b>	
<b>Tangible fixed assets</b>			<b>4</b>
	Other plant, machinery, tools and equipment	Leasehold improvements	
Cost at 1 January 2017.....	1.187.279	756.712	
Additions.....	57.327	174.416	
Disposals.....	-459.920	0	
<b>Cost at 31 December 2017.....</b>	<b>784.686</b>	<b>931.128</b>	
Depreciation and impairment losses at 1 January 2016.....	685.342	521.467	
Reversal of depreciation of assets disposed of.....	-459.920	0	
Depreciation for the year.....	287.378	231.055	
<b>Depreciation and impairment losses at 31 December 2016....</b>	<b>512.800</b>	<b>752.522</b>	
<b>Carrying amount at 31 December 2017.....</b>	<b>271.886</b>	<b>178.606</b>	
<b>Fixed asset investments</b>			<b>5</b>
		Rent deposit and other receivables	
Cost at 1 January 2017.....		249.177	
Additions.....		147.653	
<b>Cost at 31 December 2017.....</b>		<b>396.830</b>	
<b>Carrying amount at 31 December 2017.....</b>		<b>396.830</b>	

NOTES

Note

Equity

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	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2017.....	125.000	202.633	11.000.000	11.327.633
Dividend paid .....			-11.000.000	-11.000.000
Proposed distribution of profit.....		11.363.767		11.363.767
<b>Equity at 31 December 2017.....</b>	<b>125.000</b>	<b>11.566.400</b>	<b>0</b>	<b>11.691.400</b>

Contingencies etc.

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**Contingent liabilities**

The company has entered into lease contracts with an average annual lease payment of DKK ('000) 896. The lease contracts have a residual term of 6 months.

The company has entered into an operating lease contract with an average annual lease payment of DKK ('000) 27. The lease contract has a residual term of 8 months and a total residual lease payment of DKK ('000) 18.

The company's attorney states that there is a pending case at the Danish Building and Construction Arbitration Board, involving a claim of a total payment of DKK ('000) 1,300. The company has made a counterclaim DKK ('000) 1,485 against the supplier. It is the attorney's assessment that the company will not be held liable in this respect.

**Joint liabilities**

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's joint taxable income is stated in the annual report of FLHC ApS, which serves as management company for the joint taxation.

**Charges and securities**

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The company has issued a business charge of DKK ('000) 15,000 to Nykredit Bank A/S, providing security on the company's intangible and tangible fixed assets, inventory and debtors.

## ACCOUNTING POLICIES

The annual report of firm LIVING ApS for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

The annual report is prepared consistently with the accounting principles used last year.

## INCOME STATEMENT

### Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

### Financial income and expenses in general

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses from debt and transactions in foreign currencies as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

### Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## ACCOUNTING POLICIES

### BALANCE SHEET

#### Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated at the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

#### Fixed asset investments

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

#### Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, it is written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

#### Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, it is written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is impaired to meet expected losses.

#### Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

## ACCOUNTING POLICIES

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet at the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Other liabilities are measured at amortised cost equal to nominal value.

### Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.