



Decca Furniture (Europe) ApS

Strandvejen 100
2900 Hellerup
CVR No. 30204042

Annual report 01.04.2021 - 31.03.2022

The Annual General Meeting adopted the
annual report on 20.09.2022

Sau Mui Fung
Chairman of the General Meeting

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Entity details

Entity

Decca Furniture (Europe) ApS

Strandvejen 100

2900 Hellerup

Business Registration No.: 30204042

Registered office: Gentofte

Financial year: 01.04.2021 - 31.03.2022

Board of Directors

Sau Mui Fung

Wai Theng Tin

Man Hin Max Wong

Yee Ling Masha Tsang

Executive Board

Sau Mui Fung

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Decca Furniture (Europe) ApS for the financial year 01.04.2021 - 31.03.2022.

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 31.03.2022 and of the results of its operations for the financial year 01.04.2021 - 31.03.2022.

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.

Copenhagen, 20.09.2022

Executive Board

Sau Mui Fung

Board of Directors

Sau Mui Fung

Wai Theng Tin

Man Hin Max Wong

Yee Ling Masha Tsang

Independent auditor's report

To the shareholders of Decca Furniture (Europe) ApS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Decca Furniture (Europe) ApS for the financial year 01.04.2021 - 31.03.2022, 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 31.03.2022 and of the results of its operations for the financial year 01.04.2021 - 31.03.2022 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.

Report on other legal and regulatory requirements and other reporting responsibilities

Violation of accounting legislation, including the Danish Bookkeeping Act

The accounting records for Decca A/S are kept on file outside the Danish borders. The procedure used are in contravention of Danish legislation on the filing of accounting material in general.

Copenhagen, 20.09.2022

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Flemming Larsen

State Authorised Public Accountant

Identification No (MNE) mne27790

Management commentary

Primary activities

The object of the Entity is to import and sell furniture. The activity is predominantly performed in the company's two foreign branch offices in Paris and London.

Development in activities and finances

The financial year 2021/2022 realized a loss of EUR 426 thousand against a loss of EUR 456 thousand in 2020/21.

Under COVID-19, our residential business seemed more affected than our hospitality business. After the initial period of the pandemic, the rate of contracts and requests have gotten significantly back compared to usual activity. The management would try the best to control the expenses and get more contracts.

The Entity has lost more than half of the subscribed capital. For this reason, the Entity falls within the provisions of § 119 Danish Companies Act governing loss of capital. Decca Investment Limited has issued a strong letter of support. Therefore, Management finds it appropriate to present the 2021/22 financial statements on a going concern basis.

Foreign branches

Decca Europe England
4 The Boulevard, Imperial Wharf
London SW6 2UB

Decca Europe France
9 Rue Bergère
75009, Paris

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 2021/22

	Notes	2021/22 EUR	2020/21 EUR
Revenue		3,031,005	1,484,162
Other operating income		8,695	21,507
Costs of raw materials and consumables		(2,228,600)	(914,568)
Other external expenses		(486,731)	(480,639)
Gross profit/loss		324,369	110,462
Staff costs	2	(535,825)	(622,677)
Depreciation, amortisation and impairment losses		(31,731)	(10,292)
Operating profit/loss		(243,187)	(522,507)
Other financial income	3	(96,455)	66,334
Profit/loss before tax		(339,642)	(456,173)
Tax on profit/loss for the year	4	(86,030)	0
Profit/loss for the year		(425,672)	(456,173)
Proposed distribution of profit and loss:			
Retained earnings		(425,672)	(456,173)
Proposed distribution of profit and loss		(425,672)	(456,173)

Balance sheet at 31.03.2022

Assets

	Notes	2021/22 EUR	2020/21 EUR
Other fixtures and fittings, tools and equipment		76,365	19,517
Property, plant and equipment	5	76,365	19,517
Other receivables		20,104	49,551
Financial assets		20,104	49,551
Fixed assets		96,469	69,068
Work in progress		309,619	0
Manufactured goods and goods for resale		30,407	33,643
Inventories		340,026	33,643
Trade receivables		773,473	168,585
Receivables from group enterprises		6,757	760
Other receivables		36,650	107,785
Income tax receivable		936	60,681
Receivables		817,816	337,811
Cash		888,517	732,001
Current assets		2,046,359	1,103,455
Assets		2,142,828	1,172,523

Equity and liabilities

	Notes	2021/22 EUR	2020/21 EUR
Contributed capital		17,000	17,000
Retained earnings		(1,029,134)	(603,462)
Equity		(1,012,134)	(586,462)
Prepayments received from customers		907,858	454,365
Trade payables		51,676	78,647
Payables to group enterprises		2,163,643	1,127,730
Other payables		31,785	98,243
Current liabilities other than provisions		3,154,962	1,758,985
Liabilities other than provisions		3,154,962	1,758,985
Equity and liabilities		2,142,828	1,172,523
Going concern	1		
Unrecognised rental and lease commitments	6		
Contingent liabilities	7		
Assets charged and collateral	8		
Related parties with controlling interest	9		
Group relations	10		

Statement of changes in equity for 2021/22

	Contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	17,000	(603,462)	(586,462)
Profit/loss for the year	0	(425,672)	(425,672)
Equity end of year	17,000	(1,029,134)	(1,012,134)

Notes

1 Going concern

Due to the year's financial developments, the Entity has lost more than half the subscribed capital. For this reason, the Entity falls within the provisions of § 119 Danish Companies Act governing loss of capital. Decca Investment Limited has issued a strong letter of support. Therefore, Management finds it appropriate to present the 2021/22 financial statements on a going concern basis.

2 Staff costs

	2021/22	2020/21
	EUR	EUR
Wages and salaries	522,479	605,225
Pension costs	(2,661)	8,403
Other social security costs	16,007	9,049
	535,825	622,677
Average number of full-time employees	11	11

3 Other financial income

	2021/22	2020/21
	EUR	EUR
Other interest income	13	108
Exchange rate adjustments	(96,468)	66,226
	(96,455)	66,334

4 Tax on profit/loss for the year

	2021/22	2020/21
	EUR	EUR
Adjustment concerning previous years	86,030	0
	86,030	0

The adjustment regarding previous years is due to carry-back adjustment in a foreign branch office.

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR
Cost beginning of year	121,442
Additions	88,580
Cost end of year	210,022
Depreciation and impairment losses beginning of year	(101,925)
Depreciation for the year	(31,732)
Depreciation and impairment losses end of year	(133,657)
Carrying amount end of year	76,365

6 Unrecognised rental and lease commitments

	2021/22 EUR	2020/21 EUR
Liabilities under rental or lease agreements until maturity in total	418,794	141,056

7 Contingent liabilities

The Entity has no contingent liabilities at 31 March 2022.

8 Assets charged and collateral

The Entity has no assets charged or collateral at 31 March 2022.

9 Related parties with controlling interest

Decca Furniture (USA) Inc., High Point, North Carolina, USA, wholly owns the shares of the Entity and thus has control over the Entity.

10 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Decca Investment Ltd., Tortola, the British Virgin Islands.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Decca Furniture (USA) Inc., High Point, North Carolina, USA.

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.

Income statement

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 from the sale of services is recognised in the income statement when delivery is made 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 COVID-19 aid from the UK government.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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 dividends etc received on other investments, 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.

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**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.

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 Years
Other fixtures and fittings, tools and equipment	5 years

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 of goods for resale, raw material and consumables consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion and costs

incurred to execute sale.

Inventories comprises display items, written down over a few years.

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.

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.