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***Unique Furniture af  
14. juni 2007 A/S***

Petersbjerggaard 10, 1. t.h., DK-6000 Kolding

**Annual Report for 1 July 2017 -  
30 June 2018**

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CVR No 30 61 24 50

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
26/11 2018

Ole Elmegaard Mortensen  
Chairman of the General  
Meeting



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Unique Furniture af 14. juni 2007 A/S for the financial year 1 July 2017 - 30 June 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2018 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2017/18.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Kolding, 10 October 2018

## Executive Board

Flemming Lindtofte

## Board of Directors

Søren Iversen

Flemming Lindtofte

Poul Kristiansen

Ole Elmegaard Mortensen

# Independent Auditor's Report

To the Shareholders of Unique Furniture af 14. juni 2007 A/S

## Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2018 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 July 2017 - 30 June 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Unique Furniture af 14. juni 2007 A/S for the financial year 1 July 2017 - 30 June 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

## 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 Group 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.

## 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## Management's responsibilities for the Financial Statements

# Independent Auditor's Report

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or the Company 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 Company's and the Group'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 Group's and 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

## Independent Auditor's Report

may cause the Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Trekantområdet, 10 October 2018

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Jan Bunk Harbo Larsen

statsautoriseret revisor

mne30224

## **Company Information**

### **The Company**

Unique Furniture af 14. juni 2007 A/S  
Petersbjerggaard 10, 1. t.h.  
DK-6000 Kolding

CVR No: 30 61 24 50  
Financial period: 1 July - 30 June  
Municipality of reg. office: Kolding

### **Board of Directors**

Søren Iversen  
Flemming Lindtofte  
Poul Kristiansen  
Ole Elmegaard Mortensen

### **Executive Board**

Flemming Lindtofte

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Herredsvej 32  
DK-7100 Vejle

# Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

|   | <b>Group</b>    |                 |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 2017/18<br>TDKK | 2016/17<br>TDKK | 2015/16<br>TDKK | 2014/15<br>TDKK | 2013/14<br>TDKK |
| <b>Key figures</b>                                    |                 |                 |                 |                 |                 |
| <b>Profit/loss</b>                                    |                 |                 |                 |                 |                 |
| Gross profit/loss                                     | 24,323          | 24,692          | 29,275          | 41,544          | 20,233          |
| Operating profit/loss                                 | -3,501          | -4,054          | 6,203           | 22,185          | 4,335           |
| Net financials  | -1,263          | -1,187          | -784            | -694            | -371            |
| Net profit/loss for the year                          | -4,921          | -4,905          | 4,385           | 16,484          | 3,024           |
| <b>Balance sheet</b>                                  |                 |                 |                 |                 |                 |
| Balance sheet total                                   | 72,388          | 72,940          | 65,893          | 73,407          | 56,569          |
| Equity  | 5,686           | 10,593          | 19,371          | 29,984          | 23,036          |
| Equity including subordinate loan capital             | 16,345          | 21,593          | 26,252          | 36,984          | 23,036          |
| <b>Cash flows</b>                                     |                 |                 |                 |                 |                 |
| Cash flows from:                                      |                 |                 |                 |                 |                 |
| - operating activities                                | -4,052          | -9,247          | 9,256           | 3,114           | 161             |
| - investing activities                                | -53             | -412            | -1,583          | -257            | -800            |
| including investment in property, plant and equipment | -281            | -795            | -1,632          | -257            | -350            |
| - financing activities                                | -408            | 18              | -15,008         | -2,475          | -6,000          |
| Change in cash and cash equivalents for the year      | -4,514          | -9,641          | -7,335          | 382             | -6,639          |
| Number of employees                                   | 83              | 94              | 74              | 70              | 63              |
| <b>Ratios</b>   |                 |                 |                 |                 |                 |
| Return on assets                                      | -4.9%           | -5.4%           | 9.7%            | 30.2%           | 7.7%            |
| Solvency ratio  | 7.9%            | 14.5%           | 29.4%           | 40.8%           | 40.7%           |
| Return on equity                                      | -60.5%          | -32.7%          | 17.8%           | 62.2%           | 12.3%           |
| Solvency ration including subordinate loan capital    | 22.6%           | 29.6%           | 39.8%           | 50.4%           | 40.7%           |

For definitions, see under accounting policies.



## Management's Review

Consolidated and Parent Company Financial Statements of Unique Furniture af 14. juni 2007 A/S for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Consolidated and Parent Company Financial Statements have been prepared under the same accounting policies as last year.

### Principal activity

The Company's principal activity still consists of the development, sale and distribution of furniture. The Company sells to most Western European markets, which are being served centrally from the office in Denmark or through locally employed sales representatives. The Company has established its own company in the USA. The company has its head office in New Jersey and a distribution warehouse in California.

Development and sourcing of furniture are made through the Company's representative offices in China, Vietnam and Romania.

### Development in the year

The Group's income statement for 2017/18 shows a loss of DKK 4.9 million, and the Group's balance sheet at 30 June 2017 shows a capital base (equity + subordinate loan capital) of DKK 16.3 million.

The Company has been through a challenging year in which various issues have resulted in the Company realizing a loss. After the first 6 month, the European part of the Company was in line with the budget. However, several issues resulted in a historical low turnover in the third quarter of the financial year. In addition, with an unfavorable exchange rate, the result of the third quarter was historically bad. Even the fourth quarter showed improvements in both turnover and profit, it was not enough to compensate for the loss in third quarter. The European part of the Company ended with a positive result before interest and exchange rates. Due to unfavorable exchange rate, the result for the European part was a minor negative result before tax.

The US part of the Company has just finalized the second year in USA. It has been another year with big challenges, that needs to be considered as another year of establishing them self on the marked. The US part is operating in 2 main areas Office and Home. It has taken much longer time than expected to establish the company on the marked, and especially for the Home area. However, after closing the financial year 17-18, the Home area has shown a significant increase in turnover. The turnover was lower than budget, but compared to the year 16-17, the turnover for the US part showed a significant increase.

These issues have resulted in the Company realizing a loss.

From an overall point of view, Management considers the results for the year very unsatisfactory.

# Management's Review

## ***Market risks***

The Company operates in a competitive market in which sales opportunities are sensitive to economic developments. Therefore, cyclical fluctuations will affect the Company's sales and earnings. The Company has considerable sales in the UK, which means that the possible consequences of Brexit are being monitored very closely. Also market developments in the USA are being monitored closely as the Company has invested heavily in the US market. As a numerous of products for the US market are coming out of China, the new trade tariffs implemented by the US government have the full attention of the Company. Some product lines are already been relocated to other sourcing countries than China, to avoid any new increases in these tariffs.

## ***Foreign exchange risks***

Activities abroad mean that results, cash flows and equity are affected by exchange rate movements in a number of currencies. It is the Company's policy to try to cover these foreign exchange risks, primarily by trading in the same currency and to some extent by entering into forward exchange transactions to hedge future transactions in foreign currencies.

## **Targets and expectations for the year ahead**

The Company still has an ambition of achieving revenue generating growth in the coming years. Among other things, this will be done through strengthening and increasing the customer base in existing markets, eg by participating in exhibitions in Shanghai, Birmingham, Highpoint (USA) and Cologne. Moreover, Management is on a current basis considering how the Company may position itself in the best way possible in relation to the changes that are seen in the sale and distribution of furniture.

The Company has adapted its cost base to budgeted sales and has ensured the possibility of continued investment in the development of the business in both Europe and the USA.

For 2018/19, positive margins are expected before foreign exchange adjustments in both Europe and the USA. Overall, the Group expects to achieve a satisfactory profit.

## **Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

## **Unusual events**

The financial position at 30 June 2018 of the Group and the results of the activities and cash flows of the Group for the financial year for 2017/18 have not been affected by any unusual events.

## **Management's Review**

### **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income Statement 1 July - 30 June

|  | Note | Group             |                   | Parent            |                   |
|--|------|-------------------|-------------------|-------------------|-------------------|
|  |      | 2017/18<br>DKK    | 2016/17<br>DKK    | 2017/18<br>DKK    | 2016/17<br>DKK    |
| <b>Gross profit/loss</b>   |      | <b>24,323,226</b> | <b>24,691,859</b> | <b>15,423,250</b> | <b>16,692,303</b> |
| Staff expenses   | 1    | -27,420,064       | -27,304,378       | -15,552,582       | -17,011,298       |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment |      | -404,063          | -1,303,929        | -260,053          | -537,606          |
| Other operating expenses   |      | -39,834           | -52,138           | -39,834           | -52,138           |
| <b>Profit/loss before financial income and expenses</b>  |      | <b>-3,540,735</b> | <b>-3,968,586</b> | <b>-429,219</b>   | <b>-908,739</b>   |
| Income from investments in subsidiaries  |      | 0                 | 0                 | -3,963,517        | -3,465,462        |
| Financial income   | 2    | 179,571           | 12,194            | 720,600           | 351,460           |
| Financial expenses   | 3    | -1,442,541        | -1,198,927        | -1,436,652        | -1,162,694        |
| <b>Profit/loss before tax</b>  |      | <b>-4,803,705</b> | <b>-5,155,319</b> | <b>-5,108,788</b> | <b>-5,185,435</b> |
| Tax on profit/loss for the year  | 4    | -117,264          | 250,777           | 179,675           | 298,792           |
| <b>Net profit/loss for the year</b>  |      | <b>-4,920,969</b> | <b>-4,904,542</b> | <b>-4,929,113</b> | <b>-4,886,643</b> |

## Distribution of profit

### Proposed distribution of profit

|  |  |                   |                   |                   |                   |
|--|--|-------------------|-------------------|-------------------|-------------------|
| Minority interests' share of net profit/loss of subsidiaries |  | 8,144             | -17,899           | 0                 | 0                 |
| Retained earnings  |  | -4,929,113        | -4,886,643        | -4,929,113        | -4,886,643        |
|  |  | <b>-4,920,969</b> | <b>-4,904,542</b> | <b>-4,929,113</b> | <b>-4,886,643</b> |

# Balance Sheet 30 June

## Assets

|  | Note     | Group             |                   | Parent            |                   |
|--|----------|-------------------|-------------------|-------------------|-------------------|
|  |          | 2018<br>DKK       | 2017<br>DKK       | 2018<br>DKK       | 2017<br>DKK       |
| Goodwill   |          | 30,000            | 120,000           | 30,000            | 120,000           |
| <b>Intangible assets</b>                         | <b>5</b> | <b>30,000</b>     | <b>120,000</b>    | <b>30,000</b>     | <b>120,000</b>    |
| Other fixtures and fittings, tools and equipment |          | 806,079           | 1,113,638         | 413,002           | 564,367           |
| <b>Property, plant and equipment</b>             | <b>6</b> | <b>806,079</b>    | <b>1,113,638</b>  | <b>413,002</b>    | <b>564,367</b>    |
| Investments in subsidiaries                      | 7        | 0                 | 0                 | 531,668           | 585,242           |
| Other receivables                                | 8        | 240,317           | 254,032           | 196,538           | 207,945           |
| <b>Fixed asset investments</b>                   |          | <b>240,317</b>    | <b>254,032</b>    | <b>728,206</b>    | <b>793,187</b>    |
| <b>Fixed assets</b>                              |          | <b>1,076,396</b>  | <b>1,487,670</b>  | <b>1,171,208</b>  | <b>1,477,554</b>  |
| <b>Inventories</b>                               |          | <b>34,094,895</b> | <b>25,112,434</b> | <b>20,886,140</b> | <b>17,622,247</b> |
| Trade receivables                                |          | 33,330,396        | 42,220,431        | 28,277,188        | 38,936,173        |
| Receivables from group enterprises               |          | 0                 | 0                 | 19,760,732        | 13,342,145        |
| Other receivables                                |          | 313,110           | 502,995           | 294,783           | 500,334           |
| Deferred tax asset                               | 9        | 599,841           | 420,166           | 599,841           | 420,166           |
| Corporation tax                                  |          | 510,690           | 701,197           | 641,000           | 640,999           |
| Prepayments                                      | 10       | 1,067,857         | 738,624           | 677,660           | 670,591           |
| <b>Receivables</b>                               |          | <b>35,821,894</b> | <b>44,583,413</b> | <b>50,251,204</b> | <b>54,510,408</b> |
| <b>Other investments</b>                         |          | <b>20,000</b>     | <b>20,000</b>     | <b>20,000</b>     | <b>20,000</b>     |
| <b>Cash at bank and in hand</b>                  |          | <b>1,375,306</b>  | <b>1,736,453</b>  | <b>336,414</b>    | <b>312,189</b>    |
| <b>Currents assets</b>                           |          | <b>71,312,095</b> | <b>71,452,300</b> | <b>71,493,758</b> | <b>72,464,844</b> |
| <b>Assets</b>                                    |          | <b>72,388,491</b> | <b>72,939,970</b> | <b>72,664,966</b> | <b>73,942,398</b> |

# Balance Sheet 30 June

## Liabilities and equity

|  | Note | Group             |                   | Parent            |                   |
|--|------|-------------------|-------------------|-------------------|-------------------|
|  |      | 2018<br>DKK       | 2017<br>DKK       | 2018<br>DKK       | 2017<br>DKK       |
| Share capital  |      | 1,961,000         | 1,961,000         | 1,961,000         | 1,961,000         |
| Retained earnings  |      | 3,614,390         | 8,525,595         | 3,614,390         | 8,525,595         |
| <b>Equity attributable to shareholders<br/>of the Parent Company</b> |      | <b>5,575,390</b>  | <b>10,486,595</b> | <b>5,575,390</b>  | <b>10,486,595</b> |
| Minority interests   |      | 110,771           | 106,233           | 0                 | 0                 |
| <b>Equity</b>  | 11   | <b>5,686,161</b>  | <b>10,592,828</b> | <b>5,575,390</b>  | <b>10,486,595</b> |
| Subordinate loan capital   |      | 10,600,000        | 11,000,000        | 10,600,000        | 11,000,000        |
| <b>Long-term debt</b>  | 12   | <b>10,600,000</b> | <b>11,000,000</b> | <b>10,600,000</b> | <b>11,000,000</b> |
| Credit institutions  |      | 40,339,265        | 36,186,525        | 40,339,265        | 36,186,525        |
| Trade payables   |      | 10,139,999        | 9,173,781         | 9,745,843         | 9,047,708         |
| Payables to group enterprises  |      | 0                 | 0                 | 1,600,507         | 1,473,112         |
| Other payables   |      | 5,623,066         | 5,986,836         | 4,803,961         | 5,748,458         |
| <b>Short-term debt</b>   |      | <b>56,102,330</b> | <b>51,347,142</b> | <b>56,489,576</b> | <b>52,455,803</b> |
| <b>Debt</b>  |      | <b>66,702,330</b> | <b>62,347,142</b> | <b>67,089,576</b> | <b>63,455,803</b> |
| <b>Liabilities and equity</b>  |      | <b>72,388,491</b> | <b>72,939,970</b> | <b>72,664,966</b> | <b>73,942,398</b> |
| Contingent assets, liabilities and<br>other financial obligations    | 15   |                   |                   |                   |                   |
| Accounting Policies  | 16   |                   |                   |                   |                   |

## Statement of Changes in Equity

### Group

|   | Share capital    | Retained earnings | Equity excl.<br>minority interests | Minority interests | Total            |
|---|------------------|-------------------|------------------------------------|--------------------|------------------|
|   | DKK              | DKK               | DKK                                | DKK                | DKK              |
| Equity at 1 July                                  | 1,961,000        | 8,525,595         | 10,486,595                         | 106,233            | 10,592,828       |
| Exchange adjustments                              | 0                | 17,908            | 17,908                             | 0                  | 17,908           |
| Exchange adjustments relating to foreign entities | 0                | 0                 | 0                                  | -3,606             | -3,606           |
| Net profit/loss for the year                      | 0                | -4,929,113        | -4,929,113                         | 8,144              | -4,920,969       |
| <b>Equity at 30 June</b>                          | <b>1,961,000</b> | <b>3,614,390</b>  | <b>5,575,390</b>                   | <b>110,771</b>     | <b>5,686,161</b> |

### Parent

|                              |                  |                  |                  |          |                  |
|------------------------------|------------------|------------------|------------------|----------|------------------|
| Equity at 1 July             | 1,961,000        | 8,525,595        | 10,486,595       | 0        | 10,486,595       |
| Exchange adjustments         | 0                | 17,908           | 17,908           | 0        | 17,908           |
| Net profit/loss for the year | 0                | -4,929,113       | -4,929,113       | 0        | -4,929,113       |
| <b>Equity at 30 June</b>     | <b>1,961,000</b> | <b>3,614,390</b> | <b>5,575,390</b> | <b>0</b> | <b>5,575,390</b> |

## Cash Flow Statement 1 July - 30 June

|  | Note | Group              |                    |
|--|------|--------------------|--------------------|
|  |      | 2017/18<br>DKK     | 2016/17<br>DKK     |
| Net profit/loss for the year   |      | -4,920,969         | -4,904,542         |
| Adjustments  | 13   | 1,867,451          | 2,200,452          |
| Change in working capital  | 14   | 370,674            | -3,798,250         |
| <b>Cash flows from operating activities before financial income and expenses</b> |      | <b>-2,682,844</b>  | <b>-6,502,340</b>  |
| Financial income   |      | 179,571            | 12,194             |
| Financial expenses   |      | -1,442,540         | -1,198,927         |
| <b>Cash flows from ordinary activities</b>                                       |      | <b>-3,945,813</b>  | <b>-7,689,073</b>  |
| Corporation tax paid   |      | -106,432           | -1,558,073         |
| <b>Cash flows from operating activities</b>                                      |      | <b>-4,052,245</b>  | <b>-9,247,146</b>  |
| Purchase of property, plant and equipment  |      | -280,712           | -795,180           |
| Fixed asset investments made etc   |      | 13,714             | 0                  |
| Sale of property, plant and equipment  |      | 213,500            | 249,500            |
| Sale of fixed asset investments etc  |      | 0                  | 134,117            |
| <b>Cash flows from investing activities</b>                                      |      | <b>-53,498</b>     | <b>-411,563</b>    |
| Repayment of other long-term debt  |      | -400,000           | 0                  |
| Raising of other long-term debt  |      | 0                  | 4,000,000          |
| Minority interests   |      | -8,144             | 17,899             |
| Dividend paid  |      | 0                  | -4,000,000         |
| <b>Cash flows from financing activities</b>                                      |      | <b>-408,144</b>    | <b>17,899</b>      |
| <b>Change in cash and cash equivalents</b>                                       |      | <b>-4,513,887</b>  | <b>-9,640,810</b>  |
| Cash and cash equivalents at 1 July  |      | -34,450,072        | -24,809,262        |
| <b>Cash and cash equivalents at 30 June</b>                                      |      | <b>-38,963,959</b> | <b>-34,450,072</b> |
| Cash and cash equivalents are specified as follows:                              |      |                    |                    |
| Cash at bank and in hand   |      | 1,375,306          | 1,736,453          |
| Credit institutions  |      | -40,339,265        | -36,186,525        |
| <b>Cash and cash equivalents at 30 June</b>                                      |      | <b>-38,963,959</b> | <b>-34,450,072</b> |



## Notes to the Financial Statements

|                                    | Group             |                   | Parent            |                   |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                    | 2017/18<br>DKK    | 2016/17<br>DKK    | 2017/18<br>DKK    | 2016/17<br>DKK    |
| <b>1 Staff expenses</b>            |                   |                   |                   |                   |
| Wages and salaries                 | 24,815,645        | 24,025,473        | 13,777,630        | 14,340,406        |
| Pensions                           | 1,534,159         | 1,466,343         | 1,232,249         | 1,332,586         |
| Other staff expenses               | 1,070,260         | 1,812,562         | 542,703           | 1,338,306         |
|                                    | <b>27,420,064</b> | <b>27,304,378</b> | <b>15,552,582</b> | <b>17,011,298</b> |
| <b>Average number of employees</b> | <b>83</b>         | <b>94</b>         | <b>23</b>         | <b>21</b>         |

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

### 2 Financial income

|  |                |               |                |                |
|--|----------------|---------------|----------------|----------------|
| Interest received from group enterprises | 0              | 0             | 666,647        | 351,262        |
| Other financial income                   | 98,651         | 12,194        | 53,953         | 198            |
| Exchange gains                           | 80,920         | 0             | 0              | 0              |
|  | <b>179,571</b> | <b>12,194</b> | <b>720,600</b> | <b>351,460</b> |

### 3 Financial expenses

|                          |                  |                  |                  |                  |
|--------------------------|------------------|------------------|------------------|------------------|
| Other financial expenses | 1,442,541        | 1,169,597        | 1,436,652        | 1,162,694        |
| Exchange loss            | 0                | 29,330           | 0                | 0                |
|                          | <b>1,442,541</b> | <b>1,198,927</b> | <b>1,436,652</b> | <b>1,162,694</b> |

## Notes to the Financial Statements

|  | Group          |                 | Parent          |                 |
|--|----------------|-----------------|-----------------|-----------------|
|  | 2017/18        | 2016/17         | 2017/18         | 2016/17         |
|  | DKK            | DKK             | DKK             | DKK             |
| <b>4 Tax on profit/loss for the year</b> |                |                 |                 |                 |
| Current tax for the year                 | 296,939        | 48,015          | 0               | 0               |
| Deferred tax for the year                | -179,675       | -298,792        | -179,675        | -298,792        |
|  | <b>117,264</b> | <b>-250,777</b> | <b>-179,675</b> | <b>-298,792</b> |

## 5 Intangible assets

### Group

|   | Goodwill<br>DKK |
|---|-----------------|
| Cost at 1 July                                | 700,000         |
| Cost at 30 June                               | 700,000         |
| Impairment losses and amortisation at 1 July  | 580,000         |
| Amortisation for the year                     | 90,000          |
| Impairment losses and amortisation at 30 June | 670,000         |
| <b>Carrying amount at 30 June</b>             | <b>30,000</b>   |

# Notes to the Financial Statements

## 6 Property, plant and equipment

### Group

|  | Other fixtures<br>and fittings,<br>tools and<br>equipment |
|--|---|
|  | DKK   |
| Cost at 1 July   | 2,470,339   |
| Additions for the year                                 | 280,712   |
| Disposals for the year                                 | -400,000  |
| Cost at 30 June  | <u>2,351,051</u>  |
| Impairment losses and depreciation at 1 July           | 1,356,701   |
| Exchange adjustment                                    | 8,172   |
| Depreciation for the year                              | 326,766   |
| Reversal of impairment and depreciation of sold assets | -146,667  |
| Impairment losses and depreciation at 30 June          | <u>1,544,972</u>  |
| <b>Carrying amount at 30 June</b>                      | <b><u>806,079</u></b>                                     |

### Parent

|  | Other fixtures<br>and fittings,<br>tools and<br>equipment |
|--|---|
|  | DKK   |
| Cost at 1 July   | 1,354,472   |
| Additions for the year                                 | 272,021   |
| Disposals for the year                                 | -400,000  |
| Kostpris at 30 June                                    | <u>1,226,493</u>  |
| Impairment losses and depreciation at 1 July           | 790,104   |
| Depreciation for the year                              | 170,054   |
| Reversal of impairment and depreciation of sold assets | -146,667  |
| Impairment losses and depreciation at 30 June          | <u>813,491</u>  |
| <b>Carrying amount at 30 June</b>                      | <b><u>413,002</u></b>                                     |

## Notes to the Financial Statements

|   | Parent         |                |
|---|----------------|----------------|
|   | 2018<br>DKK    | 2017<br>DKK    |
| <b>7 Investments in subsidiaries</b>  |                |                |
| Cost at 1 July  | 39,225         | 39,224         |
| Cost at 30 June   | 39,225         | 39,224         |
| Value adjustments at 1 July   | -2,843,628     | 500,926        |
| Exchange adjustment   | 17,910         | 120,904        |
| Net profit/loss for the year  | -3,963,516     | -3,465,459     |
| Value adjustments at 30 June  | -6,789,234     | -2,843,629     |
| Equity investments with negative net asset value amortised over receivables | 7,281,677      | 3,389,647      |
| <b>Carrying amount at 30 June</b>   | <b>531,668</b> | <b>585,242</b> |

Investments in subsidiaries are specified as follows:

| Name                      | Place of registered office | Share capital | Ownership |
|---------------------------|----------------------------|---------------|-----------|
| Unique Furniture Int. Ltd | Hong Kong                  | DKK 74        | 100%      |
| UAB "Unique Furniture"    | Lithauen                   | DKK 21.602    | 100%      |
| CUNEOS Sp. z.o.o.         | Polen                      | DKK 8.900     | 50%       |
| Unique Furniture Inc.     | USA                        | DKK 6.668     | 100%      |

## 8 Other fixed asset investments

|                                   | Group                         | Parent                        |
|-----------------------------------|-------------------------------|-------------------------------|
|                                   | Other receiv-<br>ables<br>DKK | Other receiv-<br>ables<br>DKK |
| Cost at 1 July                    | 254,032                       | 207,945                       |
| Additions for the year            | 7,520                         | 7,520                         |
| Disposals for the year            | -21,235                       | -18,927                       |
| Cost at 30 June                   | 240,317                       | 196,538                       |
| <b>Carrying amount at 30 June</b> | <b>240,317</b>                | <b>196,538</b>                |

## Notes to the Financial Statements

|   | Group          |                | Parent         |                |
|---|----------------|----------------|----------------|----------------|
|   | 2018           | 2017           | 2018           | 2017           |
|   | DKK            | DKK            | DKK            | DKK            |
| <b>9 Deferred tax asset</b>                             |                |                |                |                |
| Deferred tax asset at 1 July                            | 420,166        | 121,374        | 420,166        | 121,374        |
| Amounts recognised in the income statement for the year | 179,675        | 298,792        | 179,675        | 298,792        |
| <b>Deferred tax asset at 30 June</b>                    | <b>599,841</b> | <b>420,166</b> | <b>599,841</b> | <b>420,166</b> |

The recognised tax asset comprises fixed assets and tax loss carry-forwards expected to be utilised within the next three to four years.

### 10 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

### 11 Equity

The share capital consists of 1,666,667 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital is broken down as follow:

|          | Number    | Nominal value<br>DKK |
|----------|-----------|----------------------|
| A-shares | 1,666,667 | 1,666,667            |
| B-shares | 294,333   | 294,333              |
|          |           | <b>1,961,000</b>     |

# Notes to the Financial Statements

## 12 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

### Subordinate loan capital

|                       |                          |                          |                          |                          |
|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Between 1 and 5 years | 10,600,000               | 11,000,000               | 10,600,000               | 11,000,000               |
| Long-term part        | <u>10,600,000</u>        | <u>11,000,000</u>        | <u>10,600,000</u>        | <u>11,000,000</u>        |
| Within 1 year         | <u>0</u>                 | <u>0</u>                 | <u>0</u>                 | <u>0</u>                 |
|                       | <b><u>10,600,000</u></b> | <b><u>11,000,000</u></b> | <b><u>10,600,000</u></b> | <b><u>11,000,000</u></b> |

Subordinated loan capital of TDKK 11,000 bears interest at 4% per annum. The loan is for the moment with no repayment agreement.

## Notes to the Financial Statements

|   | <b>Group</b>            |                          |
|---|-------------------------|--------------------------|
|   | <u>2017/18</u>          | <u>2016/17</u>           |
|   | DKK                     | DKK                      |
| <b>13 Cash flow statement - adjustments</b>   |                         |                          |
| Financial income  | -179,571                | -12,194                  |
| Financial expenses  | 1,442,541               | 1,198,927                |
| Depreciation, amortisation and impairment losses, including losses and gains on sales | 443,897                 | 1,166,277                |
| Minority interests  | 8,144                   | -17,899                  |
| Tax on profit/loss for the year   | 117,264                 | -250,777                 |
| Other adjustments   | 35,176                  | 116,118                  |
|   | <u><b>1,867,451</b></u> | <u><b>2,200,452</b></u>  |
| <b>14 Cash flow statement - change in working capital</b>                             |                         |                          |
| Change in inventories   | -8,982,462              | -2,364,023               |
| Change in receivables   | 8,750,687               | -3,612,953               |
| Change in trade payables, etc   | 602,449                 | 2,178,726                |
|   | <u><b>370,674</b></u>   | <u><b>-3,798,250</b></u> |

## Notes to the Financial Statements

| 15 Contingent assets, liabilities and other financial obligations                         | Group          |                | Parent         |                |
|---|----------------|----------------|----------------|----------------|
|   | 2018           | 2017           | 2018           | 2017           |
|   | DKK            | DKK            | DKK            | DKK            |
| <b>Charges and security</b>   |                |                |                |                |
| The following assets have been placed as security with bankers:                           |                |                |                |                |
| Business collateral in assets, trade receivables, stock etc. for an amount of TDKK 30,000 | 49,606,000     | 57,122,000     | 49,606,000     | 57,122,000     |
| <b>Rental and lease obligations</b>   |                |                |                |                |
| Lease obligations under operating leases. Total future lease payments:                    |                |                |                |                |
| Within 1 year   | 296,909        | 277,678        | 296,909        | 277,678        |
| Between 1 and 5 years   | 314,570        | 181,795        | 314,570        | 181,795        |
|   | <b>611,479</b> | <b>459,473</b> | <b>611,479</b> | <b>459,473</b> |
| Rental agreements have been entered with a total obligation of TDKK 2,164                 |                |                |                |                |



# Notes to the Financial Statements

## 16 Accounting Policies

The Annual Report of Unique Furniture af 14. juni 2007 A/S for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2017/18 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Unique Furniture af 14. juni 2007 A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

# Notes to the Financial Statements

## 16 Accounting Policies (continued)

### Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

### Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income Statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of

# Notes to the Financial Statements

## 16 Accounting Policies (continued)

discounts relating to sales.

### **Expenses for raw materials and consumables**

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

### **Other external expenses**

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

### **Gross profit/loss**

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

### **Income from investments in subsidiaries**

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

# Notes to the Financial Statements

## 16 Accounting Policies (continued)

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

## Balance Sheet

### Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

|  |     |       |
|--|-----|-------|
| Other fixtures and fittings, tools and equipment | 1-5 | years |
|--|-----|-------|

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acqui-

# Notes to the Financial Statements

## 16 Accounting Policies (continued)

tion of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

### Other fixed asset investments

Other fixed asset investments consist of deposits.

### Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

# Notes to the Financial Statements

## 16 Accounting Policies (continued)

### Equity

#### *Dividend*

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

#### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

#### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

#### **Financial debts**

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

#### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items

# Notes to the Financial Statements

## 16 Accounting Policies (continued)

included in cash and cash equivalents.

### Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

### Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

### Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.

## Financial Highlights

### Explanation of financial ratios

|                  |  |
|------------------|--|
| Return on assets | $\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$       |
| Solvency ratio   | $\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$ |
| Return on equity | $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$      |