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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 2018 -  
30 June 2019**

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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  
20/11 2019

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 2018 - 30 June 2019.

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 2019 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2018/19.

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, 20 November 2019

## 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 2019 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 2018 - 30 June 2019 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 2018 - 30 June 2019, 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, 20 November 2019

**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>				
	2018/19 TDKK	2017/18 TDKK	2016/17 TDKK	2015/16 TDKK	2014/15 TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit/loss	39,967	24,323	24,692	29,275	41,544
Operating profit/loss	10,982	-3,501	-4,054	6,203	22,185
Net financials	-2,164	-1,263	-1,187	-784	-694
Net profit/loss for the year	6,247	-4,921	-4,905	4,385	16,484
<b>Balance sheet</b>					
Balance sheet total	93,172	72,388	72,940	65,893	73,407
Equity	11,671	5,686	10,593	19,371	29,984
Equity including subordinate loan capital	26,771	16,345	21,593	26,252	36,984
<b>Cash flows</b>					
Cash flows from:					
- operating activities	-6,101	-4,052	-9,247	9,256	3,114
- investing activities	-359	-53	-412	-1,583	-257
including investment in property, plant and equipment	-497	-281	-795	-1,632	-257
- financing activities	6,020	3,745	18	-15,008	-2,475
Change in cash and cash equivalents for the year	-440	-361	-9,641	-7,335	382
Number of employees	88	83	94	74	70
<b>Ratios</b>					
Return on assets	11.9%	-4.9%	-5.4%	9.7%	30.2%
Solvency ratio	12.5%	7.9%	14.5%	29.4%	40.8%
Return on equity	72.0%	-60.5%	-32.7%	17.8%	62.2%
Solvency ration including subordinate loan capital	28.7%	22.6%	29.6%	39.8%	50.4%

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 2018/19 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. In the financial year 2016/17, 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 income statement of the Group for 2018/19 shows a profit of DKK 6,246,728, and at 30 June 2019 the balance sheet of the Group shows a equity, including subordinated loan capital of DKK 22,271,385.

Following a few poor years, the Company is back on track showing a profit. The positive result is attributable to an improved top-line and reduced operating expenses. The performance of the European business has been very good, thus contributing with satisfactory results to the Group profit. The European business has developed satisfactorily in a number of markets, which is expected to continue in 2019/20. Unfortunately, the US company once again contributed with negative results despite the US company actually exceeding budgeted sales.

Company Management is still of the opinion that the strategy for the US company of having two main areas, Home and Office, is the right one. Particularly the Home business has gained momentum during the past year and has shown considerable progress. Unfortunately, the trade war between the USA and China has had a negative impact on the Company's earnings. The majority of the Company's goods come from China and have therefore been hit by the tariffs imposed. It has not been possible to fully pass on these tariff increases to the Company's customers, nor has it been possible at the desired speed. A number of product series have already been moved from China to surrounding low-wage countries, which makes it possible again to sell these series with a profit. China is no longer an option for new product developments for the US market as long as a tariff rate of 25% is being imposed on furniture. An additional person has been assigned to the Home area for the year 2019/20. Despite the massive challenges on the US market, Management still expects revenue to show further increases in 2019/20 so that also the US is expected to contribute with positive results.

These issues have resulted in the Company realizing a profit.

# Management's Review

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

## ***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 number of goods for the USA come from China, which means that they are subject to the new and increasing tariff rates, the Company pays special attention to this. A number of product series are already being transferred to other producer countries in order to mitigate possible tariff rate increases.

## ***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 2019/20, 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 2019 of the Group and the results of the activities and cash flows of the Group for the financial year for 2018/19 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	
		2018/19 DKK	2017/18 DKK	2018/19 DKK	2017/18 DKK
<b>Gross profit/loss</b>		<b>39,966,641</b>	<b>24,323,226</b>	<b>28,949,021</b>	<b>15,423,250</b>
Staff expenses	1	-28,491,347	-27,420,064	-17,241,032	-15,552,582
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-396,090	-404,063	-211,871	-260,053
Other operating expenses		0	-39,834	0	-39,834
<b>Profit/loss before financial income and expenses</b>		<b>11,079,204</b>	<b>-3,540,735</b>	<b>11,496,118</b>	<b>-429,219</b>
Income from investments in subsidiaries		0	0	-2,054,809	-3,963,517
Financial income	2	135,855	179,571	883,133	720,600
Financial expenses	3	-2,299,524	-1,442,541	-1,641,829	-1,436,652
<b>Profit/loss before tax</b>		<b>8,915,535</b>	<b>-4,803,705</b>	<b>8,682,613</b>	<b>-5,108,788</b>
Tax on profit/loss for the year	4	-2,668,807	-117,264	-2,383,261	179,675
<b>Net profit/loss for the year</b>		<b>6,246,728</b>	<b>-4,920,969</b>	<b>6,299,352</b>	<b>-4,929,113</b>

# Balance Sheet 30 June

## Assets

	Note	Group		Parent	
		2019 DKK	2018 DKK	2019 DKK	2018 DKK
Goodwill		0	30,000	0	30,000
<b>Intangible assets</b>	5	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>30,000</b>
Other fixtures and fittings, tools and equipment		755,639	806,079	109,112	413,002
<b>Property, plant and equipment</b>	6	<b>755,639</b>	<b>806,079</b>	<b>109,112</b>	<b>413,002</b>
Investments in subsidiaries	7	0	0	1,370,798	531,668
Other receivables	8	297,996	240,317	297,996	196,538
<b>Fixed asset investments</b>		<b>297,996</b>	<b>240,317</b>	<b>1,668,794</b>	<b>728,206</b>
<b>Fixed assets</b>		<b>1,053,635</b>	<b>1,076,396</b>	<b>1,777,906</b>	<b>1,171,208</b>
<b>Inventories</b>		<b>36,948,699</b>	<b>34,094,895</b>	<b>21,823,097</b>	<b>20,886,140</b>
Trade receivables		52,834,510	33,330,396	42,064,959	28,277,188
Receivables from group enterprises		0	0	23,553,263	19,760,732
Other receivables		259,494	313,110	251,666	294,783
Deferred tax asset	12	117,710	599,841	117,710	599,841
Corporation tax		0	510,690	0	641,000
Prepayments	9	1,023,303	1,067,857	618,891	677,660
<b>Receivables</b>		<b>54,235,017</b>	<b>35,821,894</b>	<b>66,606,489</b>	<b>50,251,204</b>
<b>Other investments</b>		<b>0</b>	<b>20,000</b>	<b>0</b>	<b>20,000</b>
<b>Cash at bank and in hand</b>		<b>934,994</b>	<b>1,375,306</b>	<b>91,577</b>	<b>336,414</b>
<b>Currents assets</b>		<b>92,118,710</b>	<b>71,312,095</b>	<b>88,521,163</b>	<b>71,493,758</b>
<b>Assets</b>		<b>93,172,345</b>	<b>72,388,491</b>	<b>90,299,069</b>	<b>72,664,966</b>

# Balance Sheet 30 June

## Liabilities and equity

	Note	Group		Parent	
		2019 DKK	2018 DKK	2019 DKK	2018 DKK
Share capital		1,961,000	1,961,000	1,961,000	1,961,000
Retained earnings		9,644,749	3,614,390	9,644,749	3,614,390
<b>Equity attributable to shareholders of the Parent Company</b>		<b>11,605,749</b>	<b>5,575,390</b>	<b>11,605,749</b>	<b>5,575,390</b>
Minority interests		65,636	110,771	0	0
<b>Equity</b>	10	<b>11,671,385</b>	<b>5,686,161</b>	<b>11,605,749</b>	<b>5,575,390</b>
Subordinate loan capital		10,600,000	10,600,000	10,600,000	10,600,000
<b>Long-term debt</b>	13	<b>10,600,000</b>	<b>10,600,000</b>	<b>10,600,000</b>	<b>10,600,000</b>
Subordinate loan capital	13	4,500,000	0	4,500,000	0
Credit institutions		41,807,022	40,339,265	41,807,022	40,339,265
Trade payables		17,338,169	10,139,999	13,761,760	9,745,843
Payables to group enterprises		0	0	2,264,153	1,600,507
Corporation tax		760,952	0	790,130	0
Other payables		6,494,817	5,623,066	4,970,255	4,803,961
<b>Short-term debt</b>		<b>70,900,960</b>	<b>56,102,330</b>	<b>68,093,320</b>	<b>56,489,576</b>
<b>Debt</b>		<b>81,500,960</b>	<b>66,702,330</b>	<b>78,693,320</b>	<b>67,089,576</b>
<b>Liabilities and equity</b>		<b>93,172,345</b>	<b>72,388,491</b>	<b>90,299,069</b>	<b>72,664,966</b>
Distribution of profit	11				
Contingent assets, liabilities and other financial obligations	16				
Accounting Policies	17				

## Statement of Changes in Equity

### Group

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	1,961,000	3,614,390	5,575,390	110,771	5,686,161
Exchange adjustments	0	-268,993	-268,993	0	-268,993
Exchange adjustments relating to foreign entities	0	0	0	2,854	2,854
Net profit/loss for the year	0	6,299,352	6,299,352	-47,989	6,251,363
<b>Equity at 30 June</b>	<b>1,961,000</b>	<b>9,644,749</b>	<b>11,605,749</b>	<b>65,636</b>	<b>11,671,385</b>

### Parent

Equity at 1 July	1,961,000	3,614,390	5,575,390	0	5,575,390
Exchange adjustments	0	-268,993	-268,993	0	-268,993
Net profit/loss for the year	0	6,299,352	6,299,352	0	6,299,352
<b>Equity at 30 June</b>	<b>1,961,000</b>	<b>9,644,749</b>	<b>11,605,749</b>	<b>0</b>	<b>11,605,749</b>

## Cash Flow Statement 1 July - 30 June

	Note	Group	
		2018/19 DKK	2017/18 DKK
Net profit/loss for the year		6,246,728	-4,920,969
Adjustments	14	4,920,566	1,867,451
Change in working capital	15	-14,189,825	370,674
<b>Cash flows from operating activities before financial income and expenses</b>		<b>-3,022,531</b>	<b>-2,682,844</b>
Financial income		135,857	179,571
Financial expenses		-2,299,525	-1,442,540
<b>Cash flows from ordinary activities</b>		<b>-5,186,199</b>	<b>-3,945,813</b>
Corporation tax paid		-915,035	-106,432
<b>Cash flows from operating activities</b>		<b>-6,101,234</b>	<b>-4,052,245</b>
Purchase of property, plant and equipment		-496,999	-280,712
Fixed asset investments made etc		-101,458	13,714
Sale of property, plant and equipment		239,000	213,500
<b>Cash flows from investing activities</b>		<b>-359,457</b>	<b>-53,498</b>
Repayment of loans from credit institutions		1,467,757	4,152,740
Repayment of other long-term debt		4,500,000	-400,000
Minority interests		52,622	-8,144
<b>Cash flows from financing activities</b>		<b>6,020,379</b>	<b>3,744,596</b>
<b>Change in cash and cash equivalents</b>		<b>-440,312</b>	<b>-361,147</b>
Cash and cash equivalents at 1 July		1,375,306	1,736,453
<b>Cash and cash equivalents at 30 June</b>		<b>934,994</b>	<b>1,375,306</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		934,994	1,375,306
<b>Cash and cash equivalents at 30 June</b>		<b>934,994</b>	<b>1,375,306</b>



## Notes to the Financial Statements

	Group		Parent	
	2018/19 DKK	2017/18 DKK	2018/19 DKK	2017/18 DKK
<b>1 Staff expenses</b>				
Wages and salaries	25,726,189	24,815,645	15,267,733	13,777,630
Pensions	1,589,795	1,534,159	1,267,221	1,232,249
Other staff expenses	1,175,363	1,070,260	706,078	542,703
	<b>28,491,347</b>	<b>27,420,064</b>	<b>17,241,032</b>	<b>15,552,582</b>
<b>Average number of employees</b>	<b>88</b>	<b>83</b>	<b>23</b>	<b>23</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	862,964	666,647
Other financial income	111,295	98,651	20,169	53,953
Exchange gains	24,560	80,920	0	0
	<b>135,855</b>	<b>179,571</b>	<b>883,133</b>	<b>720,600</b>

### 3 Financial expenses

Other financial expenses	2,254,514	1,442,541	1,641,829	1,436,652
Exchange adjustments, expenses	45,010	0	0	0
	<b>2,299,524</b>	<b>1,442,541</b>	<b>1,641,829</b>	<b>1,436,652</b>

## Notes to the Financial Statements

	Group		Parent	
	2018/19	2017/18	2018/19	2017/18
	DKK	DKK	DKK	DKK
<b>4 Tax on profit/loss for the year</b>				
Current tax for the year	2,186,676	296,939	1,901,130	0
Deferred tax for the year	482,131	-179,675	482,131	-179,675
	<b>2,668,807</b>	<b>117,264</b>	<b>2,383,261</b>	<b>-179,675</b>

## 5 Intangible assets

### Group

	Goodwill DKK
Cost at 1 July	700,000
Cost at 30 June	700,000
Impairment losses and amortisation at 1 July	670,000
Amortisation for the year	30,000
Impairment losses and amortisation at 30 June	700,000
<b>Carrying amount at 30 June</b>	<b>0</b>

# Notes to the Financial Statements

## 6 Property, plant and equipment

### Group

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 July	2,351,051
Additions for the year	497,001
Disposals for the year	<u>-622,022</u>
Cost at 30 June	<u>2,226,030</u>
Impairment losses and depreciation at 1 July	1,544,972
Depreciation for the year	366,090
Reversal of impairment and depreciation of sold assets	<u>-440,671</u>
Impairment losses and depreciation at 30 June	<u>1,470,391</u>
<b>Carrying amount at 30 June</b>	<b><u>755,639</u></b>

### Parent

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 July	1,226,494
Additions for the year	59,330
Disposals for the year	<u>-622,022</u>
Kostpris at 30 June	<u>663,802</u>
Impairment losses and depreciation at 1 July	813,490
Depreciation for the year	181,871
Reversal of impairment and depreciation of sold assets	<u>-440,671</u>
Impairment losses and depreciation at 30 June	<u>554,690</u>
<b>Carrying amount at 30 June</b>	<b><u>109,112</u></b>

## Notes to the Financial Statements

	<b>Parent</b>	
	2019 DKK	2018 DKK
<b>7 Investments in subsidiaries</b>		
Cost at 1 July	39,225	39,225
Cost at 30 June	39,225	39,225
Value adjustments at 1 July	-6,789,234	-2,843,628
Exchange adjustment	-268,993	17,910
Net profit/loss for the year	-2,054,809	-3,963,516
Value adjustments at 30 June	-9,113,036	-6,789,234
Equity investments with negative net asset value amortised over receivables	10,444,609	7,281,677
<b>Carrying amount at 30 June</b>	<b>1,370,798</b>	<b>531,668</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

	<b>Group</b>	<b>Parent</b>
	Other receiv- ables DKK	Other receiv- ables DKK
Cost at 1 July	196,538	196,538
Additions for the year	101,458	101,458
Cost at 30 June	297,996	297,996
<b>Carrying amount at 30 June</b>	<b>297,996</b>	<b>297,996</b>

# Notes to the Financial Statements

## 9 Prepayments

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

## 10 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:

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

## 11 Distribution of profit

Minority interests' share of net

profit/loss of subsidiaries

Retained earnings

	<u>Group</u>		<u>Parent</u>	
	<u>2018/19</u> DKK	<u>2017/18</u> DKK	<u>2018/19</u> DKK	<u>2017/18</u> DKK
Minority interests' share of net profit/loss of subsidiaries	-52,624	8,144	0	0
Retained earnings	<u>6,299,352</u>	<u>-4,929,113</u>	<u>6,299,352</u>	<u>-4,929,113</u>
	<b><u>6,246,728</u></b>	<b><u>-4,920,969</u></b>	<b><u>6,299,352</u></b>	<b><u>-4,929,113</u></b>

## 12 Deferred tax asset

Deferred tax asset at 1 July

Amounts recognised in the income statement for the year

**Deferred tax asset at 30 June**

Deferred tax asset at 1 July	599,841	420,166	599,841	420,166
Amounts recognised in the income statement for the year	<u>-482,131</u>	<u>179,675</u>	<u>-482,131</u>	<u>179,675</u>
<b>Deferred tax asset at 30 June</b>	<b><u>117,710</u></b>	<b><u>599,841</u></b>	<b><u>117,710</u></b>	<b><u>599,841</u></b>

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

# Notes to the Financial Statements

## 13 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:

	Group		Parent	
	2019 DKK	2018 DKK	2019 DKK	2018 DKK
<b>Subordinate loan capital</b>				
Between 1 and 5 years	10,600,000	10,600,000	10,600,000	10,600,000
Long-term part	10,600,000	10,600,000	10,600,000	10,600,000
Within 1 year	4,500,000	0	4,500,000	0
	<b>15,100,000</b>	<b>10,600,000</b>	<b>15,100,000</b>	<b>10,600,000</b>

Subordinated loan capital of TDKK 15,100 bears interest at 4% per annum. TDKK 4,500 has to be paid in 2019/20 and TDKK 10,600 is for the moment with no repayment agreement.

## 14 Cash flow statement - adjustments

Financial income	-135,855	-179,571
Financial expenses	2,299,524	1,442,541
Depreciation, amortisation and impairment losses, including losses and gains on sales	338,438	443,897
Minority interests	-52,622	8,144
Tax on profit/loss for the year	2,668,807	117,264
Other adjustments	-197,726	35,176
	<b>4,920,566</b>	<b>1,867,451</b>

## 15 Cash flow statement - change in working capital

Change in inventories	-2,853,802	-8,982,462
Change in receivables	-19,405,944	8,750,687
Change in trade payables, etc	8,069,921	602,449
	<b>-14,189,825</b>	<b>370,674</b>

## Notes to the Financial Statements

	Group		Parent	
	2019	2018	2019	2018
	DKK	DKK	DKK	DKK
<b>16 Contingent assets, liabilities and other financial obligations</b>				
<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	55,446,623	49,576,330	55,446,623	49,576,330
<b>Rental and lease obligations</b>				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	233,262	296,909	233,262	296,909
Between 1 and 5 years	293,570	314,570	293,570	314,570
	<b>526,832</b>	<b>611,479</b>	<b>526,832</b>	<b>611,479</b>
Rental agreements have been entered with a total obligation of TDKK 2,164				

# Notes to the Financial Statements

## 17 Accounting Policies

The Annual Report of Unique Furniture af 14. juni 2007 A/S for 2018/19 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 2018/19 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

## 17 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

## 17 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, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses.

### **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

## 17 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
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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

## 17 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

## 17 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

## 17 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".

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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$