Unique Furniture af 14. juni 2007 A/S

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

Annual Report for 1 July 2016 - 30 June 2017

CVR No 30 61 24 50

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 2 /11 2017

Ole Elmegaard Mortensen
Chairman

Contents

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 2016 - 30 June 2017.

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 2017 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2016/17.

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, 2 November 2017

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 2017 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 2016 - 30 June 2017 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 2016 - 30 June 2017, 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.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
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

Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions 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, 2 November 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen
statsautoriseret revisor

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:

	Group				
	2016/17	2015/16	2014/15	2013/14	2012/13
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	24.692	29.275	41.544	20.233	22.749
Operating profit/loss	-4.054	6.203	22.185	4.335	8.640
Net financials	-1.187	-784	-694	-371	-440
Net profit/loss for the year	-4.905	4.385	16.484	3.024	6.149
Balance sheet					
Balance sheet total	72.940	65.893	73.407	56.569	53.575
Equity	10.593	19.371	29.984	23.036	25.994
Equity including subordinate loan capital	21.593	26.252	36.984	23.036	25.994
Cash flows					
Cash flows from:					
- operating activities	-9.247	9.256	3.114	161	9.628
- investing activities	-412	-1.583	-257	-800	-745
including investment in property, plant and equipment	-795	-1.632	-257	-350	-745
- financing activities	18	-15.008	-2.475	-6.000	-2.675
Change in cash and cash equivalents for the year	-9.641	-7.335	382	-6.639	6.208
Number of employees	94	74	70	63	54
Ratios					
Return on assets	-5,4%	9,7%	30,2%	7,7%	16,1%
Solvency ratio	14,5%	29,4%	40,8%	40,7%	48,5%
Solvency ration including subordinate loan capital	29,6%	39,8%	50,4%	40,7%	48,5%
Return on equity	-32,7%	17,8%	62,2%	12,3%	26,2%

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 2016/17 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 just ended, 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 2016/17 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 21.5 million.

The Company has been through a challenging year in which various issues have resulted in the Company realising a loss for the first time ever. The Company's sales to the UK are quite significant. Brexit, in combination with an unfavourable exchange rate between the pound and the dollar, made it very difficult to navigate in the UK market. In addition, the Company had adjusted its organisation to considerable growth, resulting in increased costs.

For a number of years, it has been the Company's wish to establish a business in the USA. This was realised at the beginning of the financial year just ended when an existing employee moved to the USA with his family. In September, the Company seized a new opportunity when acquiring the intellectual property rights of a bankrupt estate and inventories placed in Los Angeles. The Company employed a number of people from the bankrupt company. There have been many unexpected challenges in connection with the establishment of the company as well as the start-up of a new business area within office furniture. This has involved considerable expenses and non-increasing revenue.

These issues have resulted in the Company realising 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.

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 2017/18, 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 2017 of the Group and the results of the activities and cash flows of the Group for the financial year for 2016/17 have not been affected by any unusual events.

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	
		2016/17	2015/16	2016/17	2015/16
		DKK	DKK	DKK	DKK
Gross profit/loss		**24.691.859**	**29.274.888**	**16.692.303**	**22.616.121**
Staff expenses	1	-27.304.378	-22.129.809	-17.011.298	-16.027.178
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1.303.929	-771.793	-537.606	-874.826
Other operating expenses		-52.138	0	-52.138	0
Profit/loss before financial income and expenses		**-3.968.586**	**6.373.286**	**-908.739**	**5.714.117**
Income from investments in subsidiaries		0	0	-3.465.462	551.712
Financial income	2	12.194	6.627	351.460	45.393
Financial expenses	3	-1.198.927	-791.106	-1.162.694	-786.700
Profit/loss before tax		**-5.155.319**	**5.588.807**	**-5.185.435**	**5.524.522**
Tax on profit/loss for the year	4	250.777	-1.203.573	298.792	-1.147.347
Net profit/loss for the year		**-4.904.542**	**4.385.234**	**-4.886.643**	**4.377.175**

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	0	4.000.000	0	4.000.000
Minority interests' share of net profit/loss of subsidiaries	-17.899	8.059	0	0
Retained earnings	-4.886.643	377.175	-4.886.643	377.175
	-4.904.542	**4.385.234**	**-4.886.643**	**4.377.175**

Balance Sheet 30 June

Assets

	Note	Group 2017	Group 2016	Parent 2017	Parent 2016
		DKK	DKK	DKK	DKK
Goodwill		120.000	210.000	120.000	210.000
Intangible assets	5	**120.000**	**210.000**	**120.000**	**210.000**
Other fixtures and fittings, tools and equipment		1.113.638	1.633.967	564.367	900.138
Property, plant and equipment	6	**1.113.638**	**1.633.967**	**564.367**	**900.138**
Investments in subsidiaries	7	0	0	585.242	540.151
Other receivables	8	254.032	388.149	207.945	388.149
Fixed asset investments		**254.032**	**388.149**	**793.187**	**928.300**
Fixed assets		**1.487.670**	**2.232.116**	**1.477.554**	**2.038.438**
Inventories		**25.112.434**	**22.748.411**	**17.622.247**	**22.571.861**
Trade receivables		42.220.431	37.217.304	38.936.173	37.146.002
Receivables from group enterprises		0	0	13.342.145	2.281.451
Other receivables		502.995	1.657.526	500.334	1.437.898
Deferred tax asset	11	420.166	121.374	420.166	121.374
Corporation tax		701.197	0	640.999	0
Prepayments	9	738.624	974.267	670.591	947.064
Receivables		**44.583.413**	**39.970.471**	**54.510.408**	**41.933.789**
Other investments		**20.000**	**20.000**	**20.000**	**20.000**
Cash at bank and in hand		**1.736.453**	**921.926**	**312.189**	**121.801**
Currents assets		**71.452.300**	**63.660.808**	**72.464.844**	**64.647.451**
Assets		**72.939.970**	**65.892.924**	**73.942.398**	**66.685.889**

Balance Sheet 30 June

Liabilities and equity

	Note	Group 2017	Group 2016	Parent 2017	Parent 2016
		DKK	DKK	DKK	DKK
Share capital		1.961.000	1.961.000	1.961.000	1.961.000
Retained earnings		8.525.595	13.291.330	8.525.595	13.291.330
Proposed dividend for the year		0	4.000.000	0	4.000.000
Equity attributable to shareholders of the Parent Company		**10.486.595**	**19.252.330**	**10.486.595**	**19.252.330**
Minority interests		106.233	118.654	0	0
Equity	10	**10.592.828**	**19.370.984**	**10.486.595**	**19.252.330**
Subordinate loan capital		11.000.000	7.000.000	11.000.000	7.000.000
Long-term debt	12	**11.000.000**	**7.000.000**	**11.000.000**	**7.000.000**
Credit institutions		36.186.525	25.731.188	36.186.525	25.731.188
Prepayments received from customers		0	89.761	0	89.761
Trade payables		9.173.781	7.811.755	9.047.708	7.785.398
Payables to group enterprises		0	0	1.473.112	1.165.283
Corporation tax		0	808.861	0	691.948
Other payables		5.986.836	5.080.375	5.748.458	4.969.981
Short-term debt		**51.347.142**	**39.521.940**	**52.455.803**	**40.433.559**
Debt		**62.347.142**	**46.521.940**	**63.455.803**	**47.433.559**
Liabilities and equity		**72.939.970**	**65.892.924**	**73.942.398**	**66.685.889**
Contingent assets, liabilities and other financial obligations	15				

Statement of Changes in Equity

Group

	Share capital	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	1.961.000	13.291.330	4.000.000	19.252.330	0	19.252.330
Net effect from change of accounting policy	0	0	0	0	118.654	118.654
Adjusted equity at 1 July	1.961.000	13.291.330	4.000.000	19.252.330	118.654	19.370.984
Exchange adjustments	0	120.908	0	120.908	0	120.908
Ordinary dividend paid	0	0	-4.000.000	-4.000.000	0	-4.000.000
Exchange adjustments relating to foreign entities	0	0	0	0	5.478	5.478
Net profit/loss for the year	0	-4.886.643	0	-4.886.643	-17.899	-4.904.542
Equity at 30 June	**1.961.000**	**8.525.595**	**0**	**10.486.595**	**106.233**	**10.592.828**

Parent

	Share capital	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
Equity at 1 July	1.961.000	13.291.330	4.000.000	19.252.330	0	19.252.330
Exchange adjustments	0	120.908	0	120.908	0	120.908
Ordinary dividend paid	0	0	-4.000.000	-4.000.000	0	-4.000.000
Net profit/loss for the year	0	-4.886.643	0	-4.886.643	0	-4.886.643
Equity at 30 June	**1.961.000**	**8.525.595**	**0**	**10.486.595**	**0**	**10.486.595**

Cash Flow Statement 1 July - 30 June

	Note	Group 2016/17 DKK	Group 2015/16 DKK
Net profit/loss for the year		-4.904.542	4.385.234
Adjustments	13	2.200.452	2.597.903
Change in working capital	14	-3.798.250	8.093.978
Cash flows from operating activities before financial income and expenses		**-6.502.340**	**15.077.115**
Financial income		12.194	6.627
Financial expenses		-1.198.927	-791.106
Cash flows from ordinary activities		**-7.689.073**	**14.292.636**
Corporation tax paid		-1.558.073	-5.036.477
Cash flows from operating activities		**-9.247.146**	**9.256.159**
Purchase of property, plant and equipment		-795.180	-1.632.326
Fixed asset investments made etc		0	-35.569
Sale of property, plant and equipment		249.500	85.000
Sale of fixed asset investments etc		134.117	0
Cash flows from investing activities		**-411.563**	**-1.582.895**
Raising of other long-term debt		4.000.000	0
Minority interests		17.899	-8.059
Dividend paid		-4.000.000	-15.000.000
Cash flows from financing activities		**17.899**	**-15.008.059**
Change in cash and cash equivalents		**-9.640.810**	**-7.334.795**
Cash and cash equivalents at 1 July		-24.809.262	-17.474.467
Cash and cash equivalents at 30 June		**-34.450.072**	**-24.809.262**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		1.736.453	921.926
Overdraft facility		-36.186.525	-25.731.188
Cash and cash equivalents at 30 June		**-34.450.072**	**-24.809.262**

Notes to the Financial Statements

	Group		Parent	
	2016/17	2015/16	2016/17	2015/16
	DKK	DKK	DKK	DKK

1 Staff expenses

	Group 2016/17 DKK	Group 2015/16 DKK	Parent 2016/17 DKK	Parent 2015/16 DKK
Wages and salaries	24.025.473	19.755.008	14.340.406	13.658.168
Pensions	1.466.343	1.321.340	1.332.586	1.321.340
Other staff expenses	1.812.562	1.053.461	1.338.306	1.047.670
	27.304.378	**22.129.809**	**17.011.298**	**16.027.178**
Average number of employees	**94**	**74**	**21**	**22**

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

	Group 2016/17 DKK	Group 2015/16 DKK	Parent 2016/17 DKK	Parent 2015/16 DKK
Interest received from group enterprises	0	0	351.262	45.115
Other financial income	12.194	6.627	198	278
	12.194	**6.627**	**351.460**	**45.393**

3 Financial expenses

	Group 2016/17 DKK	Group 2015/16 DKK	Parent 2016/17 DKK	Parent 2015/16 DKK
Other financial expenses	1.169.597	789.925	1.162.694	786.700
Exchange loss	29.330	1.181	0	0
	1.198.927	**791.106**	**1.162.694**	**786.700**

4 Tax on profit/loss for the year

	Group		Parent	
	2016/17	2015/16	2016/17	2015/16
	DKK	DKK	DKK	DKK
Current tax for the year	48.015	1.214.174	0	1.157.948
Deferred tax for the year	-298.792	-10.601	-298.792	-10.601
	-250.777	**1.203.573**	**-298.792**	**1.147.347**

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	490.000
Amortisation for the year	90.000
Impairment losses and amortisation at 30 June	580.000
Carrying amount at 30 June	**120.000**

Notes to the Financial Statements

6 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 July	3.391.575
Additions for the year	795.180
Disposals for the year	-1.716.416
Cost at 30 June	2.470.339
Impairment losses and depreciation at 1 July	1.757.609
Depreciation for the year	1.181.650
Impairment and depreciation of sold assets for the year	-419.990
Reversal of impairment and depreciation of sold assets	-1.162.568
Impairment losses and depreciation at 30 June	1.356.701
Carrying amount at 30 June	**1.113.638**

Parent

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 July	2.405.204
Additions for the year	223.682
Disposals for the year	-1.274.414
Kostpris at 30 June	1.354.472
Impairment losses and depreciation at 1 July	1.505.065
Depreciation for the year	447.608
Reversal of impairment and depreciation of sold assets	-1.162.568
Impairment losses and depreciation at 30 June	790.105
Carrying amount at 30 June	**564.367**

Notes to the Financial Statements

		Parent	
		2017	2016
		DKK	DKK
7	**Investments in subsidiaries**		
	Cost at 1 July	39.224	23.656
	Additions for the year	0	15.569
	Cost at 30 June	39.224	39.225
	Value adjustments at 1 July	500.926	57.865
	Exchange adjustment	120.904	-108.651
	Net profit/loss for the year	-3.465.459	448.678
	Amortisation of goodwill	0	103.034
	Value adjustments at 30 June	-2.843.629	500.926
	Equity investments with negative net asset value amortised over receivables	3.389.647	0
	Carrying amount at 30 June	**585.242**	**540.151**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and 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%

Notes to the Financial Statements

8 Other fixed asset investments

	Group	Parent
	Other receivables	Other receivables
	DKK	DKK
Cost at 1 July	434.236	388.149
Disposals for the year	-180.204	-180.204
Cost at 30 June	254.032	207.945
Carrying amount at 30 June	**254.032**	**207.945**

9 Prepayments

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

10 Equity

The share capital is broken down as follow:

	Number	Nominal value
		DKK
A-shares	1.666.667	1.666.667
B-shares	294.333	294.333
		1.961.000

Notes to the Financial Statements

	Group		Parent	
	2017	2016	2017	2016
	DKK	DKK	DKK	DKK

11 Deferred tax asset

	Group 2017 DKK	Group 2016 DKK	Parent 2017 DKK	Parent 2016 DKK
Deferred tax asset at 1 July	121.374	110.773	121.374	110.773
Amounts recognised in the income statement for the year	298.792	10.601	298.792	10.601
Deferred tax asset at 30 June	**420.166**	**121.374**	**420.166**	**121.374**

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

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

	Group 2017 DKK	Group 2016 DKK	Parent 2017 DKK	Parent 2016 DKK
Between 1 and 5 years	11.000.000	7.000.000	11.000.000	7.000.000
Long-term part	11.000.000	7.000.000	11.000.000	7.000.000
Within 1 year	0	0	0	0
	11.000.000	**7.000.000**	**11.000.000**	**7.000.000**

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

		Group	
		2016/17	2015/16
		DKK	DKK
13	**Cash flow statement - adjustments**		
	Financial income	-12.194	-6.627
	Financial expenses	1.198.927	791.106
	Depreciation, amortisation and impairment losses, including losses and gains on sales	1.166.277	601.792
	Tax on profit/loss for the year	-250.777	1.203.573
	Minority interests' share of net profit/loss of subsidiaries	-17.899	8.059
	Other adjustments	116.118	0
		2.200.452	**2.597.903**
14	**Cash flow statement - change in working capital**		
	Change in inventories	-2.364.023	8.235.243
	Change in receivables	-3.612.953	217.027
	Change in other provisions	0	50.498
	Change in trade payables, etc	2.178.726	-408.790
		-3.798.250	**8.093.978**

Notes to the Financial Statements

	Group		Parent	
	2017	2016	2017	2016
	DKK	DKK	DKK	DKK

15 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

	Group 2017 DKK	Group 2016 DKK	Parent 2017 DKK	Parent 2016 DKK
Business colleteral in assets, trade recievables, stock etc. for an amount of TDKK 15,000	57.122.000	57.122.000	0	0

Rental and lease obligations

	Group 2017 DKK	Group 2016 DKK	Parent 2017 DKK	Parent 2016 DKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	277.678	342.005	277.678	342.005
Between 1 and 5 years	181.795	296.899	181.795	296.899
	459.473	**638.904**	**459.473**	**638.904**

Rental agreements have been entered with a total obligation of TDKK 1,699

Notes to the Financial Statements

16 Accounting Policies

The Annual Report of Unique Furniture af 14. juni 2007 A/S for 2016/17 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 for 2016/17 are presented in DKK.

Changes in accounting policies

The company has implemented changes to the Danish GAAP, which become effective on 1 January 2016, see Act nr. 738 af 1. juni 2015.

As a result of the changes to the law, the minority share of the subsidiaries are shown separately in the proposed distribution of profit and not as previously in net profit. Due to this, minority interests of subsidiaries are a component of equity and not a separate item in the balance sheet. In order to ensure comparability, the profit and equity regarding last year have been changed the same.

The change has the following effect on the Group's assets, liabilities and financial position on June 30, 2016:

Net profit increases by DKK 8,059
The balance sheet total increased by DKK 0
Equity increases by DKK 118.654.

Other changes to the Danish Financial Statements Act, which comes into force on 1 January 2016 have not affected the Group or the parent company's assets, liabilities and financial position on June 30, 2017, but only resulted in additional disclosures in the Annual Report.

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

Notes to the Financial Statements

16 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

16 Accounting Policies (continued)

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.

Resultatopgørelsen

Gross profit/loss

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

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 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.

Personaleomkostninger

Personaleomkostninger indeholder gager og lønninger samt lønafhængige omkostninger bortset fra produktionslønninger.

Amortisation, depreciation and impairment losses

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

Notes to the Financial Statements

16 Accounting Policies (continued)

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.

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.

Balancen

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.

Notes to the Financial Statements

16 Accounting Policies (continued)

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 acquisition 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.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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.

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.

Prepayments

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

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.

Notes to the Financial Statements

16 Accounting Policies (continued)

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

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

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 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.

Notes to the Financial Statements

16 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$
Solvency ration including subordinate loan capital	