Unique Furniture af 14. juni 2007 A/S

Petersbjerggård 10, 1. th., DK-6000 Kolding

Annual Report for
1 July 2022 - 30 June 2023

CVR No. 30 61 24 50

The Annual Report was presented and adopted at the Annual General Meeting of the company on 17/11 2023

Carsten Bundgaard
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Unique Furniture af 14. juni 2007 A/S for the financial year 1 July 2022 - 30 June 2023.

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 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022/23.

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

We recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Kolding, 17 November 2023

Executive Board

Flemming Lindtofte

Board of Directors

Henrik Thorup Theilbjørnn | Flemming Lindtofte | Poul Kristiansen

Søren Iversen

Independent Auditor's report

To the shareholder 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 2023 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 2022 - 30 June 2023 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 2022 - 30 June 2023, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, 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

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 Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 Group´s and the Parent Company´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 Parent Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent 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.

Independent Auditor's report

Trekantområdet, 17 November 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen
State Authorised Public Accountant
mne30224

Company information

The Company	Unique Furniture af 14. juni 2007 A/S Petersbjerggård 10, 1. th. DK-6000 Kolding CVR No: 30 61 24 50 Financial period: 1 July 2022 - 30 June 2023 Municipality of reg. office: Kolding
Board of Directors	Henrik Thorup Theilbjørnn Flemming Lindtofte Poul Kristiansen Søren Iversen
Executive Board	Flemming Lindtofte
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2022/23	2021/22	2020/21	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	100,301	60,759	81,166	49,590	39,967
Profit/loss before financial income and expenses	46,828	20,380	44,613	19,171	10,982
Profit/loss of financial income and expenses	-4,087	8,276	-9,755	892	-2,164
Net profit/loss	33,002	20,289	27,818	15,184	6,247
Balance sheet					
Balance sheet total	135,426	167,554	116,589	77,958	93,172
Equity	87,637	67,860	54,320	26,635	11,671
Cash flows					
Cash flows from:					
- operating activities	52,897	-14,837	4,931	37,652	-6,049
- investing activities	-2,001	-3,076	-3,220	-747	-359
- financing activities	-50,929	16,861	-5,029	-31,775	5,968
Change in cash and cash equivalents for the year	-33	-1,052	-3,318	5,130	-440
Number of employees	116	113	96	91	88
Ratios					
Return on assets	34.6%	12.2%	38.3%	24.6%	11.8%
Solvency ratio	64.7%	40.5%	46.6%	34.2%	12.5%
Return on equity	42.4%	33.2%	68.7%	79.3%	72.0%

Management's review

Key activities

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.

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

Development in the year

The income statement of the Group for 2022/23 shows a profit of TDKK 33,002, and at 30 June 2023 the balance sheet of the Group shows positive equity of TDKK 87,637.

The fiscal year 2022/23 was achieved due to a number of factors. Firstly, we continued to onboard several new large customers around the world. Secondly, we made solid investments in digitalization, product development and a strengthening of our organizational capabilities. Thirdly, our sourcing engine in the Far East once more performed at a high and steady level. Fourthly, the E-commerce part of our business showed significant growth in a number of markets. Finally, the war in Ukraine combined with a return to more normal energy prices resulted in less negative business effect than forecasted.

Thus, compared to our expectations Management is satisfied with the result for the year.

The past year and follow-up on development expectations from last year

The result of 2022/23 is better than expected and better than expectations from the financial statements of 2021/22.

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.

Also market developments in the USA are being monitored closely as the Company has invested heavily in the US market.

The overall situation for trading furniture internationally has become very volatile. There are so many parameters that have an impact on the situation and changes in a very short time. The company is very aware of this situation and follows it closely.

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

After COVID-19 we have seen a decrease in furniture spend and more fierce competition among market players. External factors such as high inflation rates and increasing interest rates are other barriers which limit the furniture consumption. The outlook for fiscal year 23/24 is blurred and we see no quick return in the market.

Therefore, we expect to achieve a Group result at the same level as this year.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Management's review

Unusual events

The financial position at 30 June 2023 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022/23 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 2022 - 30 June 2023

		Group		Parent company	
	Note	2022/23	2021/22	2022/23	2021/22
		TDKK	TDKK	TDKK	TDKK
Gross profit		**100,301**	**60,759**	**80,303**	**55,361**
Staff expenses	1	-51,310	-38,958	-31,814	-25,959
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-2,163	-1,421	-1,461	-970
Profit/loss before financial income and expenses		**46,828**	**20,380**	**47,028**	**28,432**
Income from investments in subsidiaries		0	0	-898	-8,722
Financial income	2	27	8,909	895	9,444
Financial expenses	3	-4,114	-633	-4,370	-601
Profit/loss before tax		**42,741**	**28,656**	**42,655**	**28,553**
Tax on profit/loss for the year	4	-9,739	-8,367	-9,653	-8,264
Net profit/loss for the year	5	**33,002**	**20,289**	**33,002**	**20,289**

Balance sheet 30 June 2023

Assets

	Note	Group 2022/23 TDKK	Group 2021/22 TDKK	Parent company 2022/23 TDKK	Parent company 2021/22 TDKK
Goodwill		0	0	0	0
Intangible assets	6	**0**	**0**	**0**	**0**
Other fixtures and fittings, tools and equipment		3,049	2,781	2,643	2,348
Leasehold improvements		1,007	1,451	107	310
Property, plant and equipment	7	**4,056**	**4,232**	**2,750**	**2,658**
Investments in subsidiaries	8	0	0	5,771	7,093
Deposits	9	1,357	1,315	1,005	948
Fixed asset investments		**1,357**	**1,315**	**6,776**	**8,041**
Fixed assets		**5,413**	**5,547**	**9,526**	**10,699**
Finished goods and goods for resale		68,582	96,026	48,707	63,840
Inventories		**68,582**	**96,026**	**48,707**	**63,840**
Trade receivables		57,501	61,269	46,522	53,121
Receivables from group enterprises		0	0	27,205	34,188
Other receivables		30	509	30	443
Prepayments	10	2,238	2,508	1,989	1,994
Receivables		**59,769**	**64,286**	**75,746**	**89,746**
Cash at bank and in hand		**1,662**	**1,695**	**473**	**137**
Current assets		**130,013**	**162,007**	**124,926**	**153,723**
Assets		**135,426**	**167,554**	**134,452**	**164,422**

Balance sheet 30 June 2023

Liabilities and equity

		Group		Parent company	
	Note	2022/23	2021/22	2022/23	2021/22
		TDKK	TDKK	TDKK	TDKK
Share capital	11	2,000	1,961	2,000	1,961
Reserve for exchange rate conversion		100	765	100	765
Retained earnings		65,537	65,134	65,537	65,134
Proposed dividend for the year		20,000	0	20,000	0
Equity		**87,637**	**67,860**	**87,637**	**67,860**
Provision for deferred tax	12	327	252	327	252
Provisions		**327**	**252**	**327**	**252**
Credit institutions		2,000	2,500	2,000	2,500
Long-term debt	13	**2,000**	**2,500**	**2,000**	**2,500**
Credit institutions	13	4,242	42,111	3,628	41,461
Prepayments received from customers		578	0	578	0
Trade payables		15,695	31,146	14,183	30,838
Payables to group enterprises		0	0	6,729	4,278
Corporation tax		8,481	7,606	8,469	7,751
Other payables		16,466	16,079	10,901	9,482
Short-term debt		**45,462**	**96,942**	**44,488**	**93,810**
Debt		**47,462**	**99,442**	**46,488**	**96,310**
Liabilities and equity		**135,426**	**167,554**	**134,452**	**164,422**

Contingent assets, liabilities and other financial obligations	16
Related parties	17
Accounting Policies	18

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	1,961	765	65,134	0	67,860
Net effect from merger and acquisition under the uniting of interests method	0	0	-66	0	-66
Adjusted equity at 1 July	1,961	765	65,068	0	67,794
Cash capital increase	59	0	0	0	59
Cash capital reduction	-20	0	0	0	-20
Exchange adjustments relating to foreign entities	0	-665	0	0	-665
Purchase of treasury shares	0	0	-12,533	0	-12,533
Net profit/loss for the year	0	0	13,002	20,000	33,002
Equity at 30 June	**2,000**	**100**	**65,537**	**20,000**	**87,637**

Parent company

	Share capital	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	1,961	765	65,134	0	67,860
Net effect from merger and acquisition under the uniting of interests method	0	0	-66	0	-66
Adjusted equity at 1 July	1,961	765	65,068	0	67,794
Cash capital increase	59	0	0	0	59
Cash capital reduction	-20	0	0	0	-20
Exchange adjustments relating to foreign entities	0	-665	0	0	-665
Purchase of treasury shares	0	0	-12,533	0	-12,533
Net profit/loss for the year	0	0	13,002	20,000	33,002
Equity at 30 June	**2,000**	**100**	**65,537**	**20,000**	**87,637**

Cash flow statement 1 July 2022 - 30 June 2023

	Note	Group 2022/23 TDKK	Group 2021/22 TDKK
Result of the year		33,002	20,289
Adjustments	14	15,296	2,753
Change in working capital	15	17,475	-38,902
Cash flow from operations before financial items		**65,773**	**-15,860**
Financial income		27	8,909
Financial expenses		-4,114	-619
Cash flows from ordinary activities		**61,686**	**-7,570**
Corporation tax paid		-8,789	-7,267
Cash flows from operating activities		**52,897**	**-14,837**
Purchase of intangible assets		-195	0
Purchase of property, plant and equipment		-1,860	-2,669
Fixed asset investments made etc		-42	-407
Sale of property, plant and equipment		96	0
Cash flows from investing activities		**-2,001**	**-3,076**
Repayment of loans from credit institutions		-38,369	24,781
Purchase of treasury shares		-12,500	0
Cash capital increase		59	0
Cash capital reduction		-20	0
Other equity entries		-99	0
Dividend paid		0	-7,920
Cash flows from financing activities		**-50,929**	**16,861**
Change in cash and cash equivalents		**-33**	**-1,052**
Cash and cash equivalents at 1 July		1,695	2,747
Cash and cash equivalents at 30 June		**1,662**	**1,695**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		1,662	1,695
Cash and cash equivalents at 30 June		**1,662**	**1,695**

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
1. Staff Expenses				
Wages and salaries	46,831	35,567	28,343	22,942
Pensions	3,625	3,098	3,098	2,724
Other social security expenses	854	293	373	293
	51,310	**38,958**	**31,814**	**25,959**
Including remuneration to the Executive Board and Board of Directors	**1,945**	**1,906**	**1,945**	**1,906**
Average number of employees	**116**	**113**	**44**	**36**

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
2. Financial income				
Interest received from group enterprises	0	0	895	606
Other financial income	27	3	0	0
Exchange adjustments	0	8,906	0	8,838
	27	**8,909**	**895**	**9,444**

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
3. Financial expenses				
Interest paid to group enterprises	60	0	0	0
Other financial expenses	1,722	633	1,712	601
Exchange adjustments, expenses	2,332	0	2,658	0
	4,114	**633**	**4,370**	**601**

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
4. Income tax expense				
Current tax for the year	9,664	8,413	9,578	8,310
Deferred tax for the year	75	-89	75	-89
Adjustment of tax concerning previous years	0	43	0	43
	9,739	**8,367**	**9,653**	**8,264**

	Parent company	
	2022/23	2021/22
	TDKK	TDKK
5. Profit allocation		
Proposed dividend for the year	20,000	0
Retained earnings	13,002	20,289
	33,002	**20,289**

6. Intangible fixed assets

Group

	Goodwill
	TDKK
Cost at 1 July	0
Additions for the year	195
Cost at 30 June	195
Impairment losses and amortisation at 1 July	0
Amortisation for the year	195
Impairment losses and amortisation at 30 June	195
Carrying amount at 30 June	**0**

Notes to the Financial Statements

7. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 July	6,439	1,516
Additions for the year	1,891	0
Disposals for the year	-94	0
Cost at 30 June	8,236	1,516
Impairment losses and depreciation at 1 July	3,658	65
Exchange adjustment	32	0
Depreciation for the year	1,523	444
Impairment and depreciation of sold assets for the year	-26	0
Impairment losses and depreciation at 30 June	5,187	509
Carrying amount at 30 June	**3,049**	**1,007**

Parent company

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 July	3,916	375
Additions for the year	1,622	0
Disposals for the year	-94	0
Cost at 30 June	5,444	375
Impairment losses and depreciation at 1 July	1,568	65
Depreciation for the year	1,259	203
Impairment and depreciation of sold assets for the year	-26	0
Impairment losses and depreciation at 30 June	2,801	268
Carrying amount at 30 June	**2,643**	**107**

	Parent company	
	2022/23	2021/22
	TDKK	TDKK

8. Investments in subsidiaries

	2022/23 TDKK	2021/22 TDKK
Cost at 1 July	23,299	23,299
Additions for the year	225	0
Cost at 30 June	23,524	23,299
Value adjustments at 1 July	-16,206	-8,669
Exchange adjustment	-663	1,171
Net profit/loss for the year	-476	-8,708
Amortisation of goodwill	-195	0
Change in intercompany profit on inventories	-213	0
Value adjustments at 30 June	-17,753	-16,206
Carrying amount at 30 June	**5,771**	**7,093**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Unique Furniture Int. Ltd	Hong Kong	100%
UAB "Unique Furniture"	Lithauen	100%
Unique Furniture Inc.	USA	100%
Unique Furniture AB	Sweden	100%
Unique Furniture SARL	France	100%

Notes to the Financial Statements

9. Other fixed asset investments

Group

	Deposits
	TDKK
Cost at 1 July	1,315
Exchange adjustment	-15
Additions for the year	57
Cost at 30 June	1,357
Carrying amount at 30 June	**1,357**

Parent company

	Deposits
	TDKK
Cost at 1 July	948
Additions for the year	57
Cost at 30 June	1,005
Carrying amount at 30 June	**1,005**

10. Prepayments

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

11. Share capital

The share capital consists of 2,000,000 shares of a nominal value of TDKK 0,001. No shares carry any special rights.

On 30th of December 2022, the Company acquired 176,490 treasury shares, corresponding to 9%. The reason for the acquisition is due to a change of ownership in the business. The treasury shares have been acquired through the take over of 25% of FML JKC Holding ApS. The total payment for the shares amounted to kDKK 12,500, which has been transferred from retained earnings under equity.

The Company cancelled 19,610 treasury shares with a nominal value of DKK 19,610 corresponding to 1% of the total capital through a capital reduction.

The Company chose to make an intragroup business combination with FML JKC Holding ApS and therefore no treasury shares are held at year end.

The Company holds a total of 0 shares after the acquisition of the treasury shares and the intragroup business combination.

12. Provision for deferred tax

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 July	252	341	252	341
Amounts recognised in the income statement for the year	75	-89	75	-89
Deferred tax liabilities at 30 June	**327**	**252**	**327**	**252**

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 company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Credit institutions				
After 5 years	0	0	0	0
Between 1 and 5 years	2,000	2,500	2,000	2,500
Long-term part	2,000	2,500	2,000	2,500
Within 1 year	3,114	2,500	2,500	2,500
Other short-term debt to credit institutions	1,128	39,611	1,128	38,961
Short-term part	4,242	42,111	3,628	41,461
	6,242	**44,611**	**5,628**	**43,961**

14. Cash flow statement - Adjustments

	Group	
	2022/23	2021/22
	TDKK	TDKK
Financial income	-27	-8,909
Financial expenses	4,114	633
Depreciation, amortisation and impairment losses, including losses and gains on sales	2,163	1,421
Tax on profit/loss for the year	9,739	8,367
Exchange adjustments	-693	1,241
	15,296	**2,753**

Notes to the Financial Statements

15. Cash flow statement - Change in working capital

	Group 2022/23 TDKK	Group 2021/22 TDKK
Change in inventories	27,444	-44,346
Change in receivables	4,517	-6,113
Change in trade payables, etc	-14,486	11,557
	17,475	**-38,902**

16. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Charges and security				
The following assets have been placed as security with bankers:				
Business colleteral in assets, trade receivables, stock etc. for an amount of TDKK 40,000 (2021/22: TDKK 30,000)	99,861	120,211	99,861	120,211
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	403	344	403	344
Between 1 and 5 years	167	164	167	164
	570	**508**	**570**	**508**
Rental agreements have been entered into with a total obligation on	11,367	12,163	5,087	3,536

17. Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

18. Accounting policies

The Annual Report of Unique Furniture af 14. juni 2007 A/S for 2022/23 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 Financial Statements and the Parent Company Financial Statements for 2022/23 are presented in TDKK.

A few changes have been made to the classification of individual accounting items in the comparison figures. This has no effect on the result and no impact on equity.

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.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

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. If currency positions are considered to hedge future cash flows, value adjustments are recognized directly in equity.

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

Net sales

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 the consolidated 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

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.

Notes to the Financial Statements

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 deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life, determined on the basis of Management's experience with the individual business areas.

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 and investments 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.

Notes to the Financial Statements

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 and costs of completion. 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.

Equity

Dividend

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

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

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, including the tax base of tax loss carry-forwards, 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.

Notes to the Financial Statements

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 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	Profit before financials x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity