LLES Holding ApS

Sødalsparken 18, 8220 Brabrand

CVR No 31 36 46 98

Annual Report for 2015/16

(Financial year 1/9 – 31/8)

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 31 / 1 2017

Uffe Baller
Chairman

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Company Information

The Company	LLES Holding ApS Sødalsparken 18 DK-8220 Brabrand CVR No 31 36 46 98 Financial year: 1 September – 31 August Municipality of reg. office: Aarhus
Executive Board	Lars Larsen
Lawyers	Interlex Advokater Strandvejen 94 PO Box 161 DK-8100 Aarhus
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C
Bank	Nordea Bank Danmark A/S Skt. Clemens Torv 2-6 DK-8100 Aarhus C

Financial Highlights of the Group (DKK '000)

	2015/16	2014/15	2013/14	2012/13	2011/12
Keyfigures					
Income Statement					
Revenue	315.900	281.480	237.411	190.156	151.498
Result before financial items (EBIT)	9.556	2.436	2.093	-18.865	-20.533
Net financials	-4.862	-1.281	-1.549	-1.275	647
Result for the year	4.840	238	1.212	-20.221	-20.453
Balancesheet					
Balancesheet total	245.262	230.388	831.704	800.764	782.484
Equity	56.426	51.842	51.468	50.339	70.510
Cashflow statement					
Investment in tangible assets	21.480	22.627	12.273	12.782	19.245
Ratios					
Return on assets	3,9%	1,1%	0,3%	-2,4%	-2,6%
Solvency ratio	23,0%	22,5%	6,2%	6,3%	9,0%
Return on equity	8,9%	0,5%	2,4%	-33,5%	-25,3%
Number of employees	327	284	236	207	181

The ratios have been prepared in accordance with the definitions provided under accounting policies.

Management's Review

Main activity

The activity of the Parent Company is to carry on investment business, including investments in subsidiaries.

The principal activity of the Group takes place in the subsidiary through retail trade in the JYSK chain stores of everything for the bedroom, bathroom, living or children's room, window and the patio.

Development in the financial year

Group revenue amounts to DKK 315,900k compared to DKK 281,480k in financial year 2014/15.

Profit before financial items amounts to DKK 9,556k compared to DKK 2,436k in 2014/15.

Profit for the year amounts to DKK 4,840k compared to DKK 237k in 2014/15. The result is satisfying and in conjunction with management expectations.

Special risks

The Group's activities abroad imply that profit, cash flows and equity are affected by the development in exchange and interest rates of a number of currencies.

Knowledge resources

The Group develops on a current basis competent employees to undertake operational and management tasks in the Group's retail stores through specially adapted training programmes and at its own academy.

Corporate social responsibility

The statutory statement of corporate social responsibility appears on pages 25 - 27.

Expected development

For the year ahead, LLES Holding ApS expects to realise a profit in line with the 2015/16 level provided that the financial markets evolve normally.

Subsequent events

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

Management's Statement

The Executive Board have today considered and adopted the Annual Report of LLES Holding ApS for the financial year 1 September 2015 – 31 August 2016.

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

In my opinion, the Parent Company Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Parent Company and the Group at 31 August 2016 and of the results of the Parent Company and the Group operations and cash flows for 2015/16.

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

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

Aarhus, 31 / 1 2017

Executive Board

Lars Larsen

Independent Auditor's Report

To the shareholder of LLES Holding ApS

Report on the Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of LLES Holding ApS for the financial year 1 September 2015 to 31 August 2016, which comprise income statement, balance sheet, notes and accounting policies for both the Group and the Parent Company, as well as consolidated cash flow statement. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements in accordance with Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

Independent Auditor's Report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

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 Company at 31 August 2016 and of the results of the Group and Parent Company operations as well as the consolidated cash flows for the financial year 1 September 2015 - 31 August 2016 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Aarhus, 31 / 1 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Jesper Lund
State Authorised Public Accountant

Income statement 1 September - 31 August (DKK '000)

		Parent company		Group	
	Note	2015/16	2014/15	2015/16	2014/15
Revenue	1	**0**	**0**	**315.900**	**281.480**
Cost of sales		0	0	139.681	120.871
Other operating income		0	0	5.823	2.893
Other external cost	2	128	98	95.908	88.966
Gross profit/loss		**-128**	**-98**	**86.134**	**74.536**
Staff expenses	3	0	0	60.377	54.377
Depreciation and amortisation		0	0	14.183	13.309
Other operating expenses		0	0	2.018	4.414
Result before financial items		**-128**	**-98**	**9.556**	**2.436**
Result from subsidiaries		11.873	4.273	0	0
Financial income	4	1.305	2.017	1.401	1.126
Financial expenses	5	10.615	6.679	6.263	2.407
Result before tax		**2.435**	**-487**	**4.694**	**1.155**
Tax on profit for the year	6	-2.405	-725	-146	918
Result for the year		**4.840**	**238**	**4.840**	**238**

Distribution of profit

Proposed distribution of profit

Retained earnings	4.840	238
	4.840	**238**

Balance sheet at 31 August (DKK '000)

Assets

		Parent company		Group	
	Note	2016	2015	2016	2015
Software		0	0	40	148
Intangible assets	7	**0**	**0**	**40**	**148**
Fixtures and fittings, tools and equipment		0	0	20.559	17.720
Trucks and cars		0	0	1.814	2.006
Leasehold improvements		0	0	55.903	52.520
Assets under construction		0	0	76	56
Tangible assets	8	**0**	**0**	**78.352**	**72.302**
Investments in subsidiaries	9	511.076	499.460	0	0
Deposits	10	0	0	17.157	14.798
Fixed asset investments		**511.076**	**499.460**	**17.157**	**14.798**
Fixed assets		**511.076**	**499.460**	**95.549**	**87.248**
Prepayments		0	0	0	3.579
Commercial products		0	0	79.252	87.481
Inventories		**0**	**0**	**79.252**	**91.060**
Trade receivables		0	0	3.509	0
Receivables from subsidiaries		128.706	129.164	0	0
Corporation tax		2.246	1.119	1.047	1.119
Other receivables		0	2.646	1.093	5.658
Prepayments	11	0	0	3.206	108
Receivables		**130.952**	**132.929**	**8.855**	**6.885**
Cash at bank and in hand		**0**	**131**	**61.606**	**45.195**
Current assets		**130.952**	**133.060**	**149.713**	**143.140**
Assets		**642.028**	**632.520**	**245.262**	**230.388**

Balance sheet at 31 August (DKK '000)

Liabilities

		Parent company		Group	
	Note	2016	2015	2016	2015
Share capital		10.000	10.000	10.000	10.000
Retained earnings		46.426	41.842	46.426	41.842
Equity	12	**56.426**	**51.842**	**56.426**	**51.842**
Deferred tax	13	2.783	4.060	1.161	4.060
Provisions		**2.783**	**4.060**	**1.161**	**4.060**
Credit institutions		8.854	7.080	8.854	7.080
Prepayments, received		0	0	3.871	3.300
Trade payables		0	0	25.991	10.963
Payables to subsidiaries		436.115	431.611	0	0
Corporation tax		0	0	47	1.088
Other payables		137.850	137.928	148.912	152.055
Short-term debt		**582.819**	**576.619**	**187.675**	**174.486**
Debt		**582.819**	**576.619**	**187.675**	**174.486**
Liabilities and equity		**642.028**	**632.520**	**245.262**	**230.388**

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Consolidated Cash Flows (DKK '000)

	Note	2015/16	2014/15
Profit for the year		4.840	238
Adjustments	18	18.845	15.508
Change in working capital	19	22.222	14.266
Cash flows from operating activities before financial items		45.907	30.012
Financial income		1.401	1.126
Financial expenses		-6.263	-2.407
Cash flows from ordinary activities		41.045	28.731
Corporation tax paid		-3.722	0
Cash flows from operating activities		**37.323**	**28.731**
Purchase of tangible assets		-21.480	-22.627
Disposal of tangible assets		1.154	1.401
Deposits		-2.360	-2.337
Disposal of investments		0	222
Cash flows from investment activities		**-22.686**	**-23.341**
Cash flows from financial activities		**0**	**0**
Changes in cash and cash equivalents		**14.637**	**5.390**
Cash and cash equivalents at 1st September		38.116	32.726
Cash and cash equivalents at 31st August		**52.753**	**38.116**
Cash and cash equivalents are specified as follows:			
Credit institutions		-8.854	-7.080
Cash at bank and in hand		61.606	45.195
Specification cash and cash equivalents at 31st August		**52.752**	**38.115**

Notes to the Annual Report (DKK '000)

1 Revenue

In accordance with section 96(1) of the Danish Financial Statements Acts, disclosures on revenue broken down by business segments are not provided as the Company's Executive Board and Board of Directors assess that such disclosures would be very very detrimental to the Company.

	Parent company		Group	
	2015/16	2014/15	2015/16	2014/15
2 Fees to the auditors appointed at the annual general meeting				
PricewaterhouseCoopers				
Auditfee	39	39	53	54
Other assurance engagements	0	0	0	0
Tax advisory services	15	15	17	17
Other non-audit services	36	12	43	17
	90	**66**	**113**	**88**
Other auditors				
Auditfee	0	0	207	223
Other assurance engagements	0	0	0	0
Tax advisory services	0	0	0	361
Other non-audit services	0	0	598	153
	0	**0**	**805**	**737**
3 Staff expenses				
Salaries and wages	0	0	45.915	41.180
Pensions	0	0	0	389
Other social security costs	0	0	14.462	12.808
	0	**0**	**60.377**	**54.377**

No separate remuneration has been paid to the Executive Board.

Average number of employees	0	0	327	284

Notes to the Annual Report (DKK '000)

		Parent company	
		2015/16	2014/15
4	**Financial income**		
	Interest income subsidiaries	**1.305**	**1.534**
5	**Financial expenses**		
	Interest expense subsidiaries	**4.504**	**4.370**

		Parent company		Group	
		2015/16	2014/15	2015/16	2014/15
6	**Tax on profit for the year**				
	Current tax for the year	-1.127	-1.119	599	524
	Deferred tax for the year	-583	0	-50	0
	Tax concerning previous years	-695	394	-695	394
	Tax on profit for the year	**-2.405**	**-725**	**-146**	**918**

7 Intangible assets

	Software
Group	
Cost at 1st September	1.164
Exchange adjustment at 1st September	-4
Cost at 31st August	1.160
Depreciation at 1st September	1.016
Exchange adjustment at 1st September	-3
Depreciation for the year	107
Depreciation at 31st August	1.120
Booked value at 31st August	**40**
Depreciated over	3 - 5 years

Notes to the Annual Report (DKK '000)

8 Tangible assets

	Fixtures and fittings, tools and equipment	Trucks and cars	Leasehold improve-ments	Assets under construc-tion
Group				
Cost at 1st September	32.813	3.342	84.492	56
Exchange adjustment at 1st September	-124	-10	-194	0
Addition for the year	7.362	367	13.558	193
Exchange adjustment on movement	-8	0	-14	0
Disposals for the year	-688	-273	-1.727	-173
Cost at 31st August	39.355	3.425	96.115	76
Depreciation at 1st September	15.092	1.336	31.972	0
Exchange adjustment at 1st September	-33	-6	-98	0
Depreciation for the year	4.347	519	9.210	0
Exchange adjustment on movement	-4	0	-10	0
Depreciation of disposals for the year	-606	-239	-862	0
Depreciation at 31st August	18.796	1.611	40.212	0
Booked value at 31st August	**20.559**	**1.814**	**55.903**	**76**
Depreciated over	4 - 5 years	4 - 5 years	Rental period	

Notes to the Annual Report (DKK '000)

9 Investments in subsidiaries

	2016
Cost at 1st September	534.192
Cost at 31st August	534.192
Impairment at 1st September	-34.732
Exchange adjustment on foreign subsidiaries	-256
Result for the year	12.884
Adjustment internal profit	-1.012
Impairment at 31st August	-23.116
Investments in subsidiaries	**511.076**

Specified as:

	Ownershare
JYSK DBL Iberia SL	100%
LLES Finans ApS	100%

	Parent company	**Group**
	2016	2016
10 Deposits		
Cost at 1st September	0	14.798
Exchange adjustment at 1st September	0	-1
Addition for the year	0	2.360
Booked value at 31st August	**0**	17.157

11 Prepayments

Prepayments comprises prepaid expenses relating to rent, property tax, etc.

Notes to the Annual Report (DKK '000)

		Parent company		Group	
		2016	2015	2016	2015
12	**Equity**				
	Equity at 1st September	51.842	51.468	51.842	51.468
	Result for the year	4.840	238	4.840	238
	Exchange adjustment on foreign subsidiaries	-256	136	-256	136
		56.426	**51.842**	**56.426**	**51.842**
	1.000 A-shares of DKK 1,000k	1.000	1.000	1.000	1.000
	9.000 B-shares of DKK 1,000k	9.000	9.000	9.000	9.000
	Share capital at 31st August	**10.000**	**10.000**	**10.000**	**10.000**

Change in share capital

There have been no changes to the share capital during the last 5 years.

13	**Deferred tax**				
	Other	2.783	4.060	1.161	4.060
		2.783	**4.060**	**1.161**	**4.060**
14	**Contractual obligations**				
	Rental obligations	0	0	100.518	119.604

15 Security

The company has no securities.

Notes to the Annual Report (DKK '000)

16 Contingent liabilities

The company is jointly liable for tax on the Group's joint taxable income etc. The total amount for corporation tax appears from these Group Financial Statements. Moreover, the Danish enterprises of the Group are jointly liable for withholding tax such as tax on dividend, royalty and interest. Possible later corrections in corporation taxes and withholding taxes may result in the Company being liable for a larger amount.

17 Controlling interest

	Basis
Lars Larsen, Svejbæk Søvej 14, DK-8600 Silkeborg	Controlling shareholder

18 Cash flow statement - adjustments

	Group	
	2015/16	2014/15
Financial income	-1.401	-1.126
Financial expenses	6.263	2.407
Depreciations	14.183	13.309
Tax on profit/loss for the year	-146	918
Other adjustments	-54	0
	18.845	**15.508**

19 Cash flow statement - change in working capital

	2015/16	2014/15
Change in inventories	11.808	-10.073
Change in trade receivables	-3.509	538
Change in other receivables and prepayments	1.467	622.244
Change in prepayments received from customers	571	983
Change in trade payables	15.028	1.484
Change in other payables	-3.143	-600.625
Other adjustments	0	-285
	22.222	**14.266**

Accounting Policies

Basis of Preparation

The Annual Report of LLES Holding ApS for the financial year 1 September 2015 to 31 August 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Annual Report for 2015/16 has been prepared in TDKK.

Basis of consolidation

The Annual Report comprises the Parent Company, LLES Holding ApS, and enterprises 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.

The Group comprises the following enterprises:

	Ownership share
LLES Holding ApS, Denmark	
LLES Finans ApS, Denmark	100%
JYSK DBL Iberia SL, Spain	100%
BW DBL Logistica, SL, Spain	100%

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 financial statements applied for the Group’s Annual Report have been prepared in accordance with the accounting policies of the Group.

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.

Accounting Policies

Recognition and measurement (continued)

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Exchange gains and losses 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.

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 transaction date rates are recognised in financial income and expenses in the income statement.

The income statements of foreign subsidiaries and associates that are separate legal entities are translated at the exchange rates at the dates of transaction or an approximated average exchange rate. Balance sheet line items are translated at the exchange rates at the balance sheet dates. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the balance sheet dates are recognised directly in equity.

Segment reporting

In accordance with section 96(1) of the Danish Financial Statements Act, disclosures on revenue broken down by business segments are not provided as the Company’s Executive Board assess that such disclosures would be very detrimental to the Company.

Accounting Policies

Income Statement

Revenue

Revenue from the sale of goods for resale is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprises cost incurred in connection with the purchase of commercial products.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the activities of the enterprises, including gains and losses from the sale of intangible assets and tangible assets.

Other external expenses

Other external expenses comprise sales and administrative expenses as well as expenses for premises.

Staff expenses

Staff expenses comprise wages and salaries, including holiday pay and pensions as well as other social security costs etc. to the Company's employees. Allowances received from public authorities are deducted from staff expenses.

Depreciation and amortisation

Depreciation and amortisation comprise depreciation and amortisation of tangible assets and intangible assets for the year.

Result from subsidiaries

The item “Result from subsidiaries” in the income statement includes the proportionate share of the profit/loss for the year less goodwill amortisation.

Accounting Policies

Financial income and expenses

Financial income and expenses comprise interest, exchange adjustments, fees, etc.

Tax on profit for the year

Tax for the year consists of current tax for the year and any 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.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with its subsidiaries. The tax effect of the joint taxation with group enterprises is allocated to enterprises showing profits or losses in proportion to their taxable incomes. The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance Sheet

Intangible assets

Software

Software is measured at the lower of cost less accumulated amortisation and the recoverable amount.

Software is amortised over 3-5 years.

Tangible assets

Tangible assets are measured at cost with the addition of revaluations and less accumulated depreciation and 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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for the financing of the production of tangible assets are recognised in cost over the period of production. All indirectly attributable borrowing costs are recognised in the income statement.

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

Fixtures and fittings, tools and equipment	4-5 years
Trucks and cars	4-5 years
Leasehold improvements	Over the rental period

Accounting Policies

Tangible assets (continued)

Profit and losses from current replacement of tangible assets are recognised in “Other operating income” or “Other operating expenses”.

Investments in subsidiaries

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

The item “Investments in subsidiaries” in the balance sheet includes 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 any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

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 subsidiaries and associates.

Subsidiaries with a negative carrying amount are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the subsidiary is recognised in provisions.

Deposits

Deposits are recognised and measured at cost.

Inventories

Inventories are measured at the lower of cost under the average cost formula and net realisable value. The net realisable value of inventories is calculated at the total of future sales revenue which the inventories are expected to generate at the balance sheet date in the process of normal operations allowing for marketability, obsolescence and development in expected selling price with deduction of selling expenses expected to be incurred to realise the sale.

The cost of goods for resale equals landed cost.

Accounting Policies

Receivables

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

Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

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

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax on temporary differences concerning non-taxable amortisable goodwill as well as other items is not recognised where, unless arising from acquisitions, they have arisen at the date of acquisition without affecting the profit/loss for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

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

Debts

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

Accounting Policies

Prepayments

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.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

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, tangible assets 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 "Current asset investments" as well as “Other short-term debt” under credit institutions.

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

Accounting Policies

Financial Highlights

Ratios are calculated as follows:

$$\text{Return on assets} = \frac{\text{Profit before financials x 100}}{\text{Total assets}}$$

$$\text{Solvency ratio} = \frac{\text{Equity at year end x 100}}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the year x 100}}{\text{Average equity}}$$

Statutory statement of Corporate Social Responsibility

1. Introduction

As a Group, LLES Holding ApS ("the Group") is in contact with thousands of customers, employees and business partners as well as other stakeholders every day. That requires commitment.

Corporate Social Responsibility (CSR) is a continuous process where new areas and methods constantly develop. Our goal is always to be up to date with the development and, therefore, dialogue and cooperation with different stakeholders are very important. We consider our dialogue with our surroundings a part of the learning process and essential to obtaining a better understanding of the complex challenges we face as a global company.

The improvement of social and environmental conditions is an ongoing process, and we believe that cooperation, dialogue and commitment are the way to go. Due to the complexity of CSR work, it is difficult to issue guarantees. However, we can guarantee that we are aware of our responsibility and are working to make a difference.

The different CSR processes interact and influence each other; however, these Financial Statements report on five overall themes:

- Environment and climate
- Supplier management
- Employees

Management has assessed that the Group achieves a better effect from memberships of and commitment to the organisations BSCI and FSC rather than laying down our own human rights policy.

This report is the Company's report in accordance with sections 99(a) and 99(b) of the Danish Financial Statements Act.

2. Environment and climate

At the Group, we work to minimise our and our suppliers' environmental and climate impact.

FSC

The FSC label is found on a large number of the wood products found in our stores – particularly our garden furniture. FSC®/™ stands for Forest Stewardship Council.

Statutory statement of Corporate Social Responsibility

All wooden garden furniture purchased for our stores in the financial period are FSC certified. In the financial period, the Company has continued the process of increasing the share of FSC certified indoor furniture.

3. Supplier management

At the Group, we take responsibility and we expect and demand that our suppliers do the same.

The Group has hundreds of suppliers in the world. Teamwork with our suppliers is a fundamental element in our business, and it is thus here where we can make the biggest difference with respect to eg the environment, human rights and animal welfare.

Business Social Compliance Initiative (BSCI)
The BSCI is an international inspection and training system for suppliers. As members, companies agree to follow a shared Code of Conduct - that is a joint code containing 11 principles for running an ethical and socially responsible business. The principles are based on international conventions and, among other things, prohibit child labour, forced labour, corruption and discrimination, and set out requirements for safety, working hours and environmental protection.

Since its establishment, the Group has been a member of BSCI through Anpartsselskabet af 31/8 1984. The Group and JYSK Holding A/S share a joint membership.

In the financial period, 639 BSCI audits were performed at the companies’ suppliers.

4. Employees

The underrepresented gender

At the Group, we want our employees to represent the demographic distribution in society, including the distribution of men and women in Management. We find this to be an advantage for both our employees and our customers.

We have not determined any target ratio for gender representation on the Board of Directors as there is only one board member. However, if the Board of Directors is expanded, the Company’s target is to achieve a balanced representation of the genders.

Statutory statement of Corporate Social Responsibility

At the Group, we all have equal rights irrespective of gender, race, political affiliation and religious beliefs. In the Group' competence development, career paths and talent programmes, we present the possibilities offered by the Company to both genders.

With respect to increasing the representation of women at other executive levels, the Group did not give differential treatment to candidates because of their gender during the financial year.

Health & safety, job satisfaction and development

At the Group, we find it very important to offer our employees a safe and healthy working environment.

We focus on proper lifting techniques and avoiding heavy lifts both in the stores and the warehouses.

Employee satisfaction surveys are regularly performed to identify focus areas in order to improve satisfaction. Job satisfaction and loyalty are some of our measuring parameters.

We moreover have a shop steward to whom the employees may go.