Annual Report

31.05.2016 – 30.04.2017

Godkendt på Selskabets ordinære generalforsamling, d. 4/7 2017

Dirigent

CVR no. 37760250

LAYOUT BIDCO A/S

Contents:

REVIEW

Key figures	3
2016/2017 Financial review	4
Corporate social responsibility	6

NOTATION

Statement by the executive and supervisory boards	7
Independent auditor's report	8

ACCOUNTS, CONSOLIDATED

Consolidated income statement and total income	10
Consolidated balance sheet	11
Consolidated statement of equity movements	13
Consolidated cash flow statement	14
Accounting policies applied	15
Notes, consolidated accounts	24

ACCOUNTS, PARENT COMPANY

Income statement, parent company	41
Balance sheet, parent company	42
Statement of equity movements, parent company	43
Notes, parent company	44

Layout Bidco A/S
Mørupvej 16
DK-7400 Herning
Tel. +45 70 13 13 66
Fax +45 70 13 13 67

Key Figures

	2016/17 (10 mth)
Income statement in DKK million	
Revenue	1.027,7
Gross profit	450,3
Profit/loss before special items (EBIT before special items)	86,6
Profit/loss from operating activities (EBIT)	35,2
Financing, net	(20,9)
Profit/loss before tax and minority interests	14,2
Profit/loss after tax	(5,4)
Balance sheet details in DKK million	
Non-current assets	1.545,1
Current assets	467,8
Balance sheet total	2.012,9
Equity	1.151,7
Interest bearing debt	387,3
Cash flow in DKK million	
Cash flow from operating activities	50,7
Cash flow from investing activities	(1.341,3)
Cash flow from financing activities	1.471,7

	2016/17 (10 mth)
Financial ratios	
Operating margin (EBIT% before special items)	8,4
Cash flows before financing activity as a % of revenue	143,2
Return on equity	(0,9)
Equity ratio, %	57,2
Average number of employees, full-time	533

The financial ratios have been calculated in accordance with the 'Recommendation & Financial Ratios 2015' issued by the Danish Society of Financial Analysts.

2016/2017 Financial Review

Acquisition
Layout Bidco A/S was established on 31 May 2016. On 13 July 2016 Layout Bidco A/S purchased the shares of BoConcept Holding A/S and delisted the company from the Copenhagen Stock Exchange. BoConcept Holding A/S and BoConcept A/S were merged with effect from 1 May 2016. After the merger, BoConcept A/S is the continuing company.

Main activity
BoConcept is a global brand and an international furniture retail chain in the 'affordable luxury' segment. Our furniture and accessories collection is sold through a franchise chain of more than 260 brand stores worldwide with BoConcept as business developer, exclusive supplier and international distributor.

VISION AND MISSION

Vision
To make BoConcept no. 1 brand within urban interiors.

Mission
With our brand promise 'Make the most out of your space' we stand out from our competitors by offering a total concept, which unites a modern, functional and fully coordinated collection with a unique personal interior decoration service, which optimises the customers' space management. This is all supported by a global communications platform and a store concept, underlining BoConcept's ability to create individual solutions.

HIGHLIGHTS FROM THE 2016/2017 FINANCIAL YEAR

Developments and results for the year
In the 2016/2017 financial year, the group realised a net revenue of DKK 1,028 million.

In the 2016/2017 financial year, a gross profit of 43.8% was realised.

Result before special items and financial items in 2016/2017 was DKK 86.6 million.

Special items include costs related to transaction costs related to the acquisition of BoConcept Holding A/S.

The group's financial items show net costs of DKK 20.9 million in 2016/2017, which is partly attributable to a capital loss on acquisition of shares from IFU.

After tax expenses of DKK 19.6 million, the result for the year was DKK negative 5.4 million. The supervisory and executive boards consider the EBIT results before special items of 2016/2017 satisfactory.

The balance sheet show DKK 2,012.9 million. Non-current assets amount to DKK 1,545.1 million and tangible assets to DKK 467.8 million.

Layout Bidco A/S generated a positive cash flow of DKK 50.7 million from operating activities before special items.

EXPECTATIONS
For the 2017/2018 financial year, management expects growth in turnover based on an increase in same-store-sales and the number of stores. The operating margin is expected to reach a level of approximately 10%. The expectations are based on unchanged market conditions and exchange rates.

POST BALANCE SHEET EVENTS

The supervisory board is aware of no events after 30 April 2017 which will materially influence the financial position of the group.

REPORT ON THE GENDER DISTRIBUTION IN MANAGEMENT, CF. SECTION 99 B OF THE DANISH FINANCIAL STATEMENTS ACT

In the Layout Bidco A/S group two companies are required to report on the gender distribution according to the Danish Financial Statements Act - Layout Bidco A/S and BoConcept A/S respectively.

Only those companies are included in this reporting of the gender composition at the Board of Directors.
According to the interpretation of the Danish Business Authority both companies have obtained equal distribution on gender of the general assembly elected members of the Board of Directors.

At other management levels, it is the company's objective to ensure a gender distribution that is representative for the Layout Bidco A/S group's organisation.

Activities for increasing the underrepresented gender in the financial year was in the hiring process to have both genders invited to job interviews, where possible.

At present, the underrepresented gender's share is 36% compared to 43% of the total organisation. The proportion of the underrepresented gender is unchanged compared to last year.

Corporate Social Responsibility

OUR COMMITMENT TO ACT RESPONSIBLY IN RELATION TO PEOPLE, THE ENVIRONMENT AND SOCIAL CONDITIONS IS A KEY ELEMENT OF LAYOUT BIDCO'S GLOBAL BRAND. THE OBJECTIVE OF THE GROUP'S CORPORATE SOCIAL RESPONSIBILITY POLICY IS TO STRIKE AND MAINTAIN A HEALTHY BALANCE BETWEEN ENVIRONMENTAL AND BUSINESS INTERESTS AND DETERMINE AN ENVIRONMENTAL CODE OF CONDUCT FOR THE COMPANY, ITS EMPLOYEES AND SUPPLIERS.

By adhering to the group's standards of ethics and acting in a sustainable manner locally and globally, BoConcept endeavours to uphold human rights and act in the most environmentally responsible way while also promoting high ethical standards and corporate social responsibility throughout the group. With better branding, risk management and quality control, this work also helps social responsibility (CSR) is an integrated strategic management tool at BoConcept.

FOCUS AREAS AND ACTIVITIES RELATED TO ENVIRONMENT AND CLIMATE

BoConcept became a signatory to the UN Global Compact in 2009, so the group's CSR policy, which forms the framework for the group's initiatives and priorities in this area, is based on the ten principles of the Global Compact in the areas of human rights, labour, environment and anti-corruption. The group's CSR strategy is divided into two focus areas: ensuring that the production processes of BoConcept and its suppliers are environmentally friendly and comply with safety procedures and minimising CO_2 emissions from transportation and logistics.

BoConcept's suppliers must adhere to the company's code of conduct. Based on Danish and international standards of quality, environmental standards and recommended work routines BoConcept seeks – through its code of conduct and regular supplier visits - to ensure that BoConcept's products are manufactured in a way that safeguards the interests of workers and has a minimal adverse impact on the environment. In the 2016/2017 financial year, BoConcept further strengthened its CSR standards, the audit of how suppliers meet these standards and annual supplier audits to make sure that BoConcept never starts collaborating with a supplier that fails to comply with its strict CSR standards.
BoConcept has focused on working environment improvements. More of our sub-suppliers of upholstery, metal, glass and wooden products have optimised their production facilities, and through this ensured increased efficiency and safer working conditions. Own production facility in Ølgod, Denmark, has focused on reducing energy-related costs with kDKK 500 per year and implementation of LEAN, which results in efficiency improvements as well as an increase of job satisfaction.

Our goal for the 2017/2018 financial year is to further strengthen current follow-up/KPI meetings with suppliers also including focus on Global Compact and CSR related issues.

Transport and logistics are crucial elements in the worldwide distribution of the BoConcept collection. An efficient supply chain is a key element, both in optimising productivity and in reducing the CO_2 emissions generated by the company directly or indirectly.

In the 2016/2017 financial year BoConcept's suppliers of transport and logistics have focused on reductions in CO_2 emission and fuel consumption. The air freight volume was reduced due to improved control within the supply chain, and the use of Euro norm 5-6 trucks remained at 83%. In the coming financial year BoConcept seeks to ensure that the use of Euro norm 5-6 trucks is increased to at least 85%. Also, focus is on continued optimisation of the company's distribution set-up.

For a detailed review of BoConcept's operational initiatives with respect to corporate social responsibility in the 2016/2017 financial year and an introduction to initiatives, objectives and expectations for the future, please see the progress report BoConcept submitted to the UN Global Compact. BoConcept is including the progress report in its corporate social responsibility statement; as specified in section 99 a of the Danish Financial Statements Act. The progress report is available from the company's website at www.boconcept.com/en-gb/boconcept/corporate-responsibility/global-compact and is part of and covers the same period as BoConcept's 2016/2017 annual report.

PEOPLE ARE OUR MOST VALUABLE ASSET

BoConcept had 522 employees at the end of April 2017, compared with 533 last year. Of the total headcount, 287 were employed in Denmark.
BoConcept's management style is value-based, and the company has developed a proactive HR strategy to support its business base. HR is visible at all levels of the organisation since, to a large extent, BoConcept's development and growth depends on people and the skills they apply towards creating solid results, using our unique business concept.
By providing an agreeable physical and mental working environment, BoConcept hopes to continue to be perceived as a desirable workplace that is always able to recruit and retain the best-qualified and most highly skilled employees.

PERFORMANCE AND DEVELOPMENT THROUGH BREAKTHROUGH LEADERSHIP

BoConcept has performance-oriented management strategy 'Breakthrough Leadership' with targeted management philosophy focus on optimising all processes and removing administrative 'noise' so concentration can be on sales, customers and efficiency. Breakthrough Leadership means constant training, motivation and monthly follow-up meetings for all our employees and giving them feedback on the basis of specific personal development and sales plans. A new people and performance function has been established in order to develop high performance culture in the whole chain by leadership, change management, performance management and communication.

Statement by the Executive & Supervisory Boards

The executive and supervisory boards have today discussed and approved the annual report of Layout Bidco A/S for the financial year 2016/2017.

The consolidated and parent company's financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the consolidated accounts and the annual report give a true and fair view of the financial position at 30 April 2017 of the Group and the parent company and of the results of the Group and parent company's operations and consolidated cash flows for the financial year 31 May 2016-30 April 2017.

In our opinion, the management report includes a true and fair account of the development in the operations and financial circumstances of the Group and the parent company, of the results for the year and of the financial position of the Group and the parent company as well as a description of the most significant risks and elements of uncertainty facing the Group and the parent company.

We recommend that the annual report be approved at the annual general meeting.

Herning, 27 June 2017

EXECUTIVE BOARD

Torben Paulin
CEO

Morten Rose Nielsen
CFO

Peter Raupach Linnet
COO

SUPERVISORY BOARD

Sanna Suvanto-Harsaae
Chairman

Boris Kawohl
Deputy chairman

Menno Antal

Anders Moberg

Independent Auditor's Report

To the shareholder of Layout Bidco A/S

OPINION

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 30 April 2017 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for the financial year 31 May 2016 to 30 April 2017 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Layout Bidco A/S for the financial year 31 May 2016 - 30 April 2017, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, and the Group's cash flow statement ('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 Statement 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 International Financial Reporting Standards as adopted by the EU and further requirements in 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.

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 judgment and maintain professional skepticism 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.

Herning, 27 June 2017

PRICEWATERHOUSECOOPERS, STATSAUTORISERET REVISIONSPARTNERSELSKAB (CVR. 33 77 12 31)

Claus Lindholm Jacobsen
State Authorised Public Accountant

Claus Lyngsø Sørensen
State Authorised Public Accountant

Income Statement & Total Income Consolidated Accounts

DKK'000

INCOME STATEMENT 31 MAY - 30 APRIL

		2016/17 (10 MTH)
	Revenue	1.027.716
3,4,5	Production costs	(577.461)
	Gross profit	450.255
3,4,5	Distribution costs	(262.270)
3,6	Administrative expenses	(102.028)
	Other operating income	4.700
7	Other operating costs	(4.084)
	Operating profit/loss before special items (EBIT before special items)	86.573
8	Special items	(51.399)
	Profit/loss from operating activities (EBIT)	35.174
9	Financial income	5.249
10	Financial expenses	(26.190)
	Profit/loss before tax	14.233
11	Tax on profit/loss for the year	(19.592)
	Profit/loss for the year	(5.359)
	Broken down as follows:	
	Shareholders of Layout Bidco A/S	(5.359)
		(5.359)

TOTAL INCOME

	2016/17 (10 MTH)
Profit/loss for the period	(5.359)
Items that later can be recirculated to income statement:	
Revaluation of hedging instruments before tax	1.461
Settlement of hedging instruments	0
Foreign currency translation, foreign units	(984)
Tax on total income items	(321)
Total income for the period	(5.203)
Broken down as follows:	
Shareholders of Layout Bidco A/S	(5.213)
Total income for the period	(5.213)

Balance Sheet Consolidated Accounts

	AS AT 30 APRIL	DKK'000
		2017
	ASSETS	
	Goodwill	533.934
	Master rights	36.600
	Franchise net work	195.222
	Brand and concept	571.000
	Software	20.680
	Intangible assets in progress	8.908
12	**Total intangible assets**	1.366.344
	Land and buildings	111.273
	Leasehold improvements	3.763
	Plant and machinery	17.470
	Fixtures and operating equipment	2.937
	Property, plant and equipment in progress	6.928
13	**Total tangible assets**	142.371
14	Deferred tax	4.333
15	Other financial assets	17.811
15	Deposits	14.247
	Total other non-current assets	36.391
	Total non-current assets	1.545.106
16	Inventories	125.569
17	Trade receivables	133.585
18	Other receivables	23.776
	Cash and cash equivalents	184.828
	Total current assets	467.758
	TOTAL ASSETS	2.012.864

Balance Sheet Consolidated Accounts

	AS AT 30 APRIL	DKK'000
		2017
	LIABILITIES AND EQUITY	
19	Share capital	1.000
	Translation reserve	(984)
	Hedging reserve	1.214
	Retained earnings	1.050.504
	Dividend proposed	100.000
	Equity share, Layout Bidco A/S shareholders	1.151.734
	Total equity	1.151.734
14	Deferred tax	193.093
20	Other provisions	7.701
23,30	Mortgage credit institutions and banks	365.582
	Total non-current liabilities	566.376
23,30	Mortgage credit institutions and banks	21.693
	Trade payables	96.421
	Prepayment from customers	30.717
	Income tax payable	22.444
	Other payables	123.479
	Total current liabilities	294.754
	Total liabilities	861.130
	TOTAL LIABILITIES AND EQUITY	2.012.864
22	Contingent liabilities and security	
26	Currency risk	
27	Related parties	
29	New accounting regulations	

Statement of Equity Movements Consolidated Accounts

DKK'000

CONSOLIDATED STATEMENT OF EQUITY MOVEMENTS

	Share capital	Premium by emission	Value of hedging reserve	Exchange rate adjust. subsidiary	Retained earnings	Dividend proposed	Total
Equity at 31 May 2016	1.000	1.155.863	0	0	0	0	1.156.863
Distributed dividend	0	0	0	0	0	0	0
Result for the year	0	0	0	0	(5.359)	0	(5.359)
Reserve, foreign exchange adjustment	0	0	0	(984)	0	0	(984)
Reserve, hedging transactions	0	0	1.227	0	0	0	1.227
Transfer, free reserves		(1.155.863)	(13)	0	1.155.863	0	(13)
Dividend proposed					(100.000)	100.000	0
Equity at 30 April 2017	1.000	0	1.214	(984)	1.050.504	100.000	1.151.734

Information as to what reserves are available for distribution, reference is made to the parent company's statement of equity movements.

Cash Flow Statement
Consolidated Accounts

CONSOLIDATED CASH FLOW STATEMENT

		2016/17
	EBIT	35.174
23	Adjustment for non-cash items	44.667
24	Change in net working capital	9.049
	Cash flow from operating activities before financial items	88.890
	Interest income etc.	5.249
	Interest paid	(26.190)
	Income taxes paid	(17.215)
	Cash flow from operating activities	50.734
	Acquisition of intangible assets	(17.963)
	Sale of intangible assets	0
	Acquisition of tangible assets	(8.109)
	Sale of tangible assets	0
	Acquisition of financial assets	(5.187)
	Sale of financial assets	1.169
	Acquisitions of companies excl. equity	(1.452.958)
	Net cash in acquired company at acquisition	141.723
	Cash flow for investing activities	(1.341.325)
	Cash flow before financing activities	(1.290.591)
	Raising of long-term loans	365.600
	Instalments on long-term debt	(50.750)
	Premium, emission	1.155.863
	Share capital, paid	1.000
	Dividend paid	0
	Cash flow from financing activities	1.471.713
	Cash inflow/outflow for the year	181.121
	Cash and cash equivalents less short-term bank debt, beginning of the year	0
	Cash and cash equivalents, year-end	181.121
	The amount may be broken down as follows:	
	Cash without restrictions	184.828
	Short-term debt to credit institutions cf note 28	(3.707)
		181.121

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

1 ACCOUNTING POLICIES APPLIED

The consolidated financial statements for the period 31 May 2016 to 30 April 2017 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. Further, the annual report has been prepared in accordance with the additional Danish disclosure requirements for annual reports.

Basis of preparation

The annual report has been prepared under the historical cost method, except for the derivative financial instruments for hedging purposes, recognised at fair value.

Non-current assets and groups of assets held for sale are measured at the lower of carrying amount prior to the reclassification and fair value less costs to sell.

The accounting policies as described below have been applied consistently over the financial year.

The annual report is presented in DKK 000.

Implementation of new financial reporting standards

This is the first annual report for both group and parent company, and therefore financial reporting standards are included.

A description of new standards and interpretations that are not yet effective is included in note 29 to the consolidated accounts.

Consolidated financial statements and business combinations

The consolidated financial statements include the parent, Layout Bidco A/S, as well as subsidiaries and enterprises in which Layout Bidco holds more than 50 per cent of the votes, directly or indirectly, or in any other way exercises a controlling influence (subsidiaries). Layout Bidco A/S and the subsidiaries are collectively referred to as the group. Please refer to page 48 for the group chart.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements by consolidating accounting items of a similar nature and subsequently eliminating intra-group income and expenses, shareholdings, intra-group accounts and dividends as well as unrealised gains and losses on transactions between the consolidated enterprises. The consolidated financial statements have been prepared in compliance with the accounting policies applicable to the Layout Bidco group.

The acquisition of new enterprises is accounted for under the purchase method. For further information, please see note 25.

Goodwill from acquired enterprises may, due to the measurement of net assets, be adjusted for up to one year after the date of acquisition where the goodwill has been determined on a preliminary basis upon initial recognition.

In the consolidated financial statements the accounting items of the subsidiaries are recognised in full.

ACQUISITION AND DISPOSAL OF ENTITIES

Accounting policies

When accounting for business combinations, the acquisition method is applied in accordance with IFRS 3.

Acquirees are recognized in the consolidated financial statements from the date of acquisition. The date of acquisition is the date on which Layout Bidco A/S obtains control of the company.

The consideration transferred as payment for the acquiree consists of the fair value of assets transferred, liabilities incurred to former owners of the acquiree and equity instruments issued. Contingent considerations dependent on future events or the performance of contractual obligations are also recognized at fair value and form part of the total consideration transferred. Fair value changes in contingent considerations are recognised in the income statement until final settlement.

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

Identifiable assets, liabilities and contingent liabilities of the acquire are measured at fair value at the date of acquisition by applying relevant valuation methods. Identifiable intangibles are recognised if they are separable or arise from a contractual right. Deferred tax is recognised for identifiable tax benefits existing at the date of acquisition.

The excess of the total consideration transferred, value of non-controlling interests and the fair value of any equity investments previously held in the acquiree over the total identifiable net assets measured at fair value are recognized as goodwill.

If measurement of the identifiable net assets is uncertain at the date of acquisition, initial recognition is done based on provisional amounts. Measurement period adjustments to the provisional amounts may be done for up to 12 months following the date of acquisition. The effects of cross- period measurement period adjustments are recognised in equity at the beginning of the financial year, and comparative figures are restated. After the end of the period, goodwill is no longer adjusted.

Transaction costs inherent from the acquisition are recognized in the income statement when incurred.

Other than cross-period measurement period adjustments, comparative figures are not adjusted when acquiring or disposing entities.

Leasing

Leases where all the significant risks and rewards of ownership are transferred to the company (finance leases) are recognised at the time of the start of the leasing contract in the balance sheet at the fair value of the activity or the present value of the minimum lease payment, whichever is the lower, determined on the basis of the internal rate of interest of the lease agreement or a discount rate that is an approximation thereof. Assets under finance leases are written down and off according to the same accounting policies as the group's other non-current assets.

The capitalised residual commitment under the lease is recognised as a liability in the balance sheet, and the interest portion of the lease payment is charged to the income statement as it is incurred.

All other leases, including rent agreements, are considered operating leases. Payments under operating leases are recognised on a straight line basis in the income statement over the term of the lease.

Foreign currency translation

The group fixes a functional currency for each of the reporting enterprises. The functional currency is the currency which is applied in the primary economic environment in which the individual reporting unit operates. Transactions denominated in currencies other than the functional currency are foreign currency transactions.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the transaction date. Any exchange differences between the rate prevailing at the transaction date and the rate prevailing at the date of settlement on receivables, payables and other monetary items are taken to the income statement as financial items.

Receivables, debts and other monetary items in foreign currencies are converted at the exchange rate prevailing at the balance sheet date. The difference between the rate prevailing at the balance sheet date and the rate prevailing at the time when the receivable or payable item arose is included in the income statement under financial income and expenses.

On recognition in the consolidated financial statements of enterprises with a functional currency other than Danish kroner the income statements of such enterprises are translated to the rate prevailing at the transaction date, and the balance sheet items are translated to the rate prevailing at the balance sheet date. An average exchange rate for the month is used as the exchange rate at the transaction date to the extent that this does not significantly distort the presentation of the underlying transactions. Foreign exchange differences arising on translation of the opening balance of the equity of such enterprises at the exchange rates prevailing at the balance sheet date and on translation of the income statements from the exchange rates at the transaction date to the exchange rates at the balance sheet date are recognised in other comprehensive income and classified in equity under a separate translation reserve.

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

Derivative financial instruments

Derivative financial instruments are initially and subsequently recognised at fair value in the balance sheet. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively, and set-off of positive and negative values is only made when the company has the right and the intention to settle several financial instruments net. Fair values of derivative financial instruments are calculated on the basis of current market data and generally accepted valuation methods.

Changes in the portion of the fair value of derivative financial instruments designated as and qualifying as a cash flow hedge are recognised in other comprehensive income and classified under a separate hedging reserve in equity. Once the hedged transaction is realised, gains or losses incidental to such hedging transactions are transferred from the equity and recognised with the hedged item.

For derivative financial instruments which do not qualify as hedging instruments, any changes in fair value are recognised in the income statement under financial income and expenses.

INCOME STATEMENT

Revenue

Income derived from the sale of goods and services is recognised in the income statement if delivery and risk pass to the purchaser before year-end and if the income can be reliably valued and is likely to be received. Revenue is measured exclusive of value added tax, taxes and discounts in connection with the sale.

Production costs

Production costs include costs, including depreciation and amortisation and wages and salaries that are paid to generate the revenue for the year. Production costs also include research and development costs that do not qualify for capitalisation.

Distribution costs

Distribution costs include costs incidental to the distribution of goods sold during the year and costs incidental to sales campaigns etc. Costs relating to sales staff, advertising and exhibitions as well as depreciation, amortisation, write-downs and impairment losses are recognised under this item.

Administrative expenses

Administrative expenses include costs incurred during the year for the management and administration of the group, including costs relating to administrative staff, management, renting of premises as well as depreciation, amortisation, write-downs and impairment losses.

Other operating income and expenses

Other operating income and expenses include accounting items of a secondary nature relative to the company's activities, including gains and losses on the sale of intangible assets, property, plant and equipment as well as investments. Gains and losses on disposal of intangible assets and property, plant and equipment are determined as the selling price less selling costs and the carrying amount at the selling date.

Special items

The item 'special items' includes sizeable amounts that are not attributable to ordinary operations, for instance special provisions for impairment losses on intangible assets and property, plant and equipment as well as reorganisation measures. Special items may also contain reversals or adjustments related to previous impairments and provisions.

Special items as described above are shown on a separate line in the income statement.

Financial income and expenses

Financial income and expenses include interest income and expenses, exchange adjustments relating to securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities and surcharges and allowances under the advance-payment-of-tax scheme etc.

Furthermore, realised and unrealised gains and losses relating to derivative financial instruments which do not qualify as hedging contracts are also recognised.

Tax on profit for the year

Tax for the year, which comprises current income taxes, the joint taxation contribution for the year relating to the use or refund of tax losses and changes in deferred tax for the year, for instance as a result of changes in the tax rate, is recognised in the income statement with the proportion attributable to the profit for the year and is recognised directly in other comprehensive income and equity respectively as regards the portion attributable to amount included in other comprehensive income or items under the equity.

The current Danish income tax is allocated among the jointly taxed companies in the form of settlement of joint tax contributions in proportion to their taxable income. In this connection Danish companies with tax losses receive joint tax contributions from companies that have been able to utilise these losses to reduce their own taxable profits.

BALANCE SHEET

INTANGIBLE ASSETS

Goodwill

Goodwill is initially recognised in the balance sheet at cost as described under 'The Consolidated Financial Statements and Business Combinations'. Subsequently goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the group's cash-generating units at the acquisition date. The identification of cash-generating units is based on management structure and internal financial control. Management estimates that the smallest cash-generating units to which the carrying amount of goodwill can be allocated are the subsidiaries.

At least once a year the carrying amount of goodwill is tested for impairment together with the other non-current assets in the cash-generating unit to which goodwill is allocated and written down to the recoverable amount over the income statement if the carrying amount is higher. The recoverable amount is computed as the present value of the expected future net cash flows from the enterprise or activity (cash-generating unit) to which goodwill is allocated.

Master rights

Master rights acquired to run and start up new BoConcept Brand Stores on a specific market are recognised in the balance sheet.

Master rights are of indefinite duration, and the characteristics of the acquired rights are in fact comparable to goodwill.

Master rights are measured at cost. No amortisation is made in respect of these as their useful lives cannot be determined, but they are subject to an annual impairment test.

Brand and concept

BoConcept is an international retail-oriented concept developer with a full product range of furniture and accessories. BoConcept is positioned in the 'affordable luxury' segment, which entails strong reliance on its brand/concept image.

The rights are of indefinite duration, and the characteristics of the acquired rights are in fact comparable to goodwill.

Brand and concept are measured at cost. No amortisation is made in respect of these as their useful lives cannot be determined, but they are subject to an annual impairment test.

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

Franchise network

Furniture and accessories collections are sold through the BoConcept franchise chain worldwide. BoConcept A/S and the franchisee of the chain have a long-time contractual agreement.

Development costs

The company conducts no research. New products and product innovations are developed in consultation with external consultants. Development costs are not included in the balance sheet, since these cannot be stated dependably, in addition to which these are often related to product replacements.

Software

Software is acquired externally an is measured at cost less accumulated amortisation. Software is written down to the recoverable amount or to the carrying amount, whichever is the lower. Amortisation is charged over three to eight years.

PROPERTY, PLANT AND EQUIPMENT

Land and buildings, plant and machinery and fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost comprises the cost of acquisition as well as costs directly attributable to the acquisition until such time when the asset is put into service – including borrowing costs.

The cost of assets held under finance leases is stated at the lower of the fair value of the assets and the present value of the future minimum lease payments. For the calculation of the present value, the interest rate implicit in the lease or an approximation thereof is used as the discount rate.

Subsequent costs, e.g. in connection with replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the group. The replaced components are removed from the balance sheet and recognised as an expense in the income statement. All costs incurred for ordinary repairs and maintenance are recognised in the income statement as incurred.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets, applying the following useful lives:

Franchise network	15 years
Buildings	10-25 years
Plant and machinery	5-9 years
Fixtures and fittings, other plant and equipment	3-7 years
Leasehold improvements	3–10 years

Land is not depreciated.

Depreciation is calculated on the basis of the residual value less impairment losses. The residual value is determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When changing the depreciation period or the residual value, the effect on the depreciation is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement under production costs, distribution costs and administrative expenses respectively.

Impairment of non-current assets

Goodwill, master rights and brand and concept are subject to annual impairment tests, or where there seems to be a need for testing, initially before the end of the acquisition year.

The carrying amounts of goodwill, master rights and brand and concept are subject to an impairment test together with the other non-current assets in the cash-generating unit to which goodwill, master rights and brand and concept have been allocated, and the said assets are written down to the recoverable

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

amount via the income statement if this is lower than the carrying amount. The recoverable amount is generally computed as the present value of the expected future net cash flows from the enterprise or activity (cash-generating unit) to which goodwill or the master rights are allocated.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement under production costs, distribution costs and administrative expenses respectively.

Impairment of goodwill is not reversed. Impairment of other assets is only reversed in connection with changes in the assumptions and estimates underlying the impairment calculation. Impairment is only reversed to the extent that the asset's new carrying amount does not exceed the carrying amount of the asset after amortisation had the asset not been impaired.

Other financial assets

Securities are recognised at fair value.

Inventories

Inventories are measured at cost according to the FIFO method. Where the net realisable value is lower than the cost, the item is written down to the former lower value.

The cost of goods for resale, raw materials and consumables includes the purchase price and delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct wages and production overheads. Production overheads include indirect materials and wages as well as maintenance and depreciation of the machinery, plant and equipment applied in the production process as well as the cost of factory administration and management.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost price, which is equal to the nominal value less meet of loss write-downs. Provisions for losses are settled on the basis of individual assessments of receivables based on concrete risks of inability to pay. Further group write-downs on franchisees are based on a general assessment of risk of inability to pay. This is based on experiences from previous years.

Prepayments

Prepayments measured at cost price and recognised under assets include costs paid relating to subsequent financial years.

EQUITY

Dividend

The dividend proposed is recognised as a liability at the time of approval by the general meeting. Dividend which is expected to be distributed for the year is shown as a separate item under the equity. Interim dividend is recognised as a liability at the date when the decision to pay interim dividend is made.

Translation reserve

The translation reserve in the consolidated financial statements comprises foreign exchange differences arising on translation of financial statements of foreign enterprises from their functional currencies to the presentation currency of the Layout Bidco group (Danish kroner). On full or partial realisation of the net investment the foreign exchange adjustments are recognised in the income statement.

Hedging transaction reserve

Hedging instruments are recognised at fair value, and fair value adjustments are effected in the equity for unsettled instruments.

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

LIABILITIES

Income taxes and deferred tax

In pursuance of the joint taxation provisions Layout Holdco A/S in its capacity of administration company takes over the liability for the income taxes of the subsidiaries vis-à-vis the tax authorities as the subsidiaries make their joint tax contributions.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured according to the balance sheet liability method of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill.

In cases where the tax base may be measured according to alternative tax regulations, deferred tax is measured on the basis of the use of the asset or liability planned by the management.

Deferred tax assets are subject to an annual impairment test and are amortised if it is deemed probable that the deferred tax asset cannot be eliminated against tax on future earnings or offset against deferred tax liabilities within the same legal tax entity or jurisdiction. In the assessment importance is attached to the type and nature of the recognised deferred tax asset, the expected time limit for eliminating the deferred tax asset, tax planning possibilities etc.

Deferred tax will be adjusted to account for the elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions

Provisions are recognised when, as a result of events arising before or at the balance sheet date, the group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. The amount recognised as a provision is management's best estimate of the expenses required to settle the obligation.

Restructuring costs are recognised as a liability when the persons affected by it have been notified of a detailed, formal restructuring plan not later than at the balance sheet date.

Financial liabilities

Payables to mortgage credit institutions and banks are recognised in the amount of the proceeds after deducting transaction costs when the loan is raised. In subsequent periods the financial liabilities are recognised at amortised cost using the 'effective rate of interest method' thus that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan. Financial liabilities also include the capitalised residual obligation under finance leases. Other liabilities are measured at the nominal value which corresponds to the amortised cost for current payables.

Prepayments from customers

Prepayments from customers recognised under liabilities are measured at cost and include prepayments received concerning ordered, but not yet delivered, furniture.

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

CASH FLOW

Cash flow statement

The cash flow statement shows the group's cash flow divided into operating, investing and financing activities, the change in cash and cash equivalents during the year and the group's cash and cash equivalents at the beginning of the year and at year-end.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the acquisition date. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flow from operating activities

Cash flows from operating activities are recognised indirectly as the profit before tax for non-cash operating items, changes in working capital, interest paid and income taxes paid.

Cash flow from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of property, plant and equipment and other non-current assets as well as acquisition and disposal of securities not recognised as cash and cash equivalents.

Cash flow from financing activities

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs as well as the raising of loans, repayment of long-term interest-bearing debt, acquisition and disposal of treasury shares and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less at the acquisition date which are subject to an insignificant risk of changes in value and short-term business credits.

Notes, Consolidated Accounts

2 ACCOUNTING ESTIMATES AND ASSESSMENT

Estimation uncertainty

Determining the carrying amounts of certain assets and liabilities requires estimation of the effects of future events on the carrying amounts of these assets and liabilities at the balance sheet date. Estimates that are material for the financial reporting are made, among other things, by computing amortisation, depreciation, write-downs and impairment losses, provisions as well as contingent liabilities and assets. The estimates applied are based on assumptions which are sound, in the management's opinion but which by their very nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates.

The notes provide information on bases and assumptions, on the future and other estimation uncertainties at the balance sheet date where there is a considerable risk of changes that may lead to a significant adjustment of the carrying amounts of assets or liabilities within the next financial year.

For Layout Bidco A/S the measurement of goodwill DKK 533.9 million, master rights DKK 36.6 million, franchise network DKK 195.2 million, brand & concept DKK 571 million and trade receivables DKK 133.6 million may be significantly affected by major changes in the estimates and underlying assumptions of the calculations. For a description of impairment tests for intangible assets reference is made to note 12, where the amounts are also stated. Trade receivables are measured at amortised cost or net realisable value in the balance sheet, corresponding to the nominal value less write-downs for bad and doubtful debts. Write-downs to provide for losses are determined on the basis of an individual assessment of each receivable and the specific risk of the debtor being unable to pay. Collective write-downs in respect of other franchisees are determined on the basis of a general assessment of the risk that the group of debtors is unable to pay in the light of the company's experience from previous years. The determination is therefore to some extent based on estimates.

Material judgements

In applying the acquisition method of accounting, estimates are an integral part of assessing fair values of several identifiable assets acquired and liabilities assumed as observable market prices are typically not available.

Valuation techniques where estimates are applied typically relate to determining the present value of future uncertain cash flows or assessing other events in which the outcome is uncertain at the date of acquisition.

More significant estimates are applied in accounting for brand and concept, franchise network, property, plant and equipment, inventories and deferred tax. As a result of the uncertainties inherent in fair value estimation, measurement period adjustments may be applied.

Master rights acquired to run and start up new BoConcept brand stores in specific markets are recognised in the balance sheet. The rights have no fixed term and have the characteristics of goodwill. Upon acquisition of enterprises and activities, management will evaluate whether such acquisition is deemed to constitute an enterprise or individual assets, including master rights and liabilities. Where no staff members, key net assets, are acquired, and where other contractual conditions otherwise support this position, management will deem the acquisition to consist of individual assets, typically including master rights.

The Layout Bidco group recognises deferred tax assets, including the tax value of tax losses allowed for carryforward, if the management estimates that the tax asset can be offset against future income within the foreseeable future. The assessment is made once a year based on the budgets and business plans for the years ahead, including any business initiatives scheduled.

Notes, Consolidated Accounts

3 COSTS (DKK'000)

	2016/17 (10 MTH)
Staff costs	
Wages and salaries	(172.491)
Pensions	(7.760)
Other social security costs	(1.211)
Other staff costs	(6.598)
	(188.060)
Staff costs are recognised as follows:	
Production costs	(52.127)
Distribution costs	(84.692)
Administrative expenses	(51.241)
	(188.060)
Average number of employees	522

Remuneration of the supervisory board, the executive board and executives

	2016/17 (10 MTH)		
	Super-visory board	Executive board	Other executives
Wages and salaries	(1.027)	(8.445)	(3.830)
Bonus	0	(6.351)	(3.118)
Pensions	0	(693)	(210)
	(1.027)	(15.489)	(7.158)

The total remuneration of the group management was K.DKK (23.674)

4 DEPRECIATION, AMORTISATION, WRITE-DOWNS AND IMPAIRMENT LOSSES (DKK'000)

	2016/17 (10 MTH)
Amortisation of intangible assets	(17.722)
Write-downs of intangible assets	0
Depreciation of tangible assets	(18.919)
Write-downs of tangible assets	0
	(36.641)
Depreciation, amortisation, write-downs and impairment losses are recognised in the income statement as follows:	
Production costs	(12.856)
Distribution costs	(15.506)
Administrative expenses	(8.279)
	(36.641)
Development costs	
Development costs paid during the year	(5.341)

Notes, Consolidated Accounts

5 FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING (DKK'000)

	2016/17 (10 MTH)
Aggregate fee	(1.275)
may be broken down as follows:	
Audit	(605)
Other assurance engagements	0
Other services	(277)
Tax consultancy	(393)
	(1.275)

6 OTHER OPERATING INCOME (DKK'000)

	2016/17 (10 MTH)
Refunds	552
Gain on sale of activity, US	1.709
Gain on sale of activity, Sweden	2.423
Gain on sale of tangible assets	16
	4.700

Refunds concerning activities in China.

7 OTHER OPERATING COSTS

	2016/17 (10 MTH)
Costs, outsourcing IT-department	(4.084)

8 SPECIAL ITEMS (DKK'000)

	2016/17 (10 MTH)
Transaction costs in connection with the acquisition of BoConcept Holding A/S	(51.842)
Reversal and previous years' provisions for closing store and warehouse	443
	(51.399)

9 FINANCIAL INCOME (DKK'000)

	2016/17 (10 MTH)
Other interest income	3.221
Foreign exchange gain	2.028
	5.249

10 FINANCIAL EXPENSES (DKK'000)

	2016/17 (10 MTH)
Other interest expenses	(14.672)
Settlement of hedging instruments	(694)
Exchange loss in connection with purchase of shares	(10.824)
	(26.190)

Notes, Consolidated Accounts

11 TAX (DKK'000)

	2016/17 (10 MTH)
Tax for the year breaks down as follows:	
Tax on profit for the year	(19.271)
Tax on other comprehensive income	(321)
	(19.592)
Tax on profit/loss for the year may be subdivided as follows:	
Current tax	(24.267)
Deferred tax	4.704
Adjustment of tax related to previous years	(29)
	(19.592)
Tax on profit/loss for the year may be explained as follows:	
Calculated 22% tax on profit/loss for the year before tax	(3.131)
Paid withholding tax	(487)
Tax on other comprehensive income	(321)
The tax effect of:	
Non-taxable income and non-deductible costs	(20.328)
Deferred tax for the year	4.704
Adjustment of tax related to previous years	(29)
	(19.592)
Effective tax rate	137,7

Notes, Consolidated Accounts

12 INTANGIBLE ASSETS (DKK'000)

	2017						
	Goodwill	Master rights	Franchise network	Brand/concept	Software	Intangible assets in progress	Total
Acquisition cost, beg./year	0	0	0	0	0	0	0
Foreign exchange rate adjustments	(316)	0	0	0	(98)	0	(414)
Additions	34.495	42.039	0	0	77.636	3.349	157.519
Addition, acquisition of company	520.719	0	206.100	571.000	10.216	7.749	1.315.784
Carried forward	0	0	0	0	2.190	(2.190)	0
Disposals for the year	(20.964)	0	0	0	(5.230)	0	(26.194)
Acquisition cost, year-end	533.934	42.039	206.100	571.000	84.714	8.908	1.446.695
Amortisation and impairment losses, beg./year	0	0	0	0	0	0	0
Foreign exchange rate adjustments	19	0	0	0	95	0	114
Write downs, additions with acquisition of company	(20.983)	(5.439)	0	0	(62.515)	0	(88.937)
Write-downs for the year	0	0	0	0	0	0	0
Amortisation for the year	0	0	(10.878)	0	(6.844)	0	(17.722)
Disposals for the year	20.964	0	0	0	5.230	0	26.194
Amortisation and impairment losses, year-end	0	(5.439)	(10.878)	0	(64.034)	0	(80.351)
Carrying amount, year-end	533.934	36.600	195.222	571.000	20.680	8.908	1.366.344
Depreciated over a period of			15 years		3-8 years		

Master rights relate to acquisition of master rights in China, the UK, Spain, Sweden, Portugal and Denmark.

An impairment test of the carrying amounts of goodwill, master rights and brand & concept has been carried out at 30 April 2017.
The carrying amount of goodwill and brand & concept is based on cash flow generating from the entire group. Master rights is based on cash flow generating stores in Denmark, the USA, the UK, Spain, Portugal, Sweden and China.

The main factors in the determination of the recoverable amount are revenue and contribution margin and the discount rate used.

The recoverable amounts of goodwill, master rights and brand & concepts are based on the capital value, which is determined by applying expected cash flows based on the budget for the next year and an estimated projection for the next five years at an annual single digit growth rate related to expected revenue growth from increased same-store-sales and opening of new stores followed by the calculation of a terminal value without annual growth. All amounts have been discounted at 11.2% before tax.

The calculated recoverable amounts of the remaining values are higher than the carrying amounts.

Notes, Consolidated Accounts

13 TANGIBLE ASSETS (DKK'000)

	2017					
	Land and buildings	Leasehold improve-ments	Plant and machinery	Fixtures and operating equipment	Property, plant and equipment in progress	Total
Acquisition cost, beg./year	0	0	0	0	0	0
Foreign exchange rate adjustments	0	(993)	0	(400)	0	(1.393)
Additions, acquisition of company	191.634	28.973	165.778	36.467	2.041	424.893
Additions	65.553	1.654	13.041	1.303	4.923	86.474
Carried forward	0	0	0	36	(36)	0
Disposals for the year	0	(1.461)	0	(1.399)	0	(2.860)
Acquisition cost, year-end	257.187	28.173	178.819	36.007	6.928	507.114
Depreciation and impairment losses, beg./year	0	0	0	0	0	0
Foreign exchange rate adjustments	0	829	0	327	0	1.156
Write-downs, additions, acquisition of company	(138.998)	(23.149)	(154.753)	(32.940)	0	(349.840)
Write-downs	0	0	0	0	0	0
Depreciation for the year	(6.916)	(3.551)	(6.596)	(1.856)	0	(18.919)
Disposals for the year	0	1.461	0	1.399	0	2.860
Depreciation and impairment losses, year-end	(145.914)	(24.410)	(161.349)	(33.070)	0	(364.743)
Carrying amount, year-end	111.273	3.763	17.470	2.937	6.928	142.371
Depreciated over a period of	10-25 years	3-10 years	5-9 years	3-7 years		

Plant and machinery includes leased assets at a carrying amount of DKK 6.7 million.

14 DEFERRED TAX (DKK'000)

	2017
Deferred tax, beg./year	0
Deferred tax at acquisition of BoConcept Holding A/S	(190.068)
Deferred tax for the year	1.308
Deferred tax, year-end	(188.760)
Deferred tax is recognised in the balance sheet as follows:	
Deferred tax (asset)	4.333
Deferred tax (liability)	(193.093)
Net deferred tax, year-end	(188.760)
Deferred tax relates to:	
Intangible assets	(178.423)
Tangible assets	(17.469)
Current assets	12.988
Tax loss carry forwards	(5.856)
	(188.760)

Layout Holdco A/S is the administrator of the joint taxation scheme, and in the capacity it settles all payments of incoming tax with the tax authorities.

Notes, Consolidated Accounts

15 OTHER FINANCIAL ASSETS AND DEPOSITS (DKK'000)

	Deposits 2017	Other financial assets 2017
Acquisition cost, beg./year	0	0
Foreign exchange rate adjustments	(759)	5
Addition purchase of company	12.596	15.444
Additions	2.624	2.558
Depreciation for the year	0	0
Disposals for the year	(214)	(196)
Acquisition cost, year-end	14.247	17.811

16 INVENTORIES (DKK'000)

	2017
Raw materials and consumables	6.319
Goods in progress	7.274
Manufactured goods and goods for sale	111.976
	125.569
Cost of sales for the year which is included in production costs	481.282
Write-down of inventories	(2.675)
Reversal of write-downs for the year	1.391

The reversal of write-downs in the year is due to goods sold at a higher price than written down carrying amount.

17 TRADE RECEIVABLES (DKK'000)

	2017
Trade receivables	133.585
Provisions for losses have been recognised in the above item as follows:	
Provisions, beg./year	(172.277)
Provisions for the year	(30.655)
Losses recognised for the year	19.400
Exchange rate adjustments for the year	272
Reversed provisions for the year	21.797
Provisions, year-end	(161.463)

Provisions in 2016/17 have been effected negatively by large single issues on stores in the US, France and Russia.

Write-downs primarily relate to amounts falling due after more than 60 days. Receivables that fall due after more than 90 days have been written off in full.

Maturities of trade receivables, before depreciation, may be classified as follows:	
Due in 0-60 days	16.146
Due in 61-180 days	150
Due after more than 180 days	0
	16.296

18 OTHER RECEIVABLES (DKK'000)

	2017
Other receivables	11.246
Prepayments	12.530
	23.776

Notes, Consolidated Accounts

19 SHARE CAPITAL (DKK'000)

	Number of shares 2017	Nominal value 2017
Beg. year/ year-end shares	1.000	1.000

Each share presents 1 vote

20 OTHER PROVISIONS (DKK'000)

	2017
Acquisition cost, beg./year	0
Foreign rate adjustments	(309)
Additions, acquisition of company	8.671
Additions for the year	196
Disposals for the year	(857)
	7.701

Other provisions relate to re-establishment of leaseholds.

21 AMOUNTS OWED TO CREDIT INSTITUTIONS (DKK'000)

	2017
Other liabilities	
Mortgage credit institutions	
Within 1 year	5.100
Between 1 and 5 years	18.973
After 5 years	22.444
	46.517
Credit institutions/leasing debt	
After 5 years	221.000
Between 1 and 5 years	112.565
Long-term part	333.565
Within 1 year	13.439
Other short-term debt	3.154
	16.593
Amortised loan costs	9.400

Liabilities relating to assets under finance leases are therefore included in amounts owed to credit institutions.

	2017		
	Lease payment	Interest	Carrying amount
0-1 year	1.146	(159)	987
1-5 years	4.794	(306)	4.488
>5 years	0	0	0
	5.940	(465)	5.475

Leased equipment comprises production, plant and machinery. The term remaining of the leases is approx. 1-5 years. The leases have been concluded in DKK and EUR with fixed as well as variable leasing payments for the remainder of the term.

Notes, Consolidated Accounts

22 CONTINGENT LIABILITIES AND SECURITY (DKK'000)

	2017
Land and buildings recognised at:	111.273
Production plant and machinery recognised at:	11.995
Are charged in addition to the mortgage debt of:	46.517
Subject to letter of indemnity of:	50.000
Security in the following BoConcept A/S assets:	
Goodwill, domain names and various rights	36.600
Plant, operating equipment and machinery	14.932
Inventory value	105.165
Receivables and location involvement	105.788
Total	262.485
Registered value of company security	125.000
Non-terminable operating leases are as follows:	
0-1 year	45.285
1-5 years	80.301
>5 years	81.979
	207.565

The group leases store premises and cars under operating leases. The leasing period is usually between 3 and 10 years with the possibility of prolongation.

The group has provided guarantee for franchisees' landlords for rent of DKK 37.7 million.
The group has provided guarantee for bank loans raised by franchisees of DKK 7.7 million.
The group has provided guarantee for franchisee's electronic payments towards third party of DKK 3.7 million.
The group has provided guarantee for bank arrangement with shares in subsidiary with a booked value of DKK 36,300.
Layout Bidco A/S has provided bank guarantee with shares in subsidiary with a booked value at K.DKK 1.409.490

23 ADJUSTMENT FOR NON-CASH ITEMS (DKK'000)

	2017
Depreciation and impairment losses for the year	36.641
Reversed earnings by sale of company	8.460
Provisions for re-establishment of leaseholds	(970)
Provisions for losses on bad debts	536
	44.667

24 CHANGES IN WORKING CAPITAL (DKK'000)

	2017
Change receivables	(9.070)
Change inventories	(891)
Change trade payables, etc.	19.009
	9.049

Notes, Consolidated Accounts

25 ACQUISITION/DISPOSAL OF GROUP ENTERPRISES AND ACTIVITIES (DKK'000)

Acquisition of companies	2016/17 Fair value at acquisition date
Franchise network	206.100
Brand and concept	571.000
Tangible assets	78.364
Current assets	8.460
Value of BoConcept	258.381
Deferred tax	(190.068)
Acquired net assets	932.237
Goodwill	520.721
Acquisition costs in cash	1.452.958

Acquisition costs relate to the acquisition of the share capital in BoConcept Holding on 13 July 2016.

Acquisition in 2016/17 of BoConcept Holding A/S.

On 13 July 2016 BoConcept Holding A/S was acquired. BoConcept is a global brand and an international furniture retail chain in the 'affordable luxury' segment. Our furniture and accessories collection is sold through a franchise chain of more than 260 brand stores worldwide with BoConcept as business developer, exclusive supplier and international distributor.

Acquisition-related cost, e.g due diligence costs of DKK 51.9 mio. have been charged to special items in the consolidated income statement for the year ending 30 April 2017. The acquisition contributed to the profit before tax of DKK 116.7 mio. for the period from 13 July 2016 until 30 April 2017. The profit before tax is impacted by Purchase Price Allocation (PPA) expenses relating to reversal of inventory and order back log set up to fair value and amortization of intangibles assets of DKK 18.9 mio.

If BoConcept Holding A/S has been consolidated from 1 May 2016, it would have had no significant influence on the figures.

The preliminary Purchase Price Allocation accounting has calculated a goodwill of DKK 520.7 mio., franchise network of DKK 206.1 mio. and brand and concept of DKK 571.0 mio is attributable to the value of the franchise chain. None of these amounts are expected to be deductible for income tax purpose. The final calculation will take place within 12 months from the acquisition date, but no material changes in the allocation of the purchase price are expected.

Notes, Consolidated Accounts

26 FOREIGN EXCHANGE RISKS (DKK'000)

		2017			
Foreign currencies	Pre-payment/ maturity	Receiv-ables	Liabilities other than provisions	Hedged by forward exchange contracts	Net position
PLN	<1 year	1.927	(35)	0	1.892
	>1 year	483	0	0	483
GBP	<1 year	2.873	(3.192)	(59.164)	(59.483)
	>1 year	2.796	0	0	2.796
JPY	<1 year	43.021	(24.088)	(43.460)	(24.527)
	>1 year	0	0	0	0
SEK	<1 year	7.997	(357)	(3.243)	4.397
	>1 year	0	0	0	0
USD	<1 year	119.023	(11.686)	(37.143)	70.194
	>1 year	1.866	0	0	1.866
EUR	<1 year	145.981	(33.260)	0	112.721
	>1 year	6.442	(38.411)	0	(31.969)
CNY	<1 year	20.410	(26.415)	(8.676)	(14.681)
	>1 year	0	0	0	0
Other	<1 year	1.097	(102)	0	995
	>1 year	0	0	0	0
		353.916	(137.546)	(151.686)	64.684
Sale/purchase of currencies in accordance with agreements				151.289	
Unrealised net loss				(397)	

27 TRANSACTIONS WITH RELATED PARTIES

Layout Bidco A/S' related parties with significant influence include the shareholder (Layout Holdco A/S) of the company, supervisory board, the executive board and executives as well as the said persons' family members. Related parties also include companies in which the above mentioned group of persons have considerable interests. There have been no transactions with shareholders except for transaction on regular business terms.

Furthermore, the related parties include group enterprises in which Layout Holdco A/S has control or significant influence, cf. group overview on page 48.

Transactions conducted with the executive board only include normal management remuneration, cf. note 3 in the consolidated accounts as well as the transactions shown below.

Transactions conducted with other executives include normal remuneration, cf. note 3 in the consolidated accounts.

Notes, Consolidated Accounts

28 DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (DKK'000)

The group's policy for financial risk management
On account of its operations, investments and financing the Layout Bidco group is exposed to a number of foreign exchange and interest rate fluctuations. The management identifies the scope and concentration of risks and puts in place policies for addressing such risks on the basis of an ongoing review of the business. In addition, the group is subject to credit and liquidity risk. It is the group's policy not to speculate actively in financial risks. The sole purpose of the group's financial management is therefore to manage or eliminate financial risks associated with the group's operations and financing.
The group's policy for financial risk management is unchanged from last year and appears from Management. As a result, the carrying amount of financial instruments approx. corresponds to the fair value.

Credit risk
The group's credit risk is primarily associated with receivables and bank deposits as well as derivative financial instruments.

Credit risks related to bank deposits are hedged by placing bank deposits is systemic banks.

Credit risk associated with receivables arise when Layout Bidco A/S and subsidiaries make sales that are not prepaid. By far the majority of receivables are payable by franchisees who have submitted opening budgets in advance. Due to the close business relation to the franchisees, the group is unable to hedge these receivables with a third party.

46% of Layout Bidco groups's customers had not defaulted on the due dates at 30 April 2017. Measured on net receivables the percentage constitutes 85%. In the past the majority of our customers have been paying their debts by the due dates agreed upon. Receivables that are due more than 90 days after the normal due date have been written off in full.

	2017
The maximum credit risk without taking into account security provided for trade receivables	133.585
The maximum credit risk associated with bank deposit, securities and derivative financial instruments	202.639
The maximum credit risk associated with other receivables	23.776
	360.000

Notes, Consolidated Accounts

28 DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (DKK'000) - CONTINUED

Liquidity risks
The liquidity risk means the risk that Layout Bidco may not be able to fulfil its obligations as a result of a failure to realise assets or obtain adequate financing. The group ensures to maintain the best possible liquidity in order that it can continue to fulfil its financial commitments, under normal as well extraordinary circumstances.

Unutilised credit facilities for Layout Bico A/S and BoConcept A/S amounted DKK 62 million at the end of the financial year. Cash amounted to DKK 184,8 million.

Below is a time table of cash flows associated with financial liabilities and hedging instruments:

	2017					
			Cash flows			
	Nominal value	Fair value	<1 year	1-5 years	>5 years	Total
Measured at amortised cost (loans and other commitments)						
Amounts owed to mortgage credit institutions	46.517	47.145	3.563	21.313	29.526	54.402
Amounts owed to credit institutions	5.475	5.475	1.146	4.794	0	5.940
Other long-term payables	191	191	0	0	191	191
Bank loans	344.492	344.492	26.582	146.463	221.491	394.536
	396.675	397.303	31.291	172.570	251.208	455.069
Trade payables	96.421	96.421	96.421	0	0	96.421
Lease guarantees and guarantees provided for franchisees (contingent liabilities)	0	0	11.334	13.268	20.945	45.547
Other payables	131.180	131.180	122.184	8.996	0	131.180
	624.276	624.904	261.230	194.834	272.153	728.217
Total financial liabilities	624.276	624.904	261.230	194.834	272.153	728.217
Measured at amortised cost (deposits and receivables)						
Other financial assets	17.811	17.811	2.579	15.232	0	17.811
Trade receivables	133.585	133.585	133.585	0	0	133.585
Other receivables	23.776	23.776	23.776	0	0	23.776
Cash	184.828	184.828	184.828	0	0	184.828
	360.000	360.000	344.768	15.232	0	360.000
Derivative financial instruments						
Forward exchange contracts			(151.686)	0	0	(151.686)
	0	0	(151.686)	0	0	(151.686)
Total financial assets	360.000	360.000	193.082	15.232	0	208.314

Cash flows for both the hedged assets and hedged liabilities as well as the hedging instruments are recognised in the income statement for the same period.

In the balance sheet, the value of derivative financial instruments is included in other receivables and other payables, respectively.

Generally, the fair value of financial liabilities and financial assets is determined in accordance with discounted cash flow models at the market rate of interest and subjects to the credit terms prevailing at the balance sheet date.

Financial instruments measured at fair value are categorised into the following levels of the fair value hierarchy:
Level 1: Observable market prices for identical instruments
Level 2: Valuation techniques primarily based on observable prices or traded prices for comparable instruments.
Level 3: Valuation techniques primarily based on observable prices

The fair value of Layout Bidco's forward exchange contracts of other derivative instruments (commodity instruments) and debt to mortgage debt institutions is measured according to level 2 as the fair value can be established directly based on exchange rates published and forward interest rates specified at the balance sheet date.

Notes, Consolidated Accounts

28 DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (DKK'000) - CONTINUED

Market risks
In Layout Bidco's case, market risks associated with financial instruments consist of foreign exchange risks and interest rate risks.

Foreign exchange risks
97% of group revenue is produced abroad. This figure is not indicative of the foreign exchange risk since, under the group's purchasing policy, purchasing and selling currencies are matched whenever possible.

The group has net inflows denominated in EUR, GBP, JP and USD, while the major exposure on the outflow side is denominated in CNY.

Foreign exchange risks are managed centrally, and the most important and volatile currencies are hedged by means of foreign exchange contracts and option contracts with a maximum term of 12 months and, to a less extent, by raising loans in foreign currencies.

Foreign currency translation adjustments of investments in group enterprises with a functional currency different from that of the parent company are recognised directly in equity. Associated foreign exchange risks are not hedged since the group takes the view that ongoing hedging of such long-term investments would not be the best policy based on an overall evaluation of the risks and costs involved.

The isolated effects of a 5% increase in the foreign exchange rate at 30 April vis-a-vis DKK by translation of assets and obligations may be broken down as follows:

	2017
USD	
Equity	2.330
Profit for the year	2.330
GBP	
Equity	(2.179)
Profit for the year	(2.179)
CNY	
Equity	(518)
Profit for the year	(518)
JPY	
Equity	(1.354)
Profit for the year	(1.354)

The below table states the EBIT effect of 5% foreign exchange increase compared with the average exchange rate realised per financial year.

	2017
USD EBIT effect	5.703
JPY EBIT effect	4.252
GBP EBIT effect	3.170
CNY EBIT effect	(1.410)

USD purchase in China is affected by the CNY development compared to USD. A 5% strength of the CNY compared to USD affects the EBIT negatively by USD 0.6 million in 2016/2017

Particulars of the currencies having the greatest impact on the equity and profit for the year have been provided above.

The above analysis is based on the assumption that all other variables, especially the interest rate, remain constant. The expectations are based on current market data.

A corresponding drop in the exchange rates of the above currencies would have the same effect in reverse on the equity and profit/loss for the year.

Notes, Consolidated Accounts

28 DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (DKK'000) - CONTINUED

Interest rate risks
The group's interest rate risk is related to interest rate fluctuations that may affect the group's cash flows related to interest receivable and interest payable as well as the fair value of financial instruments. The group does not hedge the risk of interest rate fluctuations related to the group's loans, as management in each case assesses whether to use fixed-rate or floating-rate loans.

Analysis of sensitivity to interest rate risks
Layout Bidco A/S expects the level interest rates in Denmark to be affected by the interest rates in the euro-zone and in the USA. Based on analyses in euro-zone and in the USA, Layout Bidco expects the level of interest rates to change by up to 1 percentage point either way. A rise in the level of interest rate of 1 percentage point would have the effect outlined below of the equity and loss for the year:

	2017
Equity	(16)
Loss for the year	(212)

A fall would have the same effect in reverse.

Most of the debt to mortgage credit institutions and other bank loans takes the form of contracts carrying variable rates of interest, this year as well as last year. However, this year we have concluded an interest rate swap agreement with a term of 5 years and a fixed rate of interest of 2%, covering 53% of our total debt to mortgage credit institutions. The weighted effective rate of interest measured at the balance sheet date, was 262%.

The market value of the interest rate swap agreement in negative before tax DKK 2.2 million.

Capital management
In its capital management it is the group's aim to create the necessary calm to ensure the company's strategic progress and to produce a competitive return on shareholders' investments. At the same time the group aims to reduce the costs of capital.

Notes, Consolidated Accounts

29 NEW ACCOUNTING STANDARDS

At 30 April 2017, IASB had approved the following new accounting standards (IFRSs and IASs) which are assessed to be of relevance to Layout Bidco.

IFRS 9 Financial Instruments

The number of classification categories for financial assets is reduced to three: amortised cost, fair value through profit or loss (FVPL) and fair value through other comprehensive income (FVOCI). Entities taking the fair value option are required under IFRS 9 to present the share of the fair value change for the period which is attributable to changes in the entity's own credit risk in other comprehensive income. Further, the impairment model for financial assets is changed to a model based on expected credit losses under which changes to the credit risk imply changes to the provision for bad debts. The hedge accounting rules are relaxed so as to be aligned with the entity's risk management practices. The standard will be effective for financial years beginning on or after 1 January 2018.

IFRS 15 Revenue from contracts with customers

New standard on revenue recognition. The standard may potentially affect revenue recognition in a number of areas depending on the industry in which the entity operates, including:

- The timing of revenue recognition
- Recognition of variable consideration
- Allocation of revenue from multi-element arrangements
- Recognition of revenue from license rights
- Up-front fees
- Additional disclosure requirements

The standard will be effective for financial years beginning on or after 1 January 2018.

IFRS 16 Leases

New standard on the accounting treatment of leases. Going forward, the lessee is required to recognise all leases as a lease liability and a lease asset in the balance sheet. The standard will be effective for financial years beginning on or after 1 January 2019.

The IASB has issued the following new standards, amendments and new interpretations which could be relevant to BoConcept A/S but which have not yet been adopted by the EU:

Layout Bidco A/S expects to implement these new standards when they take effect.

Management has not yet finalized the investigation of the impact of the Consolidated Financial Statements upon adaptation of the above IFRS standards. However, management does not expect these standards to have significant impact on the consolidated financial statements.

Income Statement Parent Company

INCOME STATEMENT 31 MAY - 30 APRIL

		2016/17
	Revenue	0
	Gross profit	0
1	Administrative expenses	(14.926)
2	Other operating income	4.260
	Operating profit/loss before special items (EBIT before special items)	(10.666)
3	Special items	(51.685)
4	Net profit from investments in group enterprises	66.830
	Profit/loss from operating activities (EBIT)	4.479
5	Financial expenses	(13.155)
	Profit/loss before tax	(8.676)
6	Tax on profit/loss for the year	3.317
	Profit/loss for the year	(5.359)
	Broken down as follows:	
	Shareholders of Layout Bidco A/S	(5.359)
		(5.359)

TOTAL INCOME

	2016/17 (10 MTH)
Profit/loss for the period	(5.359)
Items that later can be recirculated to income statement:	
Revaluation of hedging instruments before tax	677
Settlement of hedging instruments	0
Foreign currency translation, foreign units	0
Tax on total income items	(149)
Total income for the period	(4.831)
Broken down as follows:	
Shareholders of Layout Bidco A/S	(4.831)
Total income for the period	(4.831)

Balance Sheet Parent Company

	AS AT 30 APRIL	
		2017
	ASSETS	
	Value of equity investments	1.409.490
	Total other non-current assets	1.409.490
	Total non-current assets	1.409.490
7	Other receivables	2.868
10	Income tax receivable	3.168
	Cash and cash equivalents	77.590
	Total current assets	83.626
	TOTAL ASSETS	1.493.116
	LIABILITIES AND EQUITY	
8	Share capital	1.000
	Hedging reserve	528
	Retained earnings	1.050.206
	Dividend proposed	100.000
	Equity share, Layout Bidco A/S shareholders	1.151.734
	Total equity	1.151.734
9	Mortgage credit institutions and banks	318.700
	Total non-current liabilities	318.700
9	Mortgage credit institutions and banks	11.900
	Other payables	10.782
	Total current liabilities	22.682
	Total liabilities	341.382
	TOTAL LIABILITIES AND EQUITY	1.493.116
11	Related parties	
	New accounting regulations - see group note 29	

Statement of equity movements

Parent Company

DKK'000

STATEMENT OF EQUITY MOVEMENTS, PARENT COMPANY

	Share capital	Premium by emission	Value of hedging reserve	Retained earnings	Dividend proposed	Total
Equity at 31 May 2016	1.000	1.155.863	0	0	0	1.156.863
Cost of capital increase		0	0	0	0	0
Dividend distributed		0	0	0	0	0
Profit/loss for the year		0	0	(5.359)	0	(5.359)
Equity movements in subsidiaries		0	0	(298)	0	(298)
Revaluation of hedging instruments		0	528	0	0	528
Transfer, free reserves		(1.155.863)	0	1.155.863	0	0
Divided proposed				(100.000)	100.000	0
Equity at 30 April 2017	1.000	0	528	1.050.206	100.000	1.151.734

Notes, Parent Company

1 COSTS (DKK'000)

	2016/17 (10 MTH)
Staff costs	
Wages and salaries	(10.089)
Pensions	(503)
Other social security costs	0
Other staff costs	(210)
	(10.802)
Staff costs are recognised as follows:	
Administrative expenses	(10.802)
Average number of employees	2

Remuneration of the supervisory board, the executive board and executives	2016/17 (10 MTH)		
	Super-visory board	Executive board	Other executives
Wages and salaries	(877)	(6.503)	(307)
Pensions	0	(503)	(25)
	(877)	(7.006)	(332)

The total remuneration of the group management was K.DKK (8.215).

2 OTHER OPERATING INCOME (DKK'000)

	2016/17 (10 MTH)
Management fee	4.260

3 SPECIAL ITEMS (DKK'000)

	2016/17 (10 MTH)
Transaction costs	(51.685)

Transaction costs relate to the acquisition of shares in BoConcept Holding A/S.

Notes, Parent Company

4 INVESTMENTS IN GROUP ENTERPRISES (DKK'000)

	2016/17
Cost at the beginning of the year	0
Addition during the year	1.452.958
Disposals during the year	0
Cost at year-end	1.452.958
Revaluation at the beginning of the year	0
Disposals, sale	0
Dividend from group enterprises	(110.000)
Profit/loss for the year after tax	85.675
Income recognition of added values	(18.845)
Equity movements in group enterprises	(298)
Revaluation at year-end	(43.468)
Carrying amount at year-end	1.409.490

	Ownership share	Share capital	Equity	Profit/loss from ordinary activities before tax	Profit/loss for the year
BoConcept A/S, Ølgod	100%	2.000	233.761	116.731	85.675

The shares of BoConcept A/S have been pledged for security for engagement with a bank.
For a description of security, please see the consolidated accounts.

Layout Holdco A/S is the parent company of Layout Bidco A/S which is the parent company of BoConcept A/S.

5 FINANCIAL EXPENSES (DKK'000)

	2016/17 (10 MTH)
Other interest expenses	(11.578)
Non-deductible fees	(1.577)
	(13.155)

Notes, Parent Company

6 TAX (DKK'000)

	2016/17 (10 MTH)
Tax for the year breaks down as follows:	
Tax on profit for the year	3.466
Other comprehensive income	(149)
	3.317
Tax on profit/loss for the year may be subdivided as follows:	
Current tax	3.317
	3.317
Tax on profit/loss for the year may be explained as follows:	
Calculated 22% tax on profit/loss for the year before tax	1.909
Other comprehensive income	(149)
The tax effect of:	
Non-taxable income and non-deductible costs	1.557
	3.317
Effective tax rate	(23)

7 OTHER RECEIVABLES (DKK'000)

	2017
Other receivables	677
Prepayments	2.191
	2.868

8 SHARE CAPITAL (DKK'000)

	Number of shares 2017	Nominal value 2017
Beg. year/ year-end share capital	1.000	1.000

9 AMOUNTS OWED TO CREDIT INSTITUTIONS (DKK'000)

	2017
Other payables	
Credit institutions/lease commitments	
Due after five years	(221.000)
Due within 1 to five years	(107.100)
Long-term debt	(328.100)
Due within one year	(11.900)
Other short-term debt	0
	(11.900)
Amortized loan costs	9.400

Notes, Parent Company

10 INCOME TAXES RECEIVABLE (DKK'000)

	2017
Income taxes receivable, beg. of year	0
Current tax for the year	3.168
	3.168

11 TRANSACTIONS WITH RELATED PARTIES

Layout Bidco A/S' related parties with significant influence include the shareholders (Layout Holdco A/S) of the company, supervisory board, the executive board and executives as well as the said persons' family members. Related parties also include companies in which the above mentioned group of persons have considerable interests. There have been no transactions with shareholders.

Furthermore, the related parties include group enterprises in which Layout Bidco A/S has control or significant influence, cf. group overview on page 48.

Transactions conducted with the executive board only include normal management remuneration, cf. note 1 in the consolidated accounts as well as the transactions shown below.

Transactions conducted with other executives include normal remuneration, cf. note 1 in the consolidated accounts.

12 SUBSIDIARIES

Subsidiary	Domicile		Owner share in %
BoConcept A/S	Ølgod	Denmark	100
BC Design Århus A/S	Ølgod	Denmark	100
BoConcept Stockholm AB	Stockholm	Sweden	100
BoConcept Germany GmbH	Dusseldorf	Germany	100
BoConcept France Sarl	Paris	France	100
BC Design Beaugrenelle Sarl	Paris	France	100
BoConcept Ibericia SL	Madrid	Spain	100
BoConcept Explotaciones Comercciale SL	Madrid	Spain	91
BoConcept North America Inc.	Kansas	USA	100
BoConcept USA Inc.	Delaware	USA	100
BoConcept Franchise Inc.	Kansas	USA	100
BoConcept Japan KK	Tokyo	Japan	100
BC Design Holding Ltd.	Hong Kong	Hong Kong	100
BoConcept Hong Kong ltd	Hong Kong	Hong Kong	100
BoConcept Furniture Trading Co Ltd.	Shanghai	China	100
BoConcept Retail China Ltd	Shanghai	China	100
Non-active subsidiaries			
D Sign 1 A/S	Ølgod	Denmark	100
BC Urban Design Berlin GmbH	Dusseldorf	Germany	100

Layout Holdco A/S is the parent company of Layout Bidco A/S, which is the parent company of BoConcept A/S.