



LiveTrends Design Group Europe ApS

Odensevej 32
5620 Glamsbjerg
CVR No. 41917253

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Martin Rasmussen
Chairman of the General Meeting

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Entity details

Entity

LiveTrends Design Group Europe ApS
Odensevej 32
5620 Glamsbjerg

Business Registration No.: 41917253
Registered office: Assens
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Thomas Offer Viskum Madsen
Martin Christian Rasmussen
Søren Offer Viskum Madsen
Bisser Mihailov Georgiev

Executive Board

Martin Christian Rasmussen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Tværkajen 5
P. O. Box 10
5100 Odense

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of LiveTrends Design Group Europe ApS for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Odense, 28.06.2024

Executive Board

Martin Christian Rasmussen

Board of Directors

Thomas Offer Viskum Madsen

Martin Christian Rasmussen

Søren Offer Viskum Madsen

Bisser Mihailov Georgiev

Independent auditor's report

To the shareholders of LiveTrends Design Group Europe ApS

Opinion

We have audited the financial statements of LiveTrends Design Group Europe ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Odense, 28.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Allan Dydensborg Madsen

State Authorised Public Accountant
Identification No (MNE) mne34144

Management commentary

Primary activities

The object of the Company is to be in the agriculture business and trade of home decor goods to the retail market and other businesses relation hereto.

Development in activities and finances

The company's operating profit for the financial year has not been satisfactory, the management had negotiations with a lender and obtained a write-down of the company's debt by k.DKK 5,500.

The company has in the last 2 years not realized the desired activity, the management has therefore revalued the goodwill, and written down goodwill by 2,000 k.DKK.

New initiatives has be activated and implemented, second half of 2023 to reduce non-profitable overheads. There is in general a more positive attitude among retail-customers, which will help driving the sales in 2024.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		6,776,907	8,466,460
Staff costs	1	(10,051,043)	(9,750,093)
Depreciation, amortisation and impairment losses	2	(2,994,171)	(981,309)
Operating profit/loss		(6,268,307)	(2,264,942)
Other financial income	3	5,500,000	0
Other financial expenses	4	(1,192,601)	(792,000)
Profit/loss before tax		(1,960,908)	(3,056,942)
Tax on profit/loss for the year	5	(549,574)	662,646
Profit/loss for the year		(2,510,482)	(2,394,296)
Proposed distribution of profit and loss			
Retained earnings		(2,510,482)	(2,394,296)
Proposed distribution of profit and loss		(2,510,482)	(2,394,296)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Goodwill		4,650,000	7,600,000
Intangible assets	6	4,650,000	7,600,000
Other fixtures and fittings, tools and equipment		197,572	139,736
Property, plant and equipment	7	197,572	139,736
Deposits		60,000	3,000
Financial assets		60,000	3,000
Fixed assets		4,907,572	7,742,736
Manufactured goods and goods for resale		11,670,092	19,158,679
Inventories		11,670,092	19,158,679
Trade receivables		2,504,888	1,735,951
Receivables from group enterprises		38,675	38,675
Deferred tax		0	549,574
Other receivables		65,664	50,507
Prepayments		200,400	117,307
Receivables		2,809,627	2,492,014
Cash		289,401	435,790
Current assets		14,769,120	22,086,483
Assets		19,676,692	29,829,219

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		60,000	50,000
Retained earnings		738,172	1,295,940
Equity		798,172	1,345,940
Bank loans		1,270,300	2,570,450
Other payables		4,171,021	9,645,851
Non-current liabilities other than provisions	8	5,441,321	12,216,301
Current portion of non-current liabilities other than provisions	8	1,330,000	1,330,000
Bank loans		4,472,454	6,309,546
Trade payables		5,421,637	5,114,955
Payables to owners and management		58,251	1,584,190
Other payables	9	2,154,857	1,928,287
Current liabilities other than provisions		13,437,199	16,266,978
Liabilities other than provisions		18,878,520	28,483,279
Equity and liabilities		19,676,692	29,829,219
Unrecognised rental and lease commitments	10		
Contingent assets	11		
Contingent liabilities	12		
Assets charged and collateral	13		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	1,295,948	1,345,948
Increase of capital	10,000	1,952,706	1,962,706
Profit/loss for the year	0	(2,510,482)	(2,510,482)
Equity end of year	60,000	738,172	798,172

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	9,719,442	9,348,563
Other social security costs	227,071	249,209
Other staff costs	104,530	152,321
	10,051,043	9,750,093
Average number of full-time employees	19	22

2 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	950,000	950,000
Impairment losses on intangible assets	2,000,000	0
Depreciation of property, plant and equipment	44,171	31,309
	2,994,171	981,309

3 Other financial income

	2023	2022
	DKK	DKK
Remission of debt etc.	5,500,000	0
	5,500,000	0

4 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	190,720	120,401
Other interest expenses	905,875	531,149
Exchange rate adjustments	66,156	100,600
Other financial expenses	29,850	39,850
	1,192,601	792,000

5 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	0	4,531
Change in deferred tax	549,574	(667,177)
	549,574	(662,646)

6 Intangible assets

	Goodwill
	DKK
Cost beginning of year	9,500,000
Cost end of year	9,500,000
Amortisation and impairment losses beginning of year	(1,900,000)
Impairment losses for the year	(2,000,000)
Amortisation for the year	(950,000)
Amortisation and impairment losses end of year	(4,850,000)
Carrying amount end of year	4,650,000

The valuation of goodwill is associated with some uncertainty, as the company's results in recent years have not met management's expectations. The declining results have partly been influenced by external events. The valuation of goodwill is based on management's expectations of future returns, making the value dependent on the company generating the expected profits.

The management has this year made an extraordinary write-down on goodwill, as their assumptions about the future have been reassessed in relation to the time of acquisition.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost beginning of year	184,713
Additions	102,007
Cost end of year	286,720
Depreciation and impairment losses beginning of year	(44,977)
Depreciation for the year	(44,171)
Depreciation and impairment losses end of year	(89,148)
Carrying amount end of year	197,572

8 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due within 12 months 2022 DKK	Due after more than 12 months 2023 DKK
Bank loans	1,330,000	1,330,000	1,270,300
Other payables	0	0	4,171,021
	1,330,000	1,330,000	5,441,321

Other payable includes loan to Offer Madsen Ltd. 3.427 T.DKK., and holiday pay obligation 744 T.DKK.

9 Other payables

	2023 DKK	2022 DKK
VAT and duties	1,334,349	1,290,307
Wages and salaries, personal income taxes, social security costs, etc. payable	345,520	231,629
Holiday pay obligation	267,937	265,471
Other costs payable	207,051	140,880
	2,154,857	1,928,287

10 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	1,874,000	2,774,000

11 Contingent assets

Deferred tax asset 972 T.DKK is not recognised in the balance sheet.

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where LiveTrends Design Group Europe Holding ApS. serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

13 Assets charged and collateral

Bank loans are secured by indemnity letter 6.500 T.DKK with security in inventory, goodwill and operating equipment, to book value 18.825 T.DKK.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for

premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line

depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.