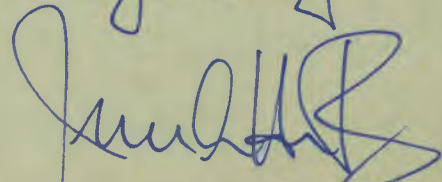


Annual Report

01.05.2017 – 30.04.2018

Godkendt på Selskabets
årlige generalforsamling.


13/8 2018

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Key Figures

FINANCIAL HIGHLIGHTS & KEY FIGURES

	2017/18	2016/17	2015/16	2014/15	2013/14
Income statement in DKK million					
Revenue	1.087,3	1.045,6	1.051,8	974,6	904,5
Gross profit	427,5	408,6	369,9	324,4	311,0
Profit/loss from operating activities (EBIT)	121,1	126,1	117,6	(20,8)	13,0
Financing, net	(1,2)	(8,1)	0,3	(7,3)	(1,9)
Profit/loss before tax	119,9	118,0	117,9	(62,0)	(43,3)
Profit/loss after tax	98,7	90,0	93,2	(55,6)	(11,8)
Balance sheet details in DKK million					
Non-current assets	249,6	240,6	210,9	215,3	230,8
Current assets	352,7	342,5	384,0	297,4	305,6
Balance sheet total	602,3	583,1	594,9	512,7	536,4
Equity	278,5	233,8	251,8	157,3	209,4
Interest bearing debt	61,7	55,1	74,9	92,6	97,5
Cash flow in DKK million					
Cash flow from operating activities	64,9	132,3	147,5	29,8	25,0
Cash flow from investing activities	(21,6)	(38,1)	(18,4)	(24,9)	(58,1)
For investment in tangible assets	(7,4)	(6,7)	(2,3)	(5,4)	(9,5)
Cash flow before financing activities	43,3	94,2	129,1	4,9	(33,1)
Financial ratios					
Operating margin (EBIT%)	11,1	12,1	11,2	(5,2)	(4,6)
Return on equity, %	38,5	37,1	42,3	(30,3)	(5,4)
Equity ratio, %	46,2	40,1	42,3	30,7	39,0
Average number of employees, full-time	298	287	289	306	311

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

2017/2018 Financial Review

MAIN ACTIVITY

BoConcept is a truly global brand and an international furniture retail chain in the 'affordable luxury' segment. The furniture and accessories collection is sold through a franchise chain of more than 270 brand stores worldwide, across more than 60 different countries with BoConcept as designer, business developer, exclusive supplier and international distributor.

HIGHLIGHTS FROM THE 2017/18 FINANCIAL YEAR

Developments and results for the year

Financial year 2017/18 has been a year of investment in systems and capabilities to further professionalise the business in preparation for growth in the coming years.

In the 2017/18 financial year, BoConcept A/S realised a net revenue of DKK 1,087 million (2016/17: DKK 1,046 million). A 3,9% year on year growth and 32 new stores were opened during the year.

A gross profit of 39,3% was realised (2016/17: 39,1%). A slight margin improvement based on further efficiency gains, despite slightly negative exchange rates and higher raw material prices.

EBIT in 2017/2018 was DKK 121,1 million (2016/17: DKK 126,1 million). Significant investments have been made into systems and the organization with the number of employees increasing by 11 to drive BoConcept's performance and earnings in the future.

After taxes of DKK 21,2 million, the profit for the year was DKK 98,7 million (2016/17: DKK 90,0 million). A close to 10% improvement.

BoConcept is a strong cash generating business and generated a positive cash flow of DKK 43,2 million before financing activities.

EXPECTATIONS

For the 2018/19 financial year, management expects to continue growth of the company driven by new store openings globally, like for like growth and other initiatives. Gross and operating margins are expected to remain in line with FY17/18 based on unchanged market conditions.

POST BALANCE SHEET EVENTS

The supervisory board is aware of no events after 30 April 2018 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

At present, 1 out of 3 general assembly elected members of the Board of Directors is a woman. The company has therefore obtained equal distribution on gender and hence no new target figure has been set.

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

Activities for increasing the underrepresented gender include having both genders invited to job interviews, wherever possible.

At present, the underrepresented gender share is 32% in management compared to 43% in the total organisation. This is against an underrepresented gender share of 36% compared to 42% last year.

Corporate Social Responsibility

OUR COMMITMENT TO ACT RESPONSIBLY IN RELATION TO PEOPLE, THE ENVIRONMENT AND SOCIAL CONDITIONS IS A KEY ELEMENT OF BOCONCEPT'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 (CSR) throughout the group. With better branding, risk management and quality control, CSR has become 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 CO₂ 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 2017/2018 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 and implementation of LEAN, which results in efficiency improvement as well as an increase of job satisfaction.

Our goal for the 2018/2019 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 CO₂ emissions generated by the company directly or indirectly. In the 2017/2018 financial year BoConcept's suppliers of transport and logistics have focused on reductions in CO₂ emission and fuel

consumption. In the coming financial year BoConcept seeks to ensure that the use of Euro norm 5-6 trucks is increased. 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 2017/2018 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 2017/2018 annual report.

PEOPLE ARE OUR MOST VALUABLE ASSET

BoConcept had 298 employees at the end of April 2018, compared with 287 last year.

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.

To further enhance a desirable work environment the management has implemented a whistle-blower initiative in June 2018.

PERFORMANCE AND DEVELOPMENT THROUGH BREAKTHROUGH LEADERSHIP

BoConcept has a 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 BoConcept A/S for the financial year 2017/2018.

The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The management report is prepared in accordance with the Danish Financial Statements Act.


In our opinion, the annual report gives a true and fair view of the financial position at 30 April 2018 of company and of the results of the company's operations and cash flows for the financial year 1 May 2017-30 April 2018.

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

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

04 July 2018

EXECUTIVE BOARD



Anton Van De Putte
CEO

SUPERVISORY BOARD




Sanna Suvanto-Harsaae
Chairman

Tommy Jensen Graugaard*



Anton Van De Putte
CEO



Poul Brændgaard*



Peter Raupach Linnet
COO

*Employee representative

Independent Auditor's Report

To the shareholder of BoConcept A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2018, and of the results of the Company's operations and cash flows for the financial year 1 May 2017 – 30 April 2018 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 Financial Statements of BoConcept A/S for the financial year 1 May 2017 – 30 April 2018, which comprise of Income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company 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 financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has

been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of 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 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 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 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 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 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.

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, 04 July 2018

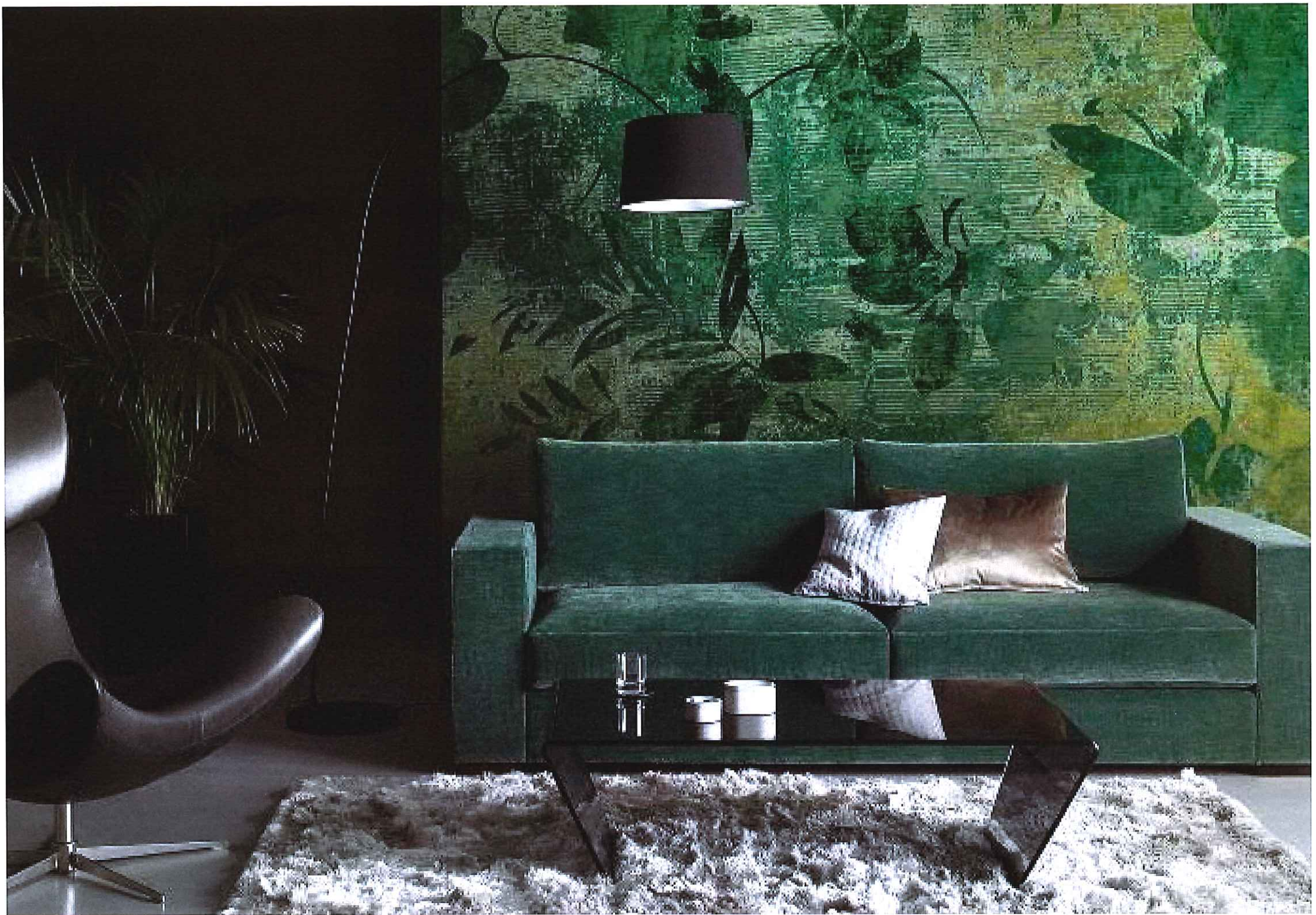
PRICEWATERHOUSECOOPERS, STATSAUTORISERET REVISIONSPARTNERSELSKAB (CVR. 3377 12 31)



Claus Lindholm Jacobsen
State Authorised Public Accountant
mne23328



Claus Lyngsø Sørensen
State Authorised Public Accountant
mne34539



Income Statement & Total Income

		DKK'000	
INCOME STATEMENT 1 MAY - 30 APRIL		2017/18	2016/17
	Revenue	1.087.333	1.045.572
3,4	Production costs	(659.835)	(636.926)
	Gross profit	427.498	408.646
3,4	Distribution costs	(211.256)	(187.234)
3,4	Administrative expenses	(99.066)	(92.730)
5	Other operating income	610	68
6	Other operating expenses	(3.016)	(4.654)
	Operating profit/loss before special items (EBIT before special items)	114.770	124.096
7	Special items	0	(16.181)
	Profit from group enterprises	6.338	18.201
	Profit/loss from operating activities (EBIT)	121.108	126.116
8	Financial income	4.332	6.098
9	Financial expenses	(5.562)	(14.210)
	Profit/loss before tax	119.878	118.004
10	Tax on profit/loss for the year	(21.214)	(28.023)
	Profit/loss for the year	98.664	89.981
	Broken down as follows:		
	Shareholders of BoConcept A/S	98.664	89.981
		98.664	89.981

STATEMENT OF COMPREHENSIVE INCOME 1 MAY – 30 APRIL		2017/18	2016/17
	Profit/loss for the period	98.664	89.981
	Items that later can be recirculated to income statement:		
	Revaluation of hedging instruments before tax	609	627
	Settlement of hedging instruments	0	0
	Foreign currency translation, foreign units	(4.540)	1.464
	Tax on total income items	0	(138)
	Total Comprehensive Income for the year	94.733	91.934
	Broken down as follows:		
	Shareholders of BoConcept A/S	94.733	91.934
	Total income for the period	94.733	91.934

Balance Sheet

AS AT 30 APRIL		DKK'000	
		2018	2017
ASSETS			
	Master rights	36.600	36.600
	Software	24.836	20.602
	Intangible assets in progress	12.277	8.908
11	Total intangible assets	73.713	66.110
	Land and buildings	42.846	48.106
	Leasehold improvements	71	91
	Plant and machinery	10.340	7.901
	Fixtures and operating equipment	587	974
	Property, plant and equipment in progress	9.384	6.928
12	Total tangible assets	63.228	64.000
14	Other financial assets	13.372	15.752
16	Investment, group enterprises	99.282	94.703
	Total other non-current assets	112.654	110.455
	Total non-current assets	249.595	240.565
15	Inventories	117.588	105.165
17	Trade receivables	114.467	110.577
	Receivables, group enterprises	36.027	37.540
18	Other receivables	9.266	13.737
	Cash and cash equivalents	75.308	75.483
	Total current assets	352.656	342.502
	TOTAL ASSETS	602.251	583.067

Balance Sheet

		DKK'000	
AS AT 30 APRIL		2018	2017
LIABILITIES AND EQUITY			
19	Share capital	2.000	2.000
	Translation reserve	(3.766)	774
	Hedging reserve	(1.058)	(1.667)
	Retained earnings	281.316	182.652
	Dividend proposed	0	50.000
	Equity share, BoConcept A/S shareholders	278.492	233.759
	Total equity	278.492	233.759
13	Deferred tax	11.050	9.148
16	Investment, group enterprises	37.567	42.349
	Provisions	48.617	51.497
20,28	Mortgage credit institutions and banks	39.822	45.905
	Total non-current liabilities	39.822	45.905
20,28	Mortgage credit institutions and banks	21.869	9.241
	Trade payables	95.868	88.643
	Payables, group enterprises	28.180	33.578
21	Income tax payable	16.335	24.216
	Other payables	73.068	96.228
	Total current liabilities	235.320	251.906
	Total liabilities	323.759	297.811
	TOTAL LIABILITIES AND EQUITY	602.251	583.067
22	Contingent liabilities and security		
25	Foreign exchange risk		
26	Transaction with related parties		
27	Derivative financial instruments and risk and capital management		
29	New accounting regulations		

STATEMENT OF EQUITY MOVEMENTS

Statement of equity movements

	Share capital	Net revaluation according to the equity method	Hedging reserve	Translation reserve	Retained earnings	Dividend proposed	Total
Equity at 1 May 2016	2.000	0	(2.156)	(690)	252.671	0	251.825
Dividend distributed	0	0	0	0	(110.000)	0	(110.000)
Profit/loss for the year	0	0	0	0	89.981	0	89.981
Reserve for exchange rate adjustments	0	0	0	1.464	0	0	1.464
Revaluation of hedging instruments	0	0	489	0	0	0	489
Dividend proposed	0	0	0	0	(50.000)	50.000	0
Equity at 30 April 2017	2.000	0	(1.667)	774	182.652	50.000	233.759
Dividend distributed	0	0	0	0	0	(50.000)	(50.000)
Profit/loss for the year	0	0	0	0	98.664	0	98.664
Reserve for exchange rate adjustments	0	0	0	(4.540)	0	0	(4.540)
Revaluation of hedging instruments	0	0	609	0	0	0	609
Dividend proposed	0	0	0	0	0	0	0
Equity at 30 April 2018	2.000	0	(1.058)	(3.766)	281.316	0	278.492

Cash Flow Statement

		DKK'000	
CASH FLOW STATEMENT		2017/18	2016/17
	EBIT	121.108	126.116
23	Adjustment for non-cash items	8.045	2.268
24	Change in working capital	(35.850)	29.352
	Cash flow from operating activities before financial items	93.303	157.736
	Interest income etc.	1.743	6.098
	Interest paid	(2.973)	(14.210)
	Income taxes paid	(27.192)	(17.324)
	Cash flow from operating activities	64.882	132.300
	Acquisition of intangible assets	(16.655)	(18.828)
	Acquisition of tangible assets	(7.355)	(6.735)
	Sale of tangible assets	47	0
	Sale acquisition of financial assets	2.361	(2.254)
	Sale of financial assets	0	0
	Capital injection, group enterprises	0	(10.246)
25	Sale of companies	0	0
	Cash flow from investing activities	(21.602)	(38.063)
	Cash flow before financing activities	43.280	94.237
	Raising of long-term loans	0	0
	Instalments on long-term debt	(6.026)	(13.822)
	Shareholders:	0	0
	Dividend paid	(50.000)	(110.000)
	Cash flow from financing activities	(56.026)	(123.822)
	Cash inflow/outflow for the year	(12.746)	(29.585)
	Cash and cash equivalents less short-term bank debt, beginning of the year	72.329	101.914
	Cash and cash equivalents, year-end	59.583	72.329
	The amount may be broken down as follows:		
	Cash without restrictions	75.308	75.483
	Short-term debt to credit institutions, cf. note 20	(15.725)	(3.154)
		59.583	72.329

Notes

1 ACCOUNTING POLICIES APPLIED

The financial statements for the period 1 May 2017 to 30 April 2018 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.

The financial statements are prepared as separate financial statements according to International Financial Reporting Standards as adopted by the EU. The company uses the exemption rule to exempt from preparing consolidated financial statements by referring to the consolidated financial statements for the parent company, BoConcept Holding A/S, which are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The consolidated financial statements for BoConcept Holding A/S is available at the company's address and at www.cvr.dk.

The Company is included in the Group Annual Report of the Parent Company:

- Layout Holdco A/S, Herning
- BoConcept Holding A/S, Herning

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

No new standards or interpretations of importance to net profit and equity were implemented in 2017/2018.

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

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.

Notes

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 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.

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.

Notes

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.

Income from investments in subsidiaries

The item 'Income from investments in subsidiaries' in the income statement includes the proportionate share of the profit for the year. Financial income and expenses 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.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit 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.

If the BoConcept group obtains a tax deduction on computation of the taxable income in Denmark or in foreign jurisdictions as a result of share-based payment schemes, the tax effect of the schemes is recognised in tax on the profit/loss for the year. However, if the total tax deduction exceeds the total tax expense, the tax benefit for the excess deduction is recognised directly in equity.

BALANCE SHEET

INTANGIBLE ASSETS

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.

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.

Notes

Software

Software is acquired externally and 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 using the straight line method.

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:

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

Notes

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 loss allowance. 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.

Investments in subsidiaries and associates

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

The items 'Investments in subsidiaries' and 'Investments in associates' in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to 'Reserve for net revaluation under the equity method' under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries and associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

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.

Notes

Treasury shares

Costs of acquisition and disposal and dividends received in respect of treasury shares are recognised directly as retained earnings in equity. A reduction in capital brought about by the cancellation of treasury shares will reduce the share capital by an amount corresponding to the nominal value of the investment.

Proceeds from the sale of treasury shares and issue of shares, respectively, in BoConcept in connection with the exercise of share options or employee shares are recognised directly in equity.

Translation reserve

The translation reserve in the 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 BoConcept 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.

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.

Notes

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.

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

2 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 BoConcept A/S the measurement of master rights DKK 36.6 million (last year 36.6), and trade receivables DKK 114.5 million (last year 110.6) 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 11, 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

Based on the company's accounting policies, management makes material judgements in connection with the recognition of master rights.

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.

BoConcept A/S 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

3 COSTS (DKK'000)		2017/18	2016/17
Staff costs			
Wages and salaries		(132.503)	(137.084)
Pensions		(9.598)	(8.809)
Termination payments		(808)	(251)
Other social security costs		(2.218)	(2.115)
Other staff costs		(4.510)	(4.025)
		<u>(148.828)</u>	<u>(152.033)</u>
Staff costs are recognised as follows:			
Production costs		(62.780)	(59.619)
Distribution costs		(39.760)	(40.983)
Administrative expenses		(46.289)	(51.431)
		<u>(148.828)</u>	<u>(152.033)</u>

Average number of employees	298	287
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Remuneration of the supervisory board, the executive board and executives

	2017/18			2016/17		
	Super- visory board	Executive board	Other executives	Super- visory board	Executive board	Other executives
Wages and salaries	(150)	0	(4.453)	(150)	(2.913)	(4.227)
Bonus	0	0	(419)	0	(6.091)	(3.741)
Pensions	0	0	(330)	0	(227)	(222)
	<u>(150)</u>	<u>0</u>	<u>(5.202)</u>	<u>(150)</u>	<u>(9.231)</u>	<u>(8.190)</u>

The total remuneration of the group management was K.DKK 5.352.
As per 1 November 2016 the executive board is paid through BoConcept Holding A/S.

4 DEPRECIATION, AMORTISATION, WRITE-DOWNS AND IMPAIRMENT LOSSES (DKK'000)		2017/18	2016/17
Amortisation of intangible assets		(9.021)	(8.157)
Depreciation of tangible assets		(8.121)	(12.229)
		<u>(17.142)</u>	<u>(20.386)</u>
Depreciation, amortisation, write-downs and impairment losses are recognised in the income statement as follows:			
Production costs		(6.775)	(9.270)
Distribution costs		(3.425)	(2.100)
Administrative expenses		(6.943)	(9.016)
		<u>(17.143)</u>	<u>(20.386)</u>
All write-downs are recognised in special items			
Development costs			
Development costs paid during the year		(7.372)	(7.028)

5 OTHER OPERATING INCOME (DKK'000)		2017/18	2016/17
Refunds		569	52
Gain on sale of tangible assets		41	16
		<u>610</u>	<u>68</u>
Refunds concerning activities in China.			

Notes

6	OTHER OPERATING EXPENSES (DKK'000)		
		2017/18	2016/17
	Costs, outsourcing IT-department	(2.977)	(4.084)
	Support costs in connection with sale of store	(39)	(570)
		<u>(3.016)</u>	<u>(4.654)</u>
7	SPECIAL ITEMS (DKK'000)		
		2017/18	2016/17
	Transaction costs in connection with BoConcept Holding A/S' acquisition of the share capital	0	(16.624)
	Previous years' reversal of provided costs for closing of store and warehouse.	0	443
		<u>0</u>	<u>(16.181)</u>
8	FINANCIAL INCOME (DKK'000)		
		2017/18	2016/17
	Interest income, group enterprises	582	650
	Interest income, other	3.750	3.430
	Foreign exchange rate adjustments	0	2.018
		<u>4.332</u>	<u>6.098</u>
9	FINANCIAL EXPENSES (DKK'000)		
		2017/18	2016/17
	Interest expense, group enterprises	(711)	(820)
	Interest expense, other	(1.653)	(1.786)
	Settlement of hedging instruments	(609)	(645)
	Exchange loss in connection with acquisition of shares	0	(10.959)
	Foreign exchange rate adjustments	(2.588)	0
		<u>(5.562)</u>	<u>(14.210)</u>

Notes

10 TAX (DKK'000)	2017/18	2016/17
Tax for the year breaks down as follows:		
Tax on profit for the year	(21.214)	(28.161)
Tax on other comprehensive income	0	138
	<u>(21.214)</u>	<u>(28.023)</u>
Tax on profit/loss for the year may be subdivided as follows:		
Current tax	(16.335)	(24.565)
Revaluation deferred tax asset	0	0
Deferred tax	(1.902)	(3.429)
Withholding tax	(2.902)	0
Adjustment of tax related to previous years	(75)	(29)
	<u>(21.214)</u>	<u>(28.023)</u>
Tax on profit/loss for the year may be explained as follows:		
Calculated 22% tax on profit/loss for the year before tax	(24.979)	(25.961)
Withholding tax	(2.902)	0
Reversal of tax provisions	5.855	
Tax on other comprehensive income	0	138
The tax effect of:		
Non-taxable income and non-deductible costs	887	1.745
Deferred tax for the year	0	(3.429)
Adjustment of tax related to previous years	(75)	(29)
	<u>(21.214)</u>	<u>(28.023)</u>
Effective tax rate	18,7	23,7

Notes

11 INTANGIBLE ASSETS (DKK'000)

	2018			
	Master rights	Software	Intangible assets in progress	Total
Acquisition cost, beg./year	42.039	82.943	8.908	133.890
Additions	0	10.081	6.574	16.655
Carried forward	0	3.205	(3.205)	0
Disposals for the year	0	(132)	0	(132)
Acquisition cost, year-end	42.039	96.097	12.277	150.413
Amortisation and impairment losses, beg./year	(5.439)	(62.341)	0	(67.780)
Amortisation for the year	0	(9.021)	0	(9.021)
Disposals for the year	0	101	0	101
Amortisation and impairment losses, year-end	(5.439)	(71.261)	0	(76.700)
Carrying amount, year-end	36.600	24.836	12.277	73.713
Depreciated over a period of		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 master rights has been carried out at 30 April 2018.

The carrying amount of 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 master rights 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 10.23% before tax.

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

	2017			
	Master rights	Software	Intangible assets in progress	Total
Acquisition cost, beg./year	42.039	75.767	2.486	120.292
Additions	0	10.216	8.612	18.828
Carried forward	0	2.190	(2.190)	0
Disposals for the year	0	(5.230)	0	(5.230)
Acquisition cost, year-end	42.039	82.943	8.908	133.890
Amortisation and impairment losses, beg./year	(5.439)	(59.414)	0	(64.853)
Amortisation for the year	0	(8.157)	0	(8.157)
Disposals for the year	0	5.230	0	5.230
Amortisation and impairment losses, year-end	(5.439)	(62.341)	0	(67.780)
Carrying amount, year-end	36.600	20.602	8.908	66.110
Depreciated over a period of		3-8 years		

Notes

12 TANGIBLE ASSETS (DKK'000)

	2018					Total
	Land and buildings	Leasehold improvements	Plant and machinery	Fixtures and operating equipment	Property, plant and equipment in progress	
Acquisition cost, beg./year	191.823	3.477	165.819	21.712	6.928	389.759
Additions	0	0	355	78	6.922	7.355
Carried forward	0	0	4.229	237	(4.466)	0
Disposals for the year	0	0	(1.955)	(208)	0	(2.163)
Acquisition cost, year-end	191.823	3.477	168.448	21.819	9.384	394.951
Depreciation and impairment losses, beg./year	(143.717)	(3.386)	(157.918)	(20.738)	0	(325.759)
Depreciation for the year	(5.260)	(20)	(2.139)	(702)	0	(8.121)
Disposals for the year	0	0	1.949	208	0	2.157
Depreciation and impairment losses, year-end	(148.977)	(3.406)	(158.108)	(21.232)	0	(331.723)
Carrying amount, year-end	42.846	71	10.340	587	9.384	63.228
Depreciated over a period of	10-25 yrs	3-10 yrs	5-9 yrs	3-7 yrs		
Plant and machinery includes leased assets at a carrying amount of DKK 4,3 million (last year DKK 6,7 million).						
	2017					Total
	Land and buildings	Leasehold improvements	Plant and machinery	Fixtures and operating equipment	Property, plant and equipment in progress	
Acquisition cost, beg./year	191.609	3.477	165.778	21.788	983	383.635
Additions	214	0	41	499	5.981	6.735
Carried forward	0	0	0	36	(36)	0
Disposals for the year	0	0	0	(611)	0	(611)
Acquisition cost, year-end	191.823	3.477	165.819	21.712	6.928	389.759
Depreciation and impairment losses, beg./year	(138.037)	(2.300)	(154.006)	(19.798)	0	(314.141)
Depreciation for the year	(5.680)	(1.086)	(3.912)	(1.551)	0	(12.229)
Disposals for the year	0	0	0	611	0	611
Depreciation and impairment losses, year-end	(143.717)	(3.386)	(157.918)	(20.738)	0	(325.759)
Carrying amount, year-end	48.106	91	7.901	974	6.928	64.000
Depreciated over a period of	10-25 yrs	3-10 yrs	5-9 yrs	3-7 yrs		

Notes

13 DEFERRED TAX (DKK'000)		2018	2017
Deferred tax, beg./year		(9.148)	(5.719)
Deferred tax for the year		(1.902)	(3.429)
Deferred tax, year-end		<u>(11.050)</u>	<u>(9.148)</u>
Deferred tax is recognised in the balance sheet as follows:			
Deferred tax (asset)		0	0
Deferred tax (liability)		(11.050)	(9.148)
Net deferred tax, year-end		<u>(11.050)</u>	<u>(9.148)</u>
Deferred tax relates to:			
Intangible assets		(11.469)	(9.854)
Tangible assets		(1.425)	(1.468)
Current assets		(796)	8.030
Tax loss carry forwards		2.640	(5.856)
		<u>(11.050)</u>	<u>(9.148)</u>
Layout Holdco A/S is the administrator of the joint taxation scheme, and in the capacity it settles all payments of income tax with the tax authorities.			
14 OTHER FINANCIAL ASSETS AND DEPOSITS (DKK'000)		Other financial assets	
		2018	2017
Acquisition cost, beg./year		15.752	13.498
Foreign exchange rate adjustments		(19)	8
Additions		0	2.388
Disposals for the year		(2.361)	(142)
Acquisition cost, year-end		<u>13.372</u>	<u>15.752</u>
15 INVENTORIES (DKK'000)		2018	2017
Raw materials and consumables		12.277	6.319
Goods in progress		7.053	7.273
Manufactured goods and goods for resale		98.259	91.573
		<u>117.588</u>	<u>105.165</u>
Cost of sales for the year which is included in production costs		681.802	569.903
Write-down of inventories		236	(1.027)
Reversal of write-downs for the year		0	1.014

Notes

16 INVESTMENT IN GROUP ENTERPRISES (DKK'000)

	2018	2017
Cost as per 1 May	245.888	236.644
Additions during the year	0	10.244
Disposals during the year	(55.987)	(1.000)
Cost at year-end	189.901	245.888
Revaluations at the beginning of the year	(193.534)	(216.638)
Exchange adjustments	(4.540)	1.465
Profit for the year	7.176	18.296
Change in internal profit of inventories	(814)	(95)
Disposals during the year	63.526	3.438
	(128.186)	(193.534)
Booked value at the end of the year	61.715	52.354
In financial assets investment in group enterprises with positive equity	99.282	94.703
In provisions investment in group enterprises with negative equity	37.567	42.349
	61.715	52.354

Company name	Registered office		Currency (000)	Nominal capital	Equity	Profit after tax
BC Design Århus A/S	Ølgod	Danmark	DKK	500	(1.377)	(327)
BoConcept Stockholm AB	Stockholm	Sverige	SEK	50	0	(48)
BoConcept Germany GmbH	Düsseldorf	Tyskland	EUR	77	4.715	(55)
BoConcept France Sarl	Paris	Frankrig	EUR	518	3.929	1.061
BoConcept Beaugrenelle Sarl	Paris	Frankrig	EUR	60	836	(247)
BoConcept Ibericia SL	Madrid	Spanien	EUR	3	(1.476)	(55)
BoConcept Explotaciones Comerciales SL	Madrid	Spanien	EUR	303	(6.313)	839
BoConcept North America Inc.	Kansas	USA	USD	1	(16.433)	(210)
BoConcept USA Inc.	Deleware	USA	USD	1	30.444	2.341
BoConcept Franchise Inc.	Kansas	USA	USD	1	59	(584)
BoConcept Madison Inc.	New York	USA	USD		(6.888)	(6.940)
BoConcept Japan KK	Tokyo	Japan	JPY	90.000	43.612	10.223
BC Design Holding Ltd.	Hong Kong	Hong Kong	HKD	14.300	(238)	(429)
BoConcept Hong Kong Ltd	Hong Kong	Hong Kong	HKD	10	1.885	(785)
BoConcept Furniture Trading Co Ltd.	Shanghai	Kina	RMB	1.400	3.014	203
BoConcept Retail China Ltd	Shanghai	Kina	RMB	18.000	18.253	2.189
Non-active companies						
D Sign 1 A/S	Ølgod	Denmark	DKK	1.100	(11.492)	0
BC Urban Design Berlin GmbH	Dusseldorf	Germany	EURO	25	0	0

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

Notes

17 TRADE RECEIVABLES (DKK'000)		2018	2017
Trade receivables		114.467	110.577
Provisions for losses have been recognised in the above item as follows:			
Provisions, beg./year		131.794	148.914
Provisions for the year		24.794	24.170
Losses recognised for the year		(29.034)	(19.400)
Exchange rate adjustments for the year		(4.955)	(272)
Reversed provisions for the year		(15.383)	(21.618)
Provisions, year-end		107.216	131.794

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	18.097	14.196
Due in 61-180 days	0	94
Due after more than 180 days	0	0
	18.097	14.290

18 OTHER RECEIVABLES (DKK'000)		2018	2017
Other receivables		9.139	9.596
Prepayments		127	4.141
		9.266	13.737

19 SHARE CAPITAL (DKK'000)		Number of shares		Nominal value	
		2018	2017	2018	2017
Beg. year/ year-end class A-shares		2	2	2.000	2.000

Notes

20 AMOUNTS OWED TO CREDIT INSTITUTIONS (DKK'000)

	2018	2017
Other payables		
Within 1 year	0	0
Between 1 and 5 years	0	0
After 5 years	0	0
	<u>0</u>	<u>0</u>
Mortgage credit institutions		
Within 1 year	5.123	5.100
Between 1 and 5 years	18.008	18.973
After 5 years	18.329	22.444
	<u>41.460</u>	<u>46.517</u>
Credit institutions / leasing debt		
After 5 years	0	0
Between 1 and 5 years	3.485	4.488
	<u>3.485</u>	<u>4.488</u>
Within 1 year	1.021	987
Other payables	15.725	3.154
	<u>16.746</u>	<u>4.141</u>

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

	2018			2017		
	Lease payment	Interest	Carrying amount	Lease payment	Interest	Carrying amount
0-1 year	1.151	(130)	1.021	1.146	(159)	987
1-5 years	3.673	(188)	3.485	4.794	(306)	4.488
>5 years			0	0	0	0
	<u>4.824</u>	<u>(318)</u>	<u>4.506</u>	<u>5.940</u>	<u>(465)</u>	<u>5.475</u>

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.

21 CORPORATION TAX, DUE

	2018	2017
Corporation tax, due at the beginning	24.216	17.353
Paid corporation tax	(24.142)	(17.324)
Adjustment previous years' taxes	(74)	(29)
Tax of the year	16.335	24.216
Tax payable 30.04	<u>16.335</u>	<u>24.216</u>

Notes

22 CONTINGENT LIABILITIES AND SECURITY (DKK'000)		2018	2017
Land and buildings recognised at:		42.846	48.106
Production plant and machinery recognised at:		4.865	2.426
Are charged in addition to the mortgage debt of:		41.460	46.517
Subject to letter of indemnity of:		50.000	50.000
Security in the following BoConcept A/S assets:			
Goodwill, domain names and various rights		36.600	36.600
Plant, operating equipment and machinery		5.452	3.400
Inventory value		117.588	105.165
Receivables and location involvement		119.925	120.533
Total		279.565	265.698
Registered value of company security		125.000	125.000
Non-terminable operating leases are as follows:			
0-1 year		3.992	4.502
1-5 years		3.476	7.285
>5 years		0	566
		7.468	12.353
<p>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. BoConcept A/S has provided guarantee for franchisees' landlords for rent of DKK 34.5 million (last year DKK 37.7 million). BoConcept A/S has provided guarantee for bank loans raised by franchisees of DKK 5.2 million (last year DKK 7.7 million). BoConcept A/S has provided guarantee for franchisee's electronic payments towards third party of DKK 3.7 million (last year DKK 3.7 million). BoConcept A/S has provided guarantee for bank arrangement with shares in subsidiary with a booked value of DKK 43.6 million</p>			
23 ADJUSTMENT FOR NON-CASH ITEMS (DKK'000)		2018	2017
Depreciation and impairment losses for the year		17.142	20.386
Loss on sale/scraping of machinery and equipment		0	0
Profit/loss subsidiaries		(6.338)	(18.201)
Other adjustments		(2.759)	83
		8.045	2.268
24 CHANGES IN WORKING CAPITAL (DKK'000)		2018	2017
Change receivables		(2.094)	10.004
Change inventories		(12.423)	(6.453)
Change trade payables, etc.		(21.333)	25.801
		(35.850)	29.352

Notes

25 FOREIGN EXCHANGE RISKS (DKK'000)

		2018				
Foreign currencies	Pre-payment/ maturity	Receiv- ables	Liabilities other than provisions	Hedged by forward exchange contracts	Net position	
PLN	<1 year	1.813	(24)	0	1.789	
	>1 year	0	0	0	0	
GBP	<1 year	9.091	312	(51.380)	(41.977)	
	>1 year	0	0	0	0	
JPY	<1 year	10.937	(5.827)	(44.179)	(39.069)	
	>1 year	0	0	0	0	
SEK	<1 year	986	(160)	(5.408)	(4.582)	
	>1 year	1.374	0	0	1.374	
USD	<1 year	68.631	3.655	(50.949)	21.337	
	>1 year	6.749	0	0	6.749	
EUR	<1 year	151.085	21.525	0	172.610	
	>1 year	4.056	0	0	4.056	
CNY	<1 year	4.115	(1.590)	(19.449)	(16.924)	
	>1 year	0	0	0	0	
Other	<1 year	210	(1.952)	0	(1.742)	
	>1 year	0	0	0	0	
		259.047	15.939	(171.365)	103.621	
Sale/purchase of currencies in accordance with agreements					171.365	
Unrealised net loss					0	

		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)	

Notes

26 TRANSACTIONS WITH RELATED PARTIES

BoConcept A/S' related parties with significant influence include the shareholder (BoConcept Holding 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 besides normal business procedure.

Furthermore, the related parties include group enterprises in which BoConcept A/S has control or significant influence, cf. group overview on note 30.

Transactions conducted with the executive board only include normal management remuneration, cf. note 3.

Transactions conducted with other executives include normal remuneration, cf. note 3.

	2018	2017
Revenue from sale of goods	131.077	127.254
Purchase of goods for resale	0	0
Income from management services	0	0
Purchase of management services	(46.226)	(37.929)
Management fee	2.596	2.541
Receivables relating to transactions with subsidiaries	28.107	24.579
Payables relating to transactions with subsidiaries	(18.943)	(18.690)
Contractual obligations and guarantees	44.319	37.017
Other Support	(2.295)	0

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

The company's policy for financial risk management

On account of its operations, investments and financing the BoConcept company 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 company is subject to credit and liquidity risk. It is the company's policy not to speculate actively in financial risks. The sole purpose of the company's financial management is therefore to manage or eliminate financial risks associated with the company's operations and financing.

The company'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 company'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 in systemic banks.

Credit risk associated with receivables arise when BoConcept 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 company is unable to hedge these receivables with a third party.

48% (last year: 47%) of BoConcept's customers had not defaulted on the due dates at 30 April 2018. In the past the majority of our customers have been paying their debts by the due dates agreed upon. Receivables that are more than 90 days overdue have been provided for in full.

	2018	2017
The maximum credit risk without taking into account security provided for trade receivables	114.467	110.577
The maximum credit risk associated with bank deposit, securities and derivative financial instruments	75.308	75.483
The maximum credit risk associated with other receivables	9.266	13.737
	199.041	199.797

Notes

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

Liquidity risks

The liquidity risk means the risk that BoConcept A/S may not be able to fulfil its obligations as a result of a failure to realise assets or obtain adequate financing. The company ensures to maintain the best possible liquidity in order that it can continue to fulfil its financial commitments, under normal as well as extraordinary circumstances. The introduced liquidity procedures have improved the company's debt ratio significantly, and sufficient cash resources are maintained to fulfil expected operational and financial obligations as well as bearing unforeseeable operating costs.

Unutilised credit facilities for BoConcept Holding A/S and BoConcept A/S amounted to DKK 53 million at the end of the financial year compared to DKK 62 million the year before. Cash amounted to DKK 75,3 million compared to DKK 75,5 million last year.

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

	2018					
	Nominal value	Fair value	Cash flows			Total
<1 year			1-5 years	>5 years		
Measured at amortised cost (loans and other commitments)						
Amounts owed to mortgage credit institutions	41.460	41.965	5.123	18.008	18.329	41.460
Amounts owed to credit institutions	4.506	4.506	1.021	3.485	0	4.506
Bank loans	15.725	15.725	15.725	0	0	15.725
	61.691	62.196	21.869	21.493	18.329	61.691
Trade payables	95.868	95.868	95.868	0	0	95.868
Lease guarantees and guarantees provided for franchisees (contingent liabilities)	0	0	33.444	3.965	6.910	44.319
Other payables	73.068	73.068	73.068	0	0	73.068
	230.627	231.132	224.249	25.458	25.239	274.946
Total financial liabilities	230.627	231.132	224.249	25.458	25.239	274.946
Measured at amortised cost (deposits and receivables)						
Other financial assets	13.372	13.372	0	13.372	0	13.372
Trade receivables including intercompany	150.494	150.494	150.494	0	0	150.494
Other receivables	9.266	9.266	9.266	0	0	9.266
Cash	75.308	75.308	75.308	0	0	75.308
	248.440	248.440	235.068	13.372	0	248.440
Derivative financial instruments						
Forward exchange contracts	0	0	(171.365)	0	0	(171.365)
	0	0	(171.365)	0	0	(171.365)
Total financial assets	248.440	248.440	63.703	13.372	0	77.075

Notes

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

	2017					Total
	Nominal value	Fair value	Cash flows			
			<1 year	1-5 years	>5 years	
Measured at amortised cost (loans and other commitments)						
Amounts owed to mortgage credit institutions	46.517	47.145	5.665	20.619	23.343	49.627
Amounts owed to credit institutions	5.475	5.475	1.146	4.794	0	5.940
Bank loans	3.154	3.154	3.250	0	0	3.250
	55.146	55.774	10.061	25.413	23.343	58.817
Trade payables	88.643	88.643	88.643	0	0	88.643
Lease guarantees and guarantees provided for franchisees (contingent liabilities)	0	0	13.613	40.918	75.377	129.908
Other payables	96.228	96.228	96.228	0	0	96.228
	240.017	240.645	208.545	66.331	98.720	373.596
Total financial liabilities						
	240.017	240.645	208.545	66.331	98.720	373.596
Measured at amortised cost (deposits and receivables)						
Other financial assets	15.752	15.752	0	15.752	0	15.752
Trade receivables including intercompany	148.117	148.117	148.117	0	0	148.117
Other receivables	13.737	13.737	13.737	0	0	13.737
Cash	75.483	75.483	75.483	0	0	75.483
	253.089	253.089	237.337	15.752	0	253.089
Derivative financial instruments						
Forward exchange contracts			(151.289)	0	0	(151.289)
	0	0	(151.289)	0	0	(151.289)

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 BoConcept'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

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

Market risks

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

Foreign exchange risks

97% (last year 97%) of revenue is realised 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:

	2018	2017
USD		
Equity	304	2.330
Profit for the year	304	2.330
GBP		
Equity	0	(2.179)
Profit for the year	0	(2.179)
CNY		
Equity	150	(518)
Profit for the year	150	(518)
JPY		
Equity	1.973	(1.354)
Profit for the year	1.973	(1.354)

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

	2018	2017
USD EBIT effect	5.377	5.703
JPY EBIT effect	9.152	4.252
GBP EBIT effect	3.656	3.170
CNY EBIT effect	2.527	(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 0.8 million in 2017/2018 and 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

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

Interest rate risks

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

Analysis of sensitivity to interest rate risks

BoConcept A/S expects the level of 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, BoConcept 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:

	2018	2017
Equity	(30)	(16)
Loss for the year	(987)	(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 64% of our total debt to mortgage credit institutions (last year 53%). The weighted effective rate of interest measured at the balance sheet date, was 2.2% compared with 2.6% last year.

The market value of the interest rate swap agreement is negative before tax DKK 1.6 million (last year a negative value of 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

29 NEW ACCOUNTING STANDARDS

At 30 April 2018, IASB had approved the following new accounting standards (IFRSs and IASs), which are assessed to be of relevance to BoConcept A/S.

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, and we consider BoConcept A/S already to be compliant and the new standard will therefore have no material impact on accounting

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, and we consider BoConcept A/S already to be compliant and the standard have no accounting impact on accounting. Please see note 26 for further information.

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.

Management has completed the initial analysis of the impact on the Financial Statements upon adoption of the above IFRS standards. The management expect the effect of implementing IFRS 16 will be in the vicinity of 160-180 mDKK increasing in Balance sheet total. The impact on result before tax will not be material. The impact on EBITDA is expected to be an improvement in the range of 25-50 mDKK based on 2017/18 financial statement.

Notes

30 SUBSIDIARIES

Subsidiary	Domicile		Owner share in %
BoConcept A/S	Ølgod	Denmark	100
BC Design Århus A/S	Ølgod	Denmark	100
BoConcept Germany GmbH	Düsseldorf	Germany	100
BoConcept France Sarl	Paris	France	100
BoConcept Beaugrenelle Sarl	Paris	France	100
BoConcept Ibericia SL	Madrid	Spain	100
BoConcept Explotaciones Comerciales SL	Madrid	Spain	100
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 Furniture Trading Co Ltd.	Shanghai	China	100
BoConcept Retail China Ltd	Shanghai	China	100
Non-active subsidiaries			
BC Design Århus A/S	Ølgod	Denmark	100
BoConcept Hong Kong Ltd	Hong Kong	Hong Kong	100
BC Urban Design Berlin GmbH	Düsseldorf	Germany	100
BoConcept A/S	Ølgod	Denmark	100

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

