

**SUPERGROUP NORDIC & BALTICS A/S**

**BALTICAGADE 24, 8000 AARHUS C**

**ANNUAL REPORT**

**1 MAY 2016 - 30 APRIL 2017**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 27 October 2017**

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**Nicholas Barry Edward Wharton**

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**COMPANY DETAILS**

<b>Company</b>	Supergroup Nordic & Baltics A/S Balticagade 24 8000 Aarhus C  Telephone: 86185838 Telefax: 86185836  CVR no.: 27 35 49 39 Established: 18 March 2003 Registered Office: Aarhus C Financial Year: 1 May 2016 - 30 April 2017
<b>Board of Directors</b>	Euan Angus Sutherland, Chairman Vanessa Margaret Lewis Camacho Nicholas Barry Edward Wharton
<b>Board of Executives</b>	Nicholas Barry Edward Wharton
<b>Auditor</b>	Deloitte Statsautoriseret Revisionspartnerselskab Dokken 8 6700 Esbjerg

## STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Supergroup Nordic & Baltics A/S for the financial year 1 May 2016 - 30 April 2017.

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 the Company's financial position at 30 April 2017 and of the results of the the Company's operations for the financial year 1 May 2016 - 30 April 2017.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, 27 October 2017

Board of Executives

\_\_\_\_\_  
Nicholas Barry Edward Wharton

Board of Directors

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Euan Angus Sutherland  
Chairman

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Vanessa Margaret Lewis Camacho

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Nicholas Barry Edward Wharton

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Supergroup Nordic & Baltics A/S

#### Opinion

We have audited the financial statements of Supergroup Nordic and Baltics A/S for the financial year 01.05.2016 - 30.04.2017, 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 30.04.2017 and of the results of its operations for the financial year 01.05.2016 - 30.04.2017 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional re-quirements 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.

#### Management's responsibility 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.

## INDEPENDENT AUDITOR'S REPORT

- 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's Review

Management is responsible for the management's Review.

Our opinion on the financial statements does not cover the 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 the management's Review and, in doing so, consider whether the management's Review 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's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the management's Review.

Esbjerg, 27 October 2017

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 20 22 26 70

Jørn Jepsen  
State Authorised Public Accountant

Bo Klitten Kjærgaard  
State Authorised Public Accountant

## FINANCIAL HIGHLIGHTS

	2016/17 DKK '000	2015/16 DKK '000
<b>Income statement</b>		
Gross profit/loss.....	12,050	23,080
Operating profit/loss.....	-1,039	11,098
Financial income and expenses, net.....	1,362	406
Profit/loss for the year before tax.....	323	11,504
Profit/loss for the year.....	212	8,918
<b>Balance sheet</b>		
Balance sheet total.....	133,560	94,035
Equity.....	24,803	24,591
<b>Ratios</b>		
Solvency ratio.....	18.6	26.2
Return on equity.....	0.9	0.1

The ratios stated in the list of key figures and ratios have been calculated as follows:

Solvency ratio: 
$$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$$

Return on equity: 
$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

The ratios follow in all material respects the recommendations of the Danish Finance Society.

Whit reference to Danish Financial Statements Act section 78, ratios are included only from the date of transition to accounting class C, medium.

## MANAGEMENT'S REVIEW

### Principal activities

The Entity's activity is to engage in wholesaling of fashion clothes, shoes and other consumer goods in Scandinavia.

### Development in activities and financial position

There have been no changes to the company's areas of activity during the financial year.

The company have due to increase in activities changed reporting class from B to C and have further changed the wording of the used accounting policies. Non of these changes have had an impact on the figures in the Annual Report.

### Profit/loss for the year compared to future expectations

The company's earnings and economic development were better than expected.

The company's achieved profit for the year 2016/17 is DKK 0.2 million. DKK 8.9 million in 2015/16. The result for 2016/17 is considered satisfactory.

The result is significantly lower in this period in comparison to the prior year due a number of one off costs incurred in realigning the company's operations with the larger group. We would anticipate that profits will return to normal levels in the next period.

### Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

### Special risks

The Group's main operating risk is linked to the ability to be highly positioned in the markets where the products are sold, and to ensure an ever-competitive price.

### Currency risks:

The company has sales to countries in Scandinavia and there will therefore be a currency risk associated with it.

The company's purchase is mainly in England, so there will also be a risk associated with currency conversion.

### Environmental situation

The company follows environmental strategies and policies for the Supergroup PLC Group.

The Group's goal has been to reduce the operational carbon footprint, which has given insight into where the greatest environmental impact lies and how future resources will be prioritized.

At the group level, the company is very aware that own employees have good conditions, both for education and for the buildings they are working in. In addition, there is also control over suppliers' employee conditions that help ensure equal terms for employees in different countries.

### Knowledge resources

The company's most important knowledge resource is the employees. It is therefore important that the company can recruit and retain employees.

### Research and development activities

Development activities are managed in the parent company and are primarily conducted here. Development activities mainly concern the development of environmentally friendly products.

### Future expectations

The company expects progress in operations for 2017/18.



## INCOME STATEMENT 1 MAY - 30 APRIL

	Note	2016/17 DKK	2015/16 DKK
<b>GROSS PROFIT</b> .....		<b>12,050,134</b>	<b>23,080,036</b>
Staff costs.....	1	-12,499,598	-11,342,720
Depreciation, amortisation and impairment.....		-589,127	-639,369
<b>OPERATING LOSS</b> .....		<b>-1,038,591</b>	<b>11,097,947</b>
Other financial income.....	2	2,116,811	1,215,273
Other financial expenses.....	3	-755,214	-809,227
<b>PROFIT BEFORE TAX</b> .....		<b>323,006</b>	<b>11,503,993</b>
Tax on profit/loss for the year.....	4	-111,285	-2,586,087
<b>PROFIT FOR THE YEAR</b> .....	5	<b>211,721</b>	<b>8,917,906</b>

## BALANCE SHEET AT 30 APRIL

ASSETS	Note	2017 DKK	2016 DKK
Intangible fixed assets acquired.....		655,066	767,364
<b>Intangible fixed assets</b> .....	6	<b>655,066</b>	<b>767,364</b>
Other plant, machinery, tools and equipment.....		2,724,034	1,481,435
Leasehold improvements.....		22,673	38,138
<b>Tangible fixed assets</b> .....	7	<b>2,746,707</b>	<b>1,519,573</b>
Rent deposit and other receivables.....		553,646	540,126
<b>Fixed asset investments</b> .....	8	<b>553,646</b>	<b>540,126</b>
<b>FIXED ASSETS</b> .....		<b>3,955,419</b>	<b>2,827,063</b>
Finished goods and goods for resale.....		5,681,383	7,024,469
<b>Inventories</b> .....		<b>5,681,383</b>	<b>7,024,469</b>
Trade receivables.....		21,683,401	16,546,795
Receivables from group enterprises.....		64,079,670	57,573,840
Other receivables.....		1,367,442	637,178
Prepayments and accrued income.....	9	448,999	662,298
<b>Receivables</b> .....		<b>87,579,512</b>	<b>75,420,111</b>
<b>Cash and cash equivalents</b> .....		<b>36,344,082</b>	<b>8,763,104</b>
<b>CURRENT ASSETS</b> .....		<b>129,604,977</b>	<b>91,207,684</b>
<b>ASSETS</b> .....		<b>133,560,396</b>	<b>94,034,747</b>

## BALANCE SHEET AT 30 APRIL

EQUITY AND LIABILITIES	Note	2017 DKK	2016 DKK
Share capital.....	10	500,000	500,000
Retained profit.....		24,303,083	24,091,362
<b>EQUITY.....</b>		<b>24,803,083</b>	<b>24,591,362</b>
Provision for deferred tax.....	11	325,266	357,751
<b>PROVISION FOR LIABILITIES.....</b>		<b>325,266</b>	<b>357,751</b>
Lease liabilities.....		942,615	156,922
<b>Long-term liabilities.....</b>	12	<b>942,615</b>	<b>156,922</b>
Short-term portion of long-term liabilities.....	12	206,029	43,234
Bank debt.....		16,963	61,794
Trade payables.....		359,616	338,550
Payables to group enterprises.....		96,526,738	59,832,532
Corporation tax.....		3,396,780	2,624,195
Other liabilities.....		6,983,306	6,028,407
<b>Current liabilities.....</b>		<b>107,489,432</b>	<b>68,928,712</b>
<b>LIABILITIES.....</b>		<b>108,432,047</b>	<b>69,085,634</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>133,560,396</b>	<b>94,034,747</b>
 Contingencies etc.	 13		
Charges and securities	14		
Related parties	15		
Consolidated financial statements	16		

## EQUITY

	Share capital	Retained profit	Total
Equity at 1 May 2016.....	500,000	24,091,362	24,591,362
Proposed distribution of profit.....		211,721	211,721
<b>Equity at 30 April 2017.....</b>	<b>500,000</b>	<b>24,303,083</b>	<b>24,803,083</b>

## NOTES

	2016/17 DKK	2015/16 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees 23 (2015/16: 21)			
Wages and salaries.....	11,954,774	10,835,310	
Pensions.....	80,844	60,369	
Social security costs.....	291,510	255,480	
Other staff costs.....	172,470	191,561	
	<b>12,499,598</b>	<b>11,342,720</b>	
Remuneration of executives.....	1,774,235	0	
Remuneration of board of directors.....	0	0	
	<b>1,774,235</b>	<b>0</b>	
With reference the Danish Financial Statements Act section 78 remuneration of management in 2015/16 have not been included.			
During the year there have been a change in the board of executives and remuneration is partly included in other external expenses as management fee and staff cost.			
<b>Other financial income</b>			<b>2</b>
Group enterprises.....	1,843,268	1,184,565	
Other interest income.....	273,543	30,708	
	<b>2,116,811</b>	<b>1,215,273</b>	
<b>Other financial expenses</b>			<b>3</b>
Other interest expenses.....	755,214	809,227	
	<b>755,214</b>	<b>809,227</b>	
<b>Tax on profit/loss for the year</b>			<b>4</b>
Calculated tax on taxable income of the year.....	143,770	2,546,097	
Adjustment of deferred tax.....	-32,485	39,990	
	<b>111,285</b>	<b>2,586,087</b>	
<b>Proposed distribution of profit</b>			<b>5</b>
Accumulated profit.....	211,721	8,917,906	
	<b>211,721</b>	<b>8,917,906</b>	

## NOTES

		Note
<b>Intangible fixed assets</b>		<b>6</b>
	Intangible fixed assets acquired	
Cost at 1 May 2016.....	1,122,965	
Cost at 30 April 2017.....	1,122,965	
Amortisation at 1 May 2016.....	355,601	
Depreciation for the year.....	112,298	
Depreciation at 30 April 2017.....	467,899	
Carrying amount at 30 April 2017.....	655,066	
<b>Tangible fixed assets</b>		<b>7</b>
	Other plant, machinery, tools and equipment	Leasehold improvements
Cost at 1 May 2016.....	3,857,384	1,249,200
Additions.....	1,884,242	19,721
Disposals.....	-608,687	0
Cost at 30 April 2017.....	5,132,939	1,268,921
Depreciation and impairment losses at 1 May 2016.....	2,375,949	1,211,062
Reversal of depreciation of assets disposed of.....	-509,827	0
Depreciation for the year.....	542,783	35,186
Depreciation and impairment losses at 30 April 2017.....	2,408,905	1,246,248
Carrying amount at 30 April 2017.....	2,724,034	22,673
Finance lease assets.....	1,249,830	
<b>Fixed asset investments</b>		<b>8</b>
		Rent deposit and other receivables
Cost at 1 May 2016.....		540,126
Additions.....		13,520
Cost at 30 April 2017.....		553,646
Carrying amount at 30 April 2017.....		553,646
<b>Prepayments and accrued income</b>		<b>9</b>
Costs.....	448,999	662,298
	448,999	662,298

## NOTES

				Note
<b>Share capital</b>				<b>10</b>
Specification of the share capital:				
Shares, 500 in the denomination of 1,000 DKK.....	500,000	500,000		
	<b>500,000</b>	<b>500,000</b>		
<b>Provision for deferred tax</b>				<b>11</b>
Provision for deferred tax comprises deferred tax on trade receivables, prepayments and intangible and tangible fixed assets.				
Deferred tax comprises:				
Intangible fixed assets.....	144,115	168,820		
Fixed assets.....	341,673	93,860		
Lease liabilities.....	-252,702	-44,034		
Provision for loss on debtors.....	-6,600	-6,600		
Prepayments.....	98,780	145,705		
	<b>325,266</b>	<b>357,751</b>		
<b>Long-term liabilities</b>				<b>12</b>
	1/5 2016	30/4 2017	Repayment	Debt outstanding
	total liabilities	total liabilities	next year	after 5 years
Lease liabilities.....	200,156	1,148,644	206,029	0
	<b>200,156</b>	<b>1,148,644</b>	<b>206,029</b>	<b>0</b>
<b>Contingencies etc.</b>				<b>13</b>
<b>Contingent liabilities</b>				
Until 18 June 2014 the Company participates in a Danish joint taxation arrangement in which Tabasco Clothing ApS served as the administration company. From the 19 June 2014 the Company serves as administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.				
The Entity has issued a letter of support to both Superdry Retail Denmark A/S, SD 1 ApS and SD 2 ApS.				
<b>Joint liabilities</b>				
The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.				
Tax payable of the group's jointly taxed income amounts to DKK 0 at the balance sheet date.				

## NOTES

	<b>Note</b>
<b>Charges and securities</b>	<b>14</b>
Bank loans are secured by way of a deposited letter of indemnity for DKK 6,000k nominal, see S 47 c Danish Land Registration Act, in trade receivables, inventories, operating equipment and tools, etc. The carrying amount of the assets charged is DKK 29,494k at 30.04.2017.	
The Entity has guaranteed a group enterprise's bank loans. The group enterprise's bank loans total DKK 0 at 30.04.2017.	
<b>Related parties</b>	<b>15</b>
<b>The Controlling interest</b>	
<i>SuperGroup PLC, Gloucestershire, United Kingdom</i>	
<b>Other related parties having performed transactions with the company</b>	
The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.	
<b>Transactions with related parties</b>	
The company did not carry out any substantial transactions that were not concluded on market conditions.	
<b>Consolidated financial statements</b>	<b>16</b>
Name and registered office of the Parent preparing consolidated financial statements for the largest and smallest group:	
SuperGroup PLC, Gloucestershire, United Kingdom	
The group report for the foreign parent company can be ordered from the following address:	
<a href="https://www.supergroup.co.uk/media/docs/SuperGroup-AR2017-FINAL-index-linked-010817.pdf">https://www.supergroup.co.uk/media/docs/SuperGroup-AR2017-FINAL-index-linked-010817.pdf</a>	



## ACCOUNTING POLICIES

The annual report of Supergroup Nordic & Baltics A/S for 2016/17 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

The company have due to increase in activities changed reporting class from B to C and have further changed the wording of the used accounting policies. Non of these changes have had an impact on the figures in the Annual Report.

The Annual Report is prepared consistently with the accounting principles used 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

Gross profit or loss comprises revenue, changes in inventories of finished goods, cost of sales and external expenses.

### Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

## ACCOUNTING POLICIES

### Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

### Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## BALANCE SHEET

### Intangible fixed assets consists of development projects

Development projects are measured at the lower of cost less accumulated amortisation or the recoverable amount. Development projects are amortised over 10 years.

### Tangible fixed assets

Other plants, fixtures and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Other plants, fixtures and equipment.....	3-6 years
Leasehold improvements.....	5 years

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Lease contracts

Lease contracts relating to tangible fixed assets where the company bears all material risks and benefits attached to the ownership (finance lease) are recognised as assets in the balance sheet. The assets are at the initial recognition measured at calculated cost equal to the lower of fair value and present value of the future lease payments. The internal interest rate of the lease contract is used as discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the company's other tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the income statement over the term of the contract. The company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

### Fixed asset consist of rent deposit

## ACCOUNTING POLICIES

Rent deposit are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

### Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

### Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

### Accruals, assets consists of prepayments amt accrued income

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

## ACCOUNTING POLICIES

### Liabilities

Amortised cost of current liabilities usually corresponds to nominal value.

The capitalised residual lease liability on finance lease contracts is also recognised as financial liabilities.

### Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

## CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement.