**SD 1 APS**

**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

Nicholas Barry Edward Wharton

**CVR NO. 33 95 55 37**

**CONTENTS**

## COMPANY DETAILS

| | | |
|---|---|---|
| **Company** | SD 1 ApS<br>Balticagade 24<br>8000 Aarhus C | |
| | CVR no.: | 33 95 55 37 |
| | Established: | 28 September 2011 |
| | Registered Office: | Aarhus C |
| | Financial Year: | 1 May 2016 - 30 April 2017 |
| **Board of Directors** | Euan Angus Sutherland, Chairman<br>Vanessa Margaret Lewis Camacho<br>Nicholas Barry Edward Wharton | |
| **Board of Executives** | Nicholas Barry Edward Wharton | |
| **Auditor** | Deloitte Statsautoriseret Revisionspartnerselskab<br>Dokken 8<br>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 SD 1 ApS 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

| | | |
|---|---|---|
| Euan Angus Sutherland<br>Chairman | Vanessa Margaret Lewis Camacho | Nicholas Barry Edward Wharton |

# INDEPENDENT AUDITOR'S REPORT

**To the shareholders of SD 1 ApS**

## REPORT ON EXTENDED REVIEW OF THE FINANCIAL STATEMENTS

We have performed an extended review of the financial statements of SD 1 ApS for the financial year 01.05.2016 - 30.04.2017. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

**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.

**Auditor's responsibility**
Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

**Conclusion**
Based on our extended review, 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.

## INDEPENDENT AUDITOR'S REPORT

**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 extended review 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 extended review 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 accord-ance 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 | Bo Klitten Kjærgaard |
| State Authorised Public Accountant | State Authorised Public Accountant |

## MANAGEMENT'S REVIEW

### Principal activities
The principal activities of the company is the operation of retail stores.

### Development in activities and financial position
A loss of 1,060 k was realised for the financial year 2016/17. The management expect improves results for the coming years.

The company has changed the wording of the used accounting policies. Non of these changes have had an impact on the figures in the Annual Report.

### 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.

## INCOME STATEMENT 1 MAY - 30 APRIL

| | Note | 2016/17<br>DKK | 2015/16<br>DKK |
|---|---|---|---|
| **GROSS PROFIT** | | **31,624** | **319,868** |
| Staff costs | 1 | -1,182,800 | -1,050,194 |
| Depreciation, amortisation and impairment | | -123,754 | -223,549 |
| **OPERATING LOSS** | | **-1,274,930** | **-953,875** |
| Other financial income | 2 | 0 | 22,238 |
| Other financial expenses | 3 | -83,635 | -81,759 |
| **LOSS BEFORE TAX** | | **-1,358,565** | **-1,013,396** |
| Tax on profit/loss for the year | 4 | 298,884 | 222,999 |
| **LOSS FOR THE YEAR** | | **-1,059,681** | **-790,397** |

## PROPOSED DISTRIBUTION OF PROFIT

| | | | |
|---|---|---|---|
| Accumulated profit | | -1,059,681 | -790,397 |
| **TOTAL** | | **-1,059,681** | **-790,397** |

## BALANCE SHEET AT 30 APRIL

| ASSETS | Note | 2017<br>DKK | 2016<br>DKK |
|---|---|---|---|
| Other plant, machinery, tools and equipment | | 75,586 | 29,224 |
| Leasehold improvements | | 99,340 | 94,490 |
| **Tangible fixed assets** | 5 | **174,926** | **123,714** |
| Rent deposit and other receivables | | 173,341 | 169,942 |
| **Fixed asset investments** | 6 | **173,341** | **169,942** |
| **FIXED ASSETS** | | **348,267** | **293,656** |
| Finished goods and goods for resale | | 927,320 | 598,423 |
| **Inventories** | | **927,320** | **598,423** |
| Deferred tax assets | | 240,887 | 0 |
| Other receivables | | 13,409 | 19,188 |
| Corporation tax receivable | | 0 | 219,399 |
| Joint tax contribution receivable | | 16,297 | 0 |
| Prepayments and accrued income | | 261,220 | 257,228 |
| **Receivables** | | **531,813** | **495,815** |
| **Cash and cash equivalents** | | **938,581** | **52,428** |
| **CURRENT ASSETS** | | **2,397,714** | **1,146,666** |
| **ASSETS** | | **2,745,981** | **1,440,322** |

## BALANCE SHEET AT 30 APRIL

| EQUITY AND LIABILITIES | Note | 2017<br>DKK | 2016<br>DKK |
|---|---|---|---|
| Share capital | | 80,000 | 80,000 |
| Retained profit | | -1,696,911 | -637,230 |
| **EQUITY** | 7 | **-1,616,911** | **-557,230** |
| Provision for deferred tax | | 0 | 41,700 |
| **PROVISION FOR LIABILITIES** | | **0** | **41,700** |
| Trade payables | | 67,940 | 5,591 |
| Payables to group enterprises | | 3,968,944 | 1,639,403 |
| Other liabilities | | 326,008 | 310,858 |
| **Current liabilities** | | **4,362,892** | **1,955,852** |
| **LIABILITIES** | | **4,362,892** | **1,955,852** |
| **EQUITY AND LIABILITIES** | | **2,745,981** | **1,440,322** |

| | Note |
|---|---|
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## NOTES

| | 2016/17 DKK | 2015/16 DKK | Note |
|---|---|---|---|
| **Staff costs** | | | 1 |
| Average number of employees | | | |
| 4 (2015/16: 3) | | | |
| Wages and salaries | 1,156,930 | 990,518 | |
| Social security costs | 13,335 | 22,758 | |
| Other staff costs | 12,535 | 36,918 | |
| | **1,182,800** | **1,050,194** | |
| **Other financial income** | | | 2 |
| Group enterprises | 0 | 22,238 | |
| | **0** | **22,238** | |
| **Other financial expenses** | | | 3 |
| Group enterprises | 83,093 | 81,759 | |
| Other financial expenses | 542 | 0 | |
| | **83,635** | **81,759** | |
| **Tax on profit/loss for the year** | | | 4 |
| Calculated tax on taxable income of the year | -16,297 | -219,399 | |
| Adjustment of deferred tax | -282,587 | -3,600 | |
| | **-298,884** | **-222,999** | |

| **Tangible fixed assets** | Other plant, machinery, tools and equipment | Leasehold improvements | 5 |
|---|---|---|---|
| Cost at 1 May 2016 | 292,236 | 825,516 | |
| Additions | 77,737 | 97,229 | |
| **Cost at 30 April 2017** | **369,973** | **922,745** | |
| Depreciation and impairment losses at 1 May 2016 | 263,012 | 731,026 | |
| Depreciation for the year | 31,375 | 92,379 | |
| **Depreciation and impairment losses at 30 April 2017** | **294,387** | **823,405** | |
| **Carrying amount at 30 April 2017** | **75,586** | **99,340** | |

| **Fixed asset investments** | Rent deposit and other receivables | 6 |
|---|---|---|
| Cost at 1 May 2016 | 169,942 | |
| Additions | 3,399 | |
| **Cost at 30 April 2017** | **173,341** | |
| **Carrying amount at 30 April 2017** | **173,341** | |

## NOTES

Note

### Equity 7

| | Share capital | Retained profit | Total |
|---|---|---|---|
| Equity at 1 May 2016 | 80,000 | -637,230 | -557,230 |
| Proposed distribution of profit | | -1,059,681 | -1,059,681 |
| **Equity at 30 April 2017** | **80,000** | **-1,696,911** | **-1,616,911** |

### Contingencies etc. 8

**Unrecogniced rental and lease commitments**

The Entity has entered into lease of a property. The lease is terminated by the end of october 2017, but with 6 month notice, the lease cannot exit before end of financial year 18. The annual rent is DKK 1,040,000 and the rent is indexed annually.

**Contingent liabilities**

The Company participates in a Danish joint taxation arrangement in which Supergroup Nordic and Baltics A/S serves as the administration company from the 19 June 2014. Until 18 June 2014 Tabasco Clothing ApS served as the administration company. 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.

**Joint liabilities**

The company is jointly and severally liable together with the parent company and the other group companies in the jointly taxed group 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 is stated in the annual report of Supergroup Nordic & Baltics A/S, which serves as management company for the joint taxation.

### Charges and securities 9

None.

## NOTES

**Note**

**Uncertainty with respect to going concern** **10**

The going concern assumption is based on the receipt of a letter of support from group enterprise.

The letter of support has the following wording:

**Letter of support for working capital of SD 1 ApS**

We, SuperGroup plc, confirm that, in the period up to 30 April 2018, SuperGroup plc shall be committed, on demand at one or more times, to contribute to SD 1 ApS the cash funds necessary for SD 1 ApS to meet its obligations as they mature. The contribution of cash funds shall take place by way of equity, as a capital increase or tax-exempt group contribution, or as loan capital by the granting of monetary loans, falling due for payment on 30 April 2018 at the earliest, and which, on the part of SuperGroup plc, shall be interminable in the period up to 30 April 2018, and by an amount, which the Board of Directors of SD 1 ApS estimates is sufficient for this company to meet its obligations as they mature. This letter of support shall remain in force regardless of whether capital is contributed to SD 1 ApS during the period. This letter of support guaranteeing contribution of cash funds shall be irrevocable and may without any special terms or conditions be enforced by the Board of Directors of SD 1 ApS.

**Consolidated financial statements** **11**

Name and registered office of the Parant preparing consolidated financial statements for the smallest group:

Supergroup PLC, Gloucestershire, United Kingdom.

The group report for the foreign parent company can be ordered from the following adress:

http://www.supergroup.co.uk/media/docs/SuperGroup-AR2017-FINAL-index-linked-010817.pdf

## ACCOUNTING POLICIES

The annual report of SD 1 ApS for 2016/17 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B with additional choice of rules relating to reporting class C.

**Change in accounting policies**
The accounting policies have been changed in the following areas:

- Inventories:
  Inventories are measured according to the weighted avage cost. Previously inventories were measured at the lower of cost using the FIFO methoed.

  The change in accounting policy is to align the accounting policy with group accounting policies in relation to stock.

  The change have had no effect on the income statement, balancesheet or equity given the seasonal nature of the stock and therefore the change in accounting policies have no effect on the Annual Report.

Besides changes in accounting policies for inventory the accounting policies are consistent with the policies applied last year. The wording of the used accounting policies have been changed. Non of these changes have had an impact on the figures in the Annual Report.

**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.

# ACCOUNTING POLICIES

## INCOME STATEMENT

**Gross profit or loss**
Gross profit or loss comprises revenue, changes in inventories of goods for resale, 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 of sales for the financial yaer measurd at cost, adjusted for ordinary inventory write-downs.

**Other external expenses**
Other external expenses include 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.

**Financial income and expenses in general**
Financial income and expenses include interest income and expenses. 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

**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 | Residual value |
|---|---|---|
| Other plants, fixtures and equipment............................................. | 5 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.

**Fixed asset investments**

## ACCOUNTING POLICIES

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

**Impairment of fixed assets**
The carrying amount of 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 according to the weighted average cost. For practical reasons and unless there is a significant difference, the last purchase price is used. If the net realisable value is lower than cost, the inventories are written down to the lower value.

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

**Prepayments and 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**
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

**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.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.