

SD 2 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

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Statement by Board of Directors and Board of Executives.....	4
Independent Auditor's Report.....	5-6
Management's Review	
Management's Review	7
Financial Statements 1 May 2016 - 30 April 2017	
Income Statement.....	8
Balance Sheet.....	9-10
Notes.....	11-14
Accounting Policies.....	15-18

COMPANY DETAILS

Company	SD 2 ApS Balticagade 24 8000 Aarhus C CVR no.: 33 96 15 29 Established: 9 October 2011 Registered Office: Aarhus C Financial Year: 1 May 2016 - 30 April 2017
Board of Directors	Euan Angus Sutherland, Chairman Vanessa Margaret Lewis Camacho Nicholas Barry Edward Wharton
Board of Executives	Nicholas Barry Edward Wharton
Auditor	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 SD 2 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
Chairman

Vanessa Margaret Lewis Camacho

Nicholas Barry Edward Wharton

INDEPENDENT AUDITOR'S REPORT

To the shareholders of SD 2 ApS

REPORT ON EXTENDED REVIEW OF THE FINANCIAL STATEMENTS

We have performed an extended review of the financial statements of SD 2 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

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 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

MANAGEMENT'S REVIEW

Principal activities

The principal activity of the company is the operation of retail stores.

Development in activities and financial position

A loss of DKK 700k was realised for the financial year 2016/17. The management expect improved results for the coming year.

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.

The only store in operation closed during the period. The ultimate parent company, SuperGroup plc has provided a letter of support for the next financial period. It is likely that the company will be struck off in financial year 18.

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 DKK	2015/16 DKK
GROSS LOSS		-73,032	427,497
Staff costs.....	1	-560,510	-893,006
Depreciation, amortisation and impairment.....		-148,694	-237,990
OPERATING LOSS		-782,236	-703,499
Other financial income.....	2	0	5,786
Other financial expenses.....	3	-115,177	-94,100
LOSS BEFORE TAX		-897,413	-791,813
Tax on profit/loss for the year.....	4	197,430	174,200
LOSS FOR THE YEAR		-699,983	-617,613
PROPOSED DISTRIBUTION OF PROFIT			
Accumulated profit.....		-699,983	-617,613
TOTAL		-699,983	-617,613

BALANCE SHEET AT 30 APRIL

ASSETS	Note	2017 DKK	2016 DKK
Intangible fixed assets acquired.....		0	35,417
Intangible fixed assets	5	0	35,417
Other plant, machinery, tools and equipment.....		0	38,329
Leasehold improvements.....		0	74,948
Tangible fixed assets	6	0	113,277
Rent deposit and other receivables.....		0	326,351
Fixed asset investments	7	0	326,351
FIXED ASSETS		0	475,045
Finished goods and goods for resale.....		0	474,259
Inventories		0	474,259
Deferred tax assets.....		161,524	0
Other receivables.....		0	39,829
Corporation tax receivable.....		0	157,300
Joint tax contribution receivable.....		8,806	0
Prepayments and accrued income.....		0	193,807
Receivables		170,330	390,936
Cash and cash equivalents		336,138	34,188
CURRENT ASSETS		506,468	899,383
ASSETS		506,468	1,374,428

BALANCE SHEET AT 30 APRIL

EQUITY AND LIABILITIES	Note	2017 DKK	2016 DKK
Share capital.....		80,000	80,000
Retained profit.....		-1,836,512	-1,136,529
EQUITY.....	8	-1,756,512	-1,056,529
Provision for deferred tax.....		0	27,100
PROVISION FOR LIABILITIES.....		0	27,100
Trade payables.....		12,461	2,376
Payables to group enterprises.....		2,130,136	2,172,521
Other liabilities.....		120,383	228,960
Current liabilities.....		2,262,980	2,403,857
LIABILITIES.....		2,262,980	2,403,857
EQUITY AND LIABILITIES.....		506,468	1,374,428
 Contingencies etc.	 9		
Charges and securities	10		
Uncertainty with respect to going concern	11		
Consolidated financial statements	12		

NOTES

	2016/17 DKK	2015/16 DKK	Note
Staff costs			1
Average number of employees 2 (2015/16: 3)			
Wages and salaries.....	543,440	845,961	
Social security costs.....	13,359	13,766	
Other staff costs.....	3,711	33,279	
	560,510	893,006	
Other financial income			2
Group enterprises.....	0	5,786	
	0	5,786	
Other financial expenses			3
Group enterprises.....	114,331	94,088	
Other financial expenses.....	846	12	
	115,177	94,100	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	-8,806	-157,300	
Adjustment of deferred tax.....	-188,624	-16,900	
	-197,430	-174,200	
Intangible fixed assets			5
		Intangible fixed assets acquired	
Cost at 1 May 2016.....		150,000	
Disposals.....		-150,000	
Cost at 30 April 2017.....		0	
Amortisation at 1 May 2016.....		114,583	
Reversal of amortisation of assets disposed of		-131,250	
Depreciation for the year.....		16,667	
Depreciation at 30 April 2017.....		0	
Carrying amount at 30 April 2017.....		0	

NOTES

			Note
Tangible fixed assets			6
	Other plant, machinery, tools and equipment	Leasehold improvements	
Cost at 1 May 2016.....	315,786	749,161	
Disposals.....	-315,786	-749,161	
Cost at 30 April 2017.....	0	0	
Depreciation and impairment losses at 1 May 2016.....	277,457	674,213	
Reversal of depreciation of assets disposed of.....	-309,399	-749,160	
Depreciation for the year.....	31,942	74,947	
Depreciation and impairment losses at 30 April 2017.....	0	0	
Carrying amount at 30 April 2017.....	0	0	
Fixed asset investments			7
		Rent deposit and other receivables	
Cost at 1 May 2016.....		326,351	
Disposals.....		-326,351	
Cost at 30 April 2017.....		0	
Carrying amount at 30 April 2017.....		0	
Equity			8
	Share capital	Retained profit	Total
Equity at 1 May 2016.....	80,000	-1,136,529	-1,056,529
Proposed distribution of profit.....		-699,983	-699,983
Equity at 30 April 2017.....	80,000	-1,836,512	-1,756,512

NOTES

Note

Contingencies etc.

9

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

10

None.

Uncertainty with respect to going concern

11

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 2 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 2 ApS the cash funds necessary for SD 2 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 2 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 2 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 2 ApS.

NOTES**Note****Consolidated financial statements****12**

Name and registered office of the Parent 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 address:

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

ACCOUNTING POLICIES

The annual report of SD 2 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 average cost. Previously inventories were measured at the lower of cost using the FIFO method.

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

The change has had no effect on the income statement, balance sheet or equity given the seasonal nature of the stock and therefore the change in accounting policies has 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 has been changed. None of these changes has 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.

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 year measured at cost, adjusted for ordinary inventory write-downs.

ACCOUNTING POLICIES

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

Intangible fixed assets

Intellectual property rights etc comprise acquired intellectual property rights.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

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

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

ACCOUNTING POLICIES

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 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.

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.

ACCOUNTING POLICIES

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.