SuperGroup Plc

Annual Report 2015

Welcome to our 2015 Annual Report.

SuperGroup Plc (“SuperGroup” or the “Company”) is the owner of the ‘Superdry’ brand, founded in Britain, which is rapidly becoming a global lifestyle brand.

We offer our customers around the world innovative, premium and affordable quality clothing and accessories. The Superdry customer set is loyal, wide, varied and is not defined by age but rather by their attitude.

In this report we outline our strategy and key performance indicators. We are committed to providing transparent and consistent reporting, reflecting a growing and more mature business.

We hope you enjoy reading our report and we welcome your feedback at investor.relations@supergroup.co.uk

Read more on our four strategic pillars:

▶ **EMBED** see page 17

▶ **ENABLE** see page 22

▶ **EXTEND** see page 25

▶ **EXECUTE** see page 27

Strategic Report

Our Governance

Financial Statements

British.

"Our product is our core connection with our customers. The better and stronger our product is, the better and more successful we as a business will be. This connection with our customers fuels our constant drive to innovate, to be best in class and develop the breadth of our product . . ."

James Holder
Founder, Brand and Design Director

"People are proud to wear our brand and we have very loyal customers. They feel the integrity of every single aspect of Superdry – whether it's the shop fit, the product, our colleagues – and it is authentic . . ."

Julian Dunkerton
Founder, Product and Brand Director

Chairman's Welcome.

"The Board's confidence in the underlying strengths of the business and its potential for the future is indicated by the decision to announce a maiden dividend for 2016 and a progressive dividend policy. We believe that the commercial model of the business allows us both to invest in new growth opportunities and return cash to shareholders."

Peter Bamford
Chairman

8 July 2015

Whilst our financial results fell short of the expectations that the Board and our shareholders had at the start of the year, I am confident that SuperGroup has finished the year in a much stronger position.

The Board and management team have been strengthened significantly through a series of changes. Julian Dunkerton's decision to step aside from the role of Chief Executive Officer has allowed him, with James Holder, to focus fully on the continued development of the Superdry brand and the evolution of our ranges. This, together with the appointment of Euan Sutherland to that position last October, has brought a new dimension to the leadership of the business. The three are working extremely well together and the Board is delighted with the progress being made. Euan's move from his non-executive role provided the opportunity to appoint Penny Hughes to the Board in April this year. Penny brings a huge breadth of experience from a wide range of different businesses and boards. Since the year end we have confirmed Nick Wharton in the role of Chief Financial Officer. Nick, who had been covering the role on an interim basis since February, brings deep financial management skills as well as broad retail and business experience.

Susanne Given, Hans Schmitt, and Shaun Wills all left the Company during the year and I would like to thank them for the contributions they made to the development of SuperGroup.

Since becoming Chief Executive Officer, Euan has worked closely with Julian, James and the rest of the management team to develop a new strategic framework which was presented to analysts and investors in March. This has given a sharp focus on the strengths of the brand, the areas requiring improvement, and the most important growth opportunities. Central to this process was gaining a clearer understanding of the Superdry customer base, how it has evolved over time, and the actions required to embed the core brand values in the business and enhance and extend our ranges. This will enable us to meet one of our key strategic challenges of remaining relevant to our core customers.

We now have systems which are much more robust and fit for purpose. New merchandise management, point of sale, HR and finance systems were installed and bedded-in during the year providing platforms which will enable future growth and efficiencies.

On the international front we opened 40,000 square feet of retail space in Germany, while the buy-out of our US licence partner in March and the announcement in July of the joint venture with Trendy International Group in China also provide platforms for significant long-term growth in these three large and important markets.

The Board's confidence in the underlying strengths of the business and its potential for the future is indicated by the decision to announce a maiden dividend for 2016 and a progressive dividend policy. We believe that the commercial model of the business allows us both to invest in new growth opportunities and return cash to shareholders.

Good governance is essential in enabling us to realise our full potential and supports successful execution. We have thoroughly reviewed many aspects of the way that the Board, Board Committees, and the Executive Committee operate. A number of refinements and improvements have been made to ensure that management has clear authority to operate within the established creative and entrepreneurial culture, while being balanced by appropriate challenges, controls and rigorous decision-making processes. The Board evaluation confirmed that the Board is generally working well but noted that some improvements can be made.

SuperGroup has an ambitious and demanding strategy for growth and operational improvement. One of the most important priorities for us is to ensure that we have the people and organisation necessary to lead and manage the execution of our strategy. Whilst the last year has seen a number of changes to Board composition we will continue to review the skills, experience and diversity required to ensure the long-term success of our Company. Euan is continuing to build and develop the executive team and intends to put greater focus on talent management and succession planning throughout SuperGroup.

I would like to thank everyone who has worked so hard in the continued development of SuperGroup and all of our shareholders for your investment and support.

The SuperGroup Investment Case.

We have a well-defined brand strategy and our extensive research shows that our brand is in good health

▶ See page 18 for more detail

We appeal to a broad and broadening customer base and our product range attracts customers of all ages

▶ See page 21 for more detail

We have a clear strategy for growing our e-commerce business and growing our business in Europe, North America and China

▶ See page 28 for more detail

Our business is in a growing sector and we are well positioned to capture market share

▶ See page 11 for more detail

We are a highly cash generative business, aiming to commence dividend payments in FY16 and committed to returning excess capital to shareholders

▶ See page 44 for more detail

We continue to invest in our business, enabling further growth and delivering strong returns on invested capital

▶ See page 45 for more detail

We are constantly innovating and extending our product range using data and research to drive innovation, and in so doing, ensuring newness

▶ See page 19 for more detail

We are becoming a more efficient business as we improve our process from design to customer and refine our Wholesale model

▶ See page 15 for more detail

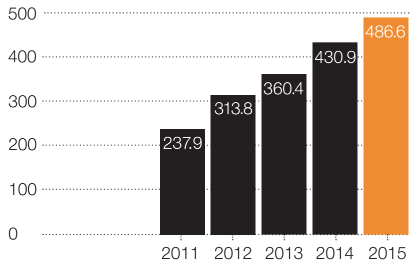
We have a strong, collaborative team working alongside the founders, continuing the journey towards becoming a global lifestyle brand

▶ See page 23 for more detail

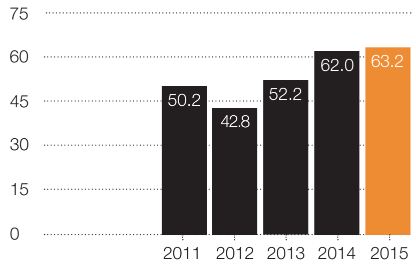
Strategic Report.
Our Governance.
Financial Statements.

Financial and Operational Highlights.

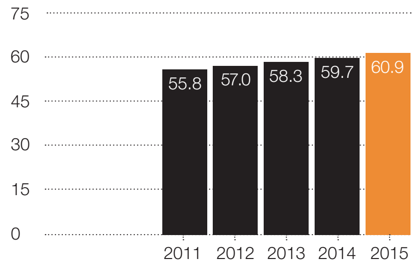
Group revenue
£486.6 million +12.9% growth



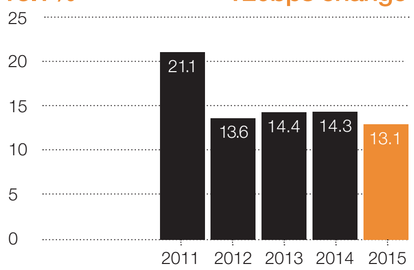
Underlying[1] Group profit before tax
£63.2 million +2.0% growth



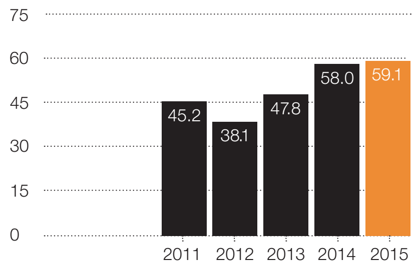
Group gross profit margin
60.9 % +120bps growth



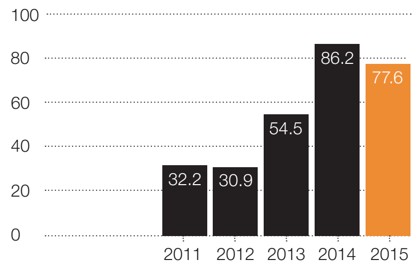
Underlying[1] Group operating profit margin
13.1% -120bps change



Underlying[1] basic EPS
59.1 pence +1.9% growth



Year-end net cash[2]
£77.6 million -10.0% change



Opened 82,000 square feet of new space
13.0% growth

7 localised websites added to bring the total to 25
38.9% growth

Buy-out of US license and acquisition of the exclusive rights to distribute Superdry products in North America

Our financial results reflect our strategy to establish Superdry as a global lifestyle brand.

- Group revenue up 12.9% to £486.6m
- Group gross margin up 120 basis points to 60.9%
- Underlying[1] profit before tax up 2.0% to £63.2m
- Underlying[1] earnings per share of 59.1p (2014: 58.0p)
- Basic earnings per share of 56.1p (2014: 34.0p)
- Net cash generated from operations of £35.0m (2014: £68.9m)
- Year-end net cash[2] position down 10.0% to £77.6m (2014: £86.2m)

▶ Read more on **Our Performance** on pages 36 to 45
▶ Read more about our **Key Performance Indicators** on pages 38 to 39.

[1] Underlying is defined as reported results adjusted to reflect the impact of the gain/loss recognised on re-measurements (being the fair valuation of deferred contingent share consideration and financial derivatives), exceptional items and, when appropriate, the related income tax. The directors believe that the underlying results provide additional guidance to statutory measures to help understand the performance of the Group. Further details of the adjustments are included in note 13. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

[2] Net cash includes cash and cash equivalent together with term deposits classified as an other financial asset.

The Journey So Far.

Superdry was launched in 2003 after an inspirational trip to Tokyo and aims to create 'future classic' garments inspired by fusing iconic vintage Americana and high-impact Japanese graphic imagery with a British twist.

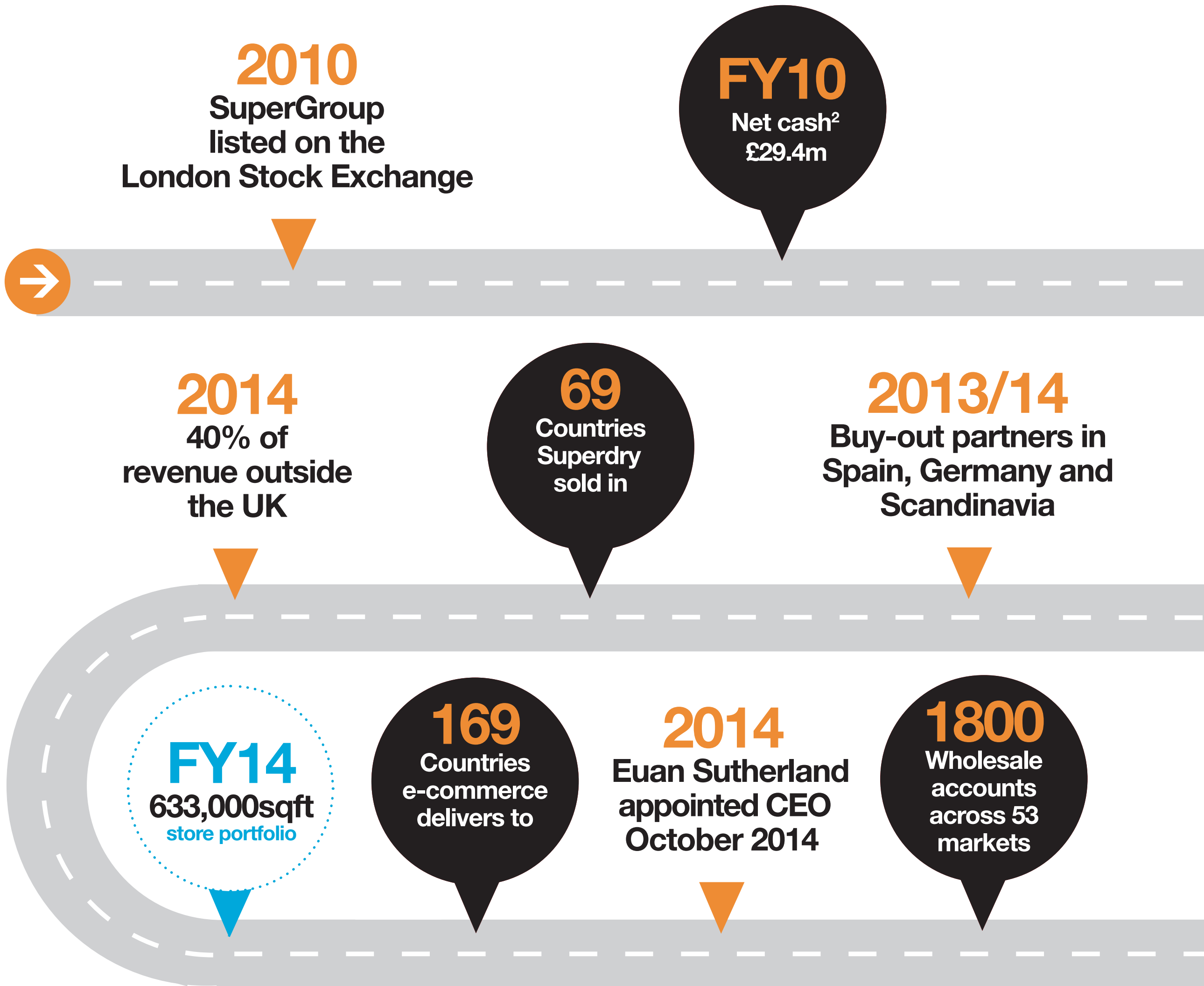
Superdry is a lifestyle brand designed for attitude not age with affordable, premium-quality clothing, accessories, footwear and cosmetics. As we develop the breadth and nature of our product range, we continue to appeal to a much broader, aspirational age group; those who want to feel amazing in what they wear and appreciate style, quality and attention to detail. Already well established in the UK, our home market, we operate a significant and continually expanding international business, selling through our websites, wholesale partners, a network of franchise stores and, increasingly, our stores.

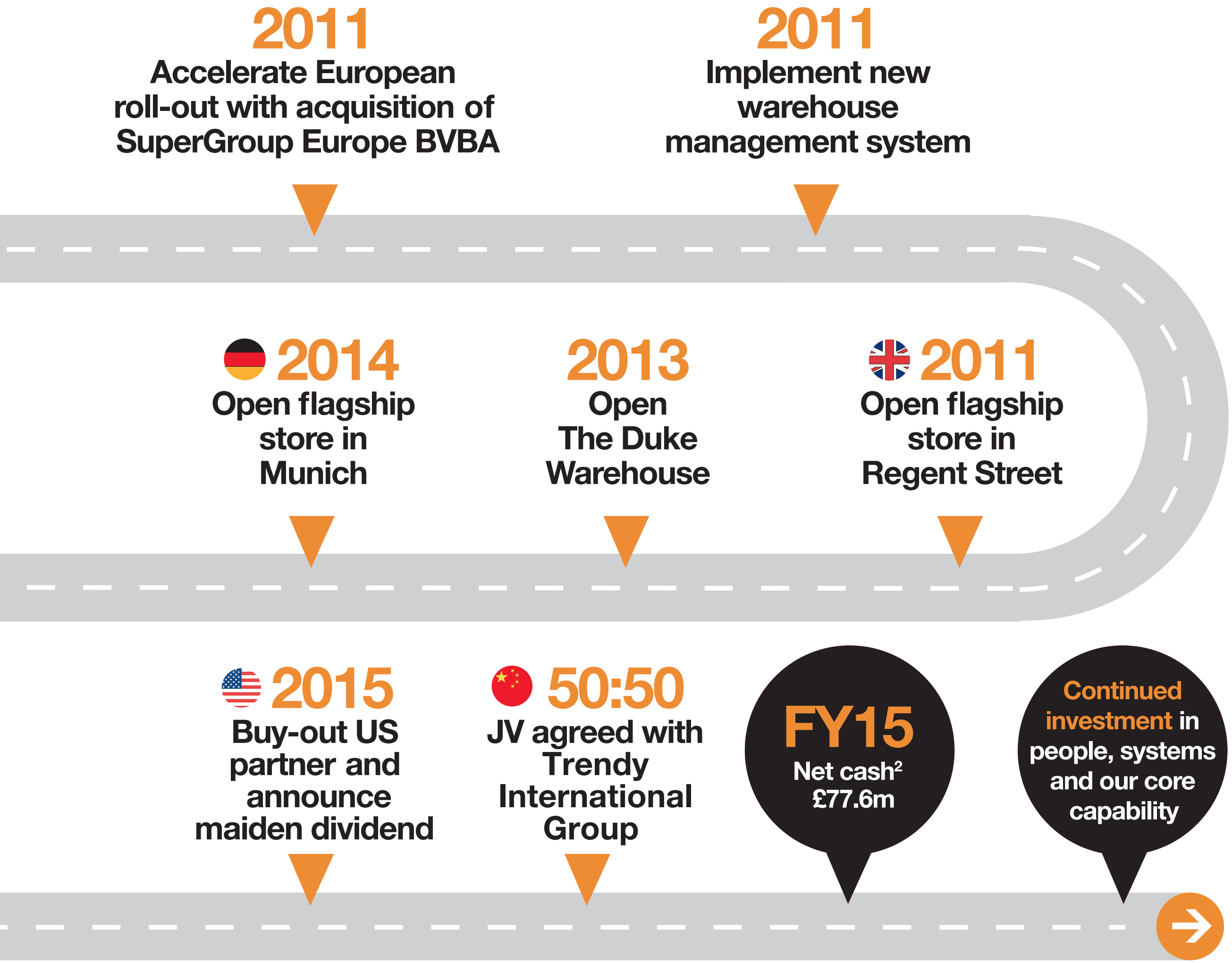
We have expanded quickly over the 12 years of our life, fast becoming an international brand. There has been no slow down over the past 12 months as we have added over 50 points of sale to our portfolio around the world, taking our total number of stores and concessions to 573 with a physical presence in 45 countries.

In addition to stores and websites, we have a successful and growing wholesale business. In the UK and North America, we sell directly to third party retailers and internationally we predominantly use a distribution network, taking advantage of local knowledge and expertise in each country. We focus on high-quality, contemporary products that, in varying degrees, fuse vintage Americana and Japanese-inspired graphics with a British style. They are characterised by:

- quality fabrics with authentic vintage washes
- unique vintage detailing
- world leading hand-drawn graphics
- tailored fits with diverse styling

▶ Read more on our website **supergroup.co.uk**





Our Growth Since 2010.

Our business has grown rapidly over the past five years, since listing on the London Stock Exchange. We will continue to grow our business across channels and geographies in order to deliver sustainable long-term growth.

+249% sales

+138% profit before tax[1]

+164% net cash[2]

+897% e-commerce net revenue

[1] Underlying profit before tax.

[2] Net cash includes cash and cash equivalent together with term deposits classified as an other financial asset.

Our Evolving Business Model.

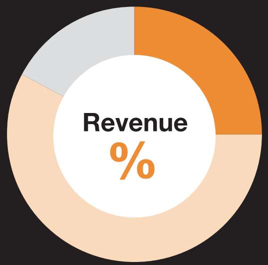
We design, produce and sell premium yet affordable clothing and accessories exclusively under the Superdry brand in 573 Superdry branded locations as well as online. Our broad product range, for men and women, holds wide appeal across a broad age spectrum.

Our brand management, and product design and innovation, is centralised at our head office in Cheltenham in the United Kingdom, along with all the main support functions including human resources, merchandising, finance, legal, marketing, IT and e-commerce. Whilst design, category management and merchandising of our products is done by our colleagues, our products are manufactured by partners (third party suppliers) predominantly located in Turkey, China and India. We have two main distribution centres – one in the UK and one in Belgium – which receive and dispatch our products across our multi-channel business (**wholesale, retail and e-commerce** – our three routes to customer). We plan to open another distribution centre in the US to better serve that market and to bring further efficiencies.

Enabling growth

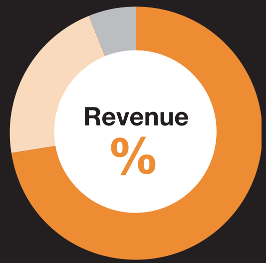
We have a multi-channel business with three routes to customer:

1 Wholesale



- UK & ROI 25%
- EU 58%
- Rest of World 17%

2 Retail



- UK & ROI 73%
- EU 21%
- Rest of World 6%

3 e-commerce

25 international websites delivering to over 169 countries

The **Wholesale** channel consists of:

- international franchise partners and individual franchise stores;
- international distribution partners, supplying the independent Retail markets in their territories;
- key wholesale accounts; and
- licensed markets.

We have accelerated our franchise and licence roll-out over the past couple of years to 221 stores.

Our **Retail** channel (which includes e-commerce) comprises the entire owned store portfolio in the UK, mainland Europe and North America together with our websites. There are 178 owned stores, with total space of 764,000 square feet, consisting of smaller boutique stores (usually found in mainland Europe), medium-sized stores of around 5,000 to 6,000 square feet (principally in the UK and increasingly so in mainland Europe), and larger stores, such as our flagship stores in Regent Street, London and Munich, Germany. Superdry outlet stores offer another opportunity for us to sell our product, protecting the brand integrity of our non-outlet stores whilst retaining gross margin.

E-commerce consists of 25 international websites across 18 countries covering 12 different languages and delivering to over 169 countries. E-commerce connects our Wholesale and Retail channels and includes our partner programme with Zalando, La Redoute, The Iconic and TMall.com. We use eBay as another sales channel to sell our end of line or discounted products whilst maintaining our brand integrity and retaining gross margin. An innovative way in which we have brought e-commerce and Retail closer together is through our iKiosks which give customers access to our full collection through the Superdry website, and the opportunity for in-store ordering and free next day collection.

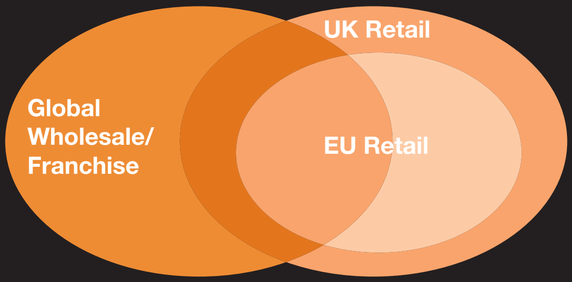
Our Evolving Business Model.

We are currently transforming our buying model and stock management process to improve speed to market, improve efficiency and lower the cost from design to customer. Over the next five years, with continued investment in our systems and processes, we expect our business model to deliver greater efficiencies. Key to this is:

- one single integrated range construction so that the Wholesale offering is a subset of the Retail range, which in turn is a subset of our largest range offered through e-commerce. This allows us to optimise our buying model across the routes to customer and, in turn, drives purchasing economies and enhances sell through;
- increasing our direct sourcing and better phasing product buys to ensure newness for our customer and improve stock management, product availability, and stock levels; and
- bringing our distribution centres closer to market, with a single pool of stock to maximise availability and achieve zonal fulfilment across all routes to customer.

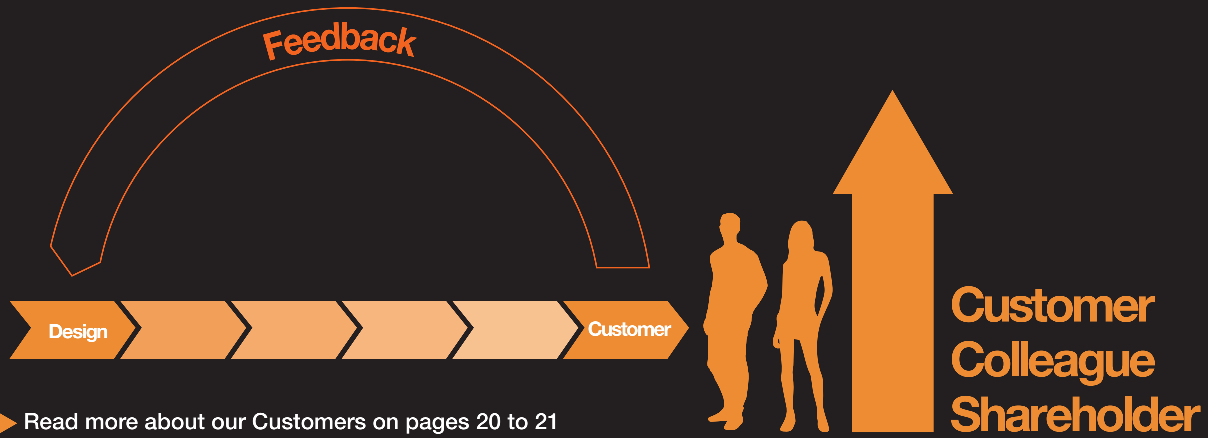
Our future business model

Previous stock buying model



New stock buying model

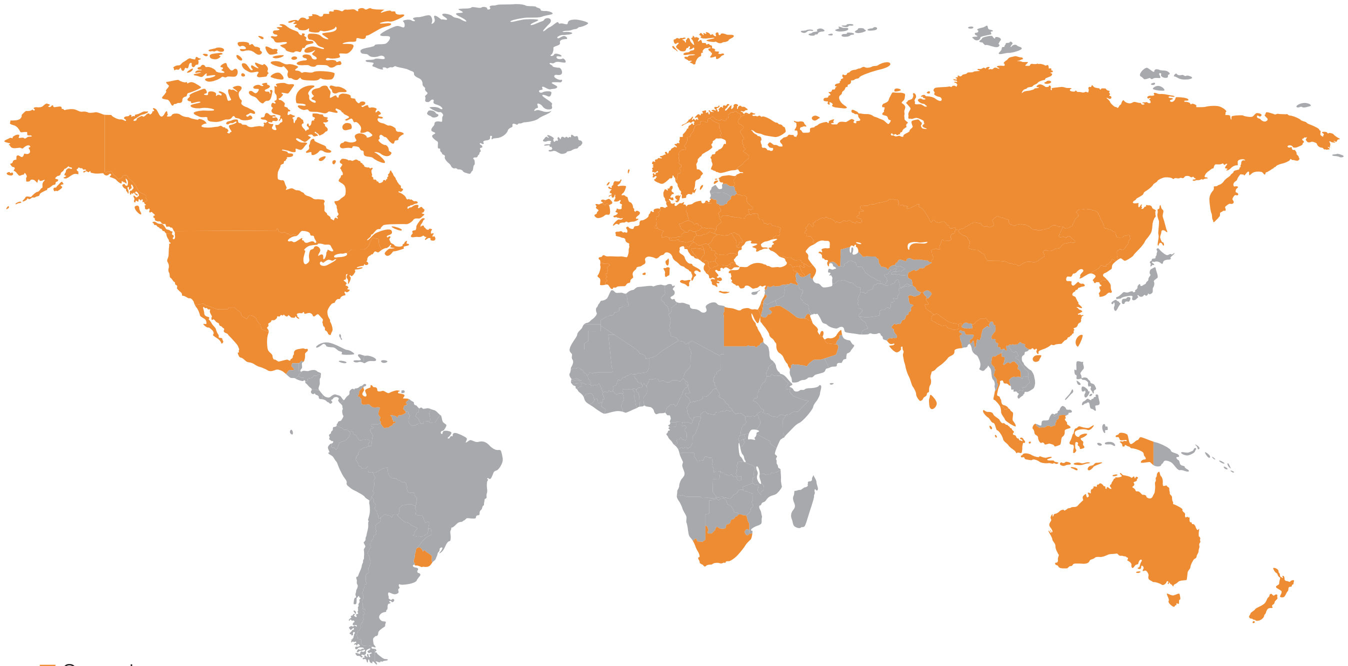
Future business model



▶ Read more about our Customers on pages 20 to 21
▶ Read more about our Colleagues on page 23
▶ Read more about our Governance on pages 50 to 87

Our Marketplace.

The Superdry brand competes with all clothing and accessory retailers on an indirect basis however, we occupy a niche position within the branded fashion market.



■ Superdry presence

AMERICAS
36 own stores and concessions

EUROPE
399 own stores, franchises and concessions

REST OF WORLD
138 franchises and concessions

From this established position, we continue to innovate and extend our product range to adapt to customer needs and market trends. We believe there are very few brands with our global reach and diverse customer base.

We sell our product in stores and through e-commerce channels, competing with traditional retailers and brands, pure e-commerce and multi-channel businesses. The impact of online retailing is becoming more evident as customers' shopping habits change with online channels increasingly used to research and purchase products. We are embracing this. For more information on our e-commerce strategy, please refer to page 28.

Superdry started its international expansion early on in its development and now is sold in 69 countries with 55% of total sales volume made outside of the UK. We are growing rapidly in mainland Europe, particularly in Germany. Given our growing presence, specifically in these three territories, we are well-positioned to take advantage of this growth as we strengthen our presence in existing markets and target new markets through our Wholesale and Retail channels.

Our short to medium-term focus is to grow the Retail proposition in Western Europe – we expect around 95% of our new space in financial year 2016 ("***FY16***") will be in markets outside the UK.

Chief Executive's Review.

"Every colleague at SuperGroup is passionate about the brand and focused on our goal of becoming a global lifestyle brand. I am pleased to report that we have made good progress this year in broadening and strengthening the appeal of the iconic Superdry brand. Underpinned by a clear strategy, we are improving the efficiency of our business and simultaneously capturing significant growth opportunities across the globe through our Retail and Wholesale channels. This will enable us to deliver long-term, sustainable, profitable growth . . ."

Euan Sutherland
Chief Executive Officer

8 July 2015

Our focus is to execute our strategy so that we deliver long-term sustainable growth.

Financial year 2015 ("*FY15*") was a game of two halves

I joined SuperGroup as Chief Executive Officer in October 2014 during the warmest autumn on record in the UK. These extremely mild weather conditions across Europe challenged all fashion retailers and hampered sales of Autumn/Winter products. This adversely impacted Group revenue in the first half.

However, in the second half our trading improved significantly as our promotional activities, necessary to address the level of inventory within the business, renewed focus on product with Julian in his new role, and improved processes began to gain traction.

We have been working tirelessly to professionalise our business, enabling it to withstand better the factors outside our control. Based on a better understanding of our customers and their needs, we have gained significant clarity on all aspects of our business and each part of the value chain, from the design stage of clothing and accessories to the logistics of getting our product to the right place at the right time in the right quantities.

This has allowed us to identify a number of improvements required in the business to enhance our customer offer, better communicate the appeal of the Superdry brand and ensure more efficient processes and controls. We are already seeing the benefits, notably from the increased collaboration between our sales channels – Wholesale and Retail (including e-commerce). Encouragingly, the momentum gained in the third quarter of FY15 has continued with growth in e-commerce sales accelerating and performance in our Wholesale business improving markedly as a consequence of the efficiency improvements we have made.

Overall, notwithstanding the challenges of the first half, we delivered healthy sales growth of 12.9% for the year and a 2.0% improvement in underlying profit before tax. With a clear understanding of our brand and customer, we can now drive forward and will continue to invest in our infrastructure, product, processes and people to deliver long-term, sustainable growth.

▶ Read more about **Our Performance** on pages 36 to 45

Chief Executive's Review.

At the end of March 2015, we unveiled our four pillar strategy to the market.

Our strategy is clear, grounded in a thorough understanding of our brand, customer and product.

Embed.

Our brand values for long-term sustainable growth

▶ Read more from page 17

Enable.

Investment in people, systems and infrastructure

▶ Read more from page 22

Extend.

Achieving growth potential in key categories

▶ Read more from page 25

Execute.

Growth opportunities in new markets and online

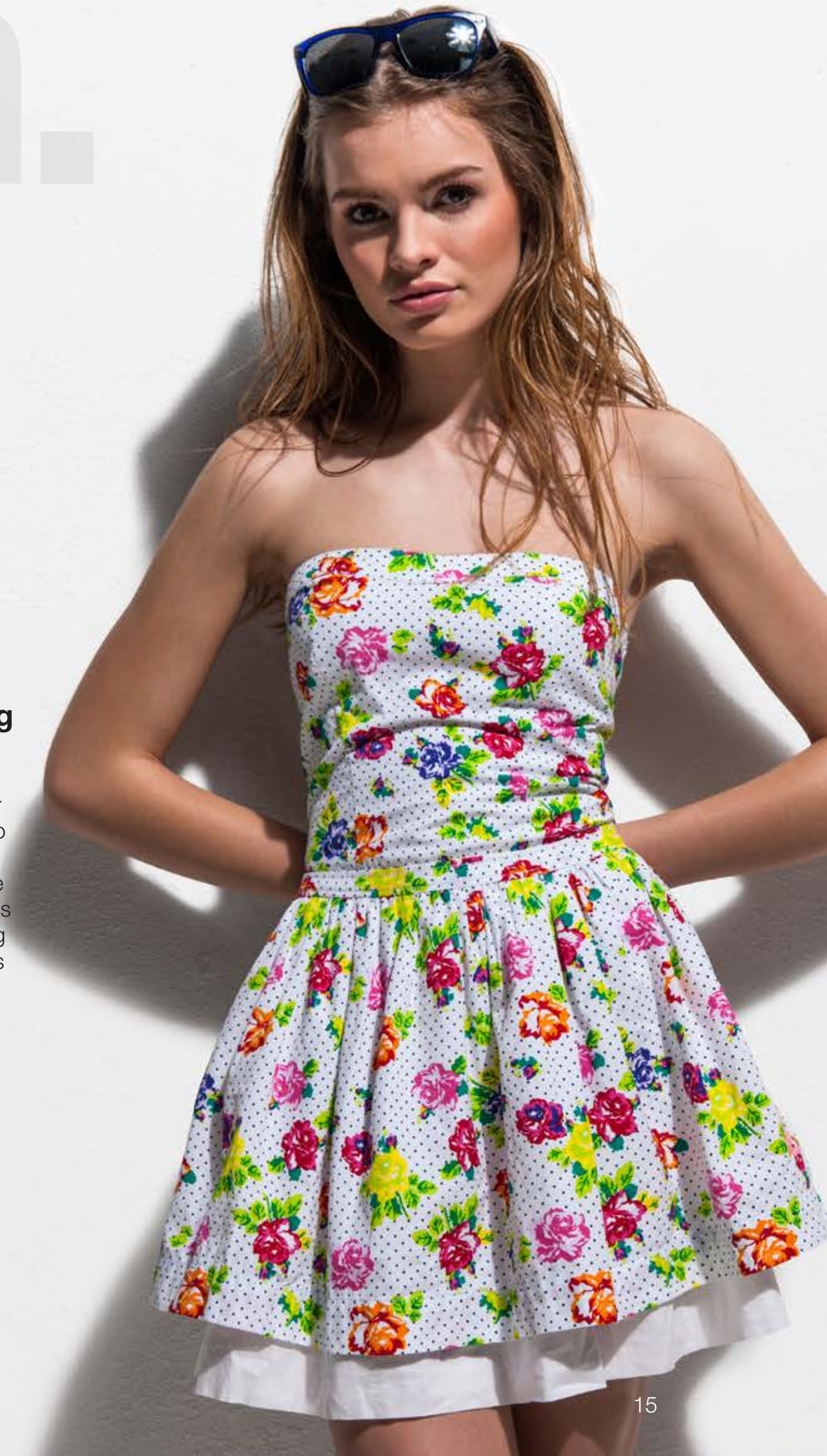
▶ Read more from page 27

To track and measure our progress we have identified a number of key performance indicators ("***KPIs***") (read more on pages 38 to 39). Our strategy is grounded in extensive research and data analysis which shows our brand is in good health in the UK and mainland Europe, and there are positive initial indications in the US. We have a much broader customer base than many, including ourselves, previously thought, which substantially increases our target market.

The two most exciting strategic developments, as we grew our global presence in FY15, were the buy-back of the US licence through the acquisition of assets from SDUSA LLC, and the collaboration with Idris Elba. More recently, we entered into a joint venture agreement with Trendy International Group, which will allow us to work with an established retail business based in China to enter the Chinese market in a controlled and managed way, without imposing significant organisational demand.

We are passionate about product innovation and, with the changes in management and investment in people we have made, our two founders are now able to focus on extending our product capability. Creating a series of perfect, icon products and continuous innovation ensures that the link between strong brand values and strong product attributes remains robust.

Premium.



The two key drivers of our growth are international expansion and improving efficiency:

International expansion: European expansion, buy-back of the US licence and the joint venture in China

The majority of future space growth in the near-term will come from mainland Europe, which is a market approximately five times the size of that in the UK, with our main focus on Germany, followed by Austria, Italy, Spain and Poland. Our European stores deliver excellent returns on capital with, on average, a two year payback. Looking at Germany in particular, we are pleased with the overall performance of the store portfolio especially given how young most of our stores are. We opened our first store in November 2012 and we plan to grow our presence from the 18 stores and six franchises we currently have to over 50 in the next five years.

In March 2015, we bought back the exclusive rights to sell and distribute Superdry products in the USA, Canada and Mexico ("***North America***") through the acquisition of assets from SDUSA LLC, our former licence partner. This follows the acquisitions of our Scandinavian, Spanish and German partners over the last 18 months.

Strategically, taking control of our product selection and enhancing our presence in North America is an important and natural step to realising our global ambition. It gives us the opportunity to enhance our brand and significantly build the long-term value of our business.

China is a very exciting market and forecast to overtake the US as the largest apparel and footwear market in the world. Customer tastes are evolving from luxury brands to brands influenced by "pop" culture and we believe that the Superdry brand, with the right product, pricing model and infrastructure, is well positioned to be successful. The most appropriate model for us to enter this market is to join forces with an established Chinese company and as such we have agreed a 10-year minimum 50:50 joint venture with Trendy International Group (subject to satisfactory performance). The operation will be funded by a combined investment of up to £18m though we anticipate that the joint venture will be self-funding within two years of operation. We will follow a measured roll-out programme with the day-to-day business operations managed by Trendy. Our involvement will be focused on strategic brand support, design services and marketing.

Improving efficiency: Design to customer optimisation, supply chain wins and refining Wholesale

The efficiency improvements we are making in the business primarily emerge from improvements to our design to customer process. As we optimise this process, we improve our speed to market and lower our costs. The improvements we are making are not ground-breaking initiatives and, to our benefit, many are practices already well proven in Retail. Some of the inefficiencies we identified include supplier over-concentration, not optimising direct sourcing, and committing to our buys too early leaving us with very little flexibility to adapt our product range later in the season. We also had different ranges for each of our routes to market with large discrepancies between the Wholesale and Retail ranges, and between different geographies.

Chief Executive's Review.

To remedy these inefficiencies we will be increasing our direct sourcing over the next five years and will establish our own quality assurance teams in India and China this year. We have begun phasing our orders and deliveries, helping not only our stock and warehouse management but also providing in-season newness in our product offering – critical to the success of our womenswear range in particular. Our newly appointed womenswear category manager is providing a crucial link between design and merchandising, using the insight we have gained from our customer and competitor research and information from previous buys to help shape and improve the range. Ultimately, over the next two years, we will establish an integrated approach so that Wholesale products form the core of our range and become a subset of Retail, with e-commerce offering our complete product range. This integrated approach will drive even greater efficiencies and effectiveness through our organisation. We provide an illustration of the change in our buying model on page 10.

Over the last two or three years, we have made great strides in improving our distribution facilities and processes. 'The Duke' (the UK distribution centre) which houses product for Retail, Wholesale and e-commerce, situated in Burton-upon-Trent in the UK, opened in 2013. However, with most of our future growth expected to come from the EU, there is a need to simplify our stock movement plan. Ultimately we will establish 'zonal fulfilment' with each zone able to fulfil Wholesale, Retail and e-commerce in specific markets. That way we better manage and balance our stock and we are closer to and better able to support our growth plans in each market. The first step to achieving zonal fulfilment is a single view of our stock. As we move into 2016 and then into 2017, we will create a single pick face across Retail and e-commerce at the Duke in the first instance and then incorporate Wholesale. This model will be replicated in other parts of the world as we expand our business.

Our stores too will benefit from ongoing investment over the next five years. This will include investment in systems to automate our assortment and space planning, and a revised grading system where we will have category-specific grading driving enhanced product allocation to each store based on its size and historical sales profile.

The performance of our Wholesale channel has been restricted by limited investment in the past three years, an unnecessarily complex business model which did not leverage the Retail offer, and consolidation in the marketplace resulting in the loss of key accounts. With Wholesale now being better integrated into the rest of our business planning and processes, there are many opportunities, centred on the design to customer process, to achieve closer alignment between Retail and Wholesale so that, in time, we will have a single optimised structure for all routes to market.

We have strengthened our team

We acknowledge that the loss of key colleagues is one of our biggest potential risks. We have invested in our design and buying departments and strengthened our category management and merchandising systems so that the two founders are entirely focused on design and product. A Transformation Director, who will take responsibility for the Group's key development activities and co-ordinate our business-wide change programme, will join the business this Summer.

Idris Elba collaboration

Golden Globe winning actor Idris Elba is collaborating with Superdry to design and produce a premium line of clothing which will be sold globally in stores and online, as well as through Wholesale partnerships from Autumn/Winter 2015. This new collaboration is part of our strategy to create a global lifestyle brand, building on the iconic heritage of Superdry to broaden and strengthen customer appeal. Idris, who is designing the range with James Holder, will be the face of the line. This exciting collaboration will prompt consideration of our brand by new customers and is evidence of our commitment to innovation and the strengthening of our premium range.

Embed.

Our brand values for long-term sustainable growth.

People
Doing the right thing for our Superdry family (customers and team)

Product
The ongoing creation of perfect products

Progression
Stay grounded and innovate like mad

Passion
Always keep the passion, energy and enthusiasm that created the brand

Embed.

Innovative, British, premium lifestyle brand with global appeal.

Product

The ongoing creation of perfect products

The first pillar of our strategy is to **EMBED** our founding principles and brand values, inspired by Julian and James, with every single colleague, every single store and online and in every country in which we operate so that there is a real understanding and appreciation of what our brand stands for. It is also about embedding the extensive knowledge of our customer into everything we do so that our customer feels valued and is loyal to Superdry.

Our brand is about attitude

Our brand is unique – it is an innovative, British, premium lifestyle brand with global appeal. It's accessible to everyone. It's a democratic brand. Our customer is not defined by age but rather by attitude.

Our three point brand strategy

There are three principal elements of our brand strategy:

1. **To build a global lifestyle brand**
   This encompasses the product, brand and retail experience. A global lifestyle brand appeals to customers through all life stages and is a way of life rather than an individual product. A global lifestyle brand has longevity.

2. **To drive awareness of the breadth of the Superdry range**
   As we constantly innovate our products, there is a need to ensure our existing and potential customers are aware of and buy into the breadth of our product range. This is particularly relevant for products for more mature customers and women, and will allow us to increase consideration and purchase across a broader customer spectrum.

3. **To build a broad cross-channel relationship with customers**
   Our customers interact with us in a multi-channel environment (i.e. both in-store and online). A multi-channel customer is of significantly higher economic value to us and we therefore seek to provide a consistent multi-channel experience around the world.

Having a consistent brand proposition globally is key to our success. We will achieve consistency by working as one team, applying best practice in each market, using global brand icons to connect the customer with the brand, and leveraging our global capability in merchandising, range selection and a clear understanding of how we optimise retail space.

Our four key product attributes

There is a strong link between our brand values and our four product attributes, which are: design detail; quality obsession; end-to-end innovation from product through to stores; and affordability.

Developing a breadth of range


Vests


Denim


Gilets


Shorts


Dresses


Accessories


Footwear


Bags

Embed.

Our target customer is not defined by age – it's their attitude.

Our customer is:

- ✓ from a broad spectrum
- ✓ aspirational
- ✓ appreciative of style, quality and attention to detail
- ✓ focused on value for money, not price
- ✓ feeling amazing in what they wear

▶ Read more on page 21

Our customer profile

We have completed both qualitative and quantitative customer research globally over the last 12 months, which has given us a greater understanding and insight into our customer demographics, their perception of Superdry and their buying behaviour.

The three key findings are:

1 **Superdry has broad democratic appeal and has consistent brand perception across the world**

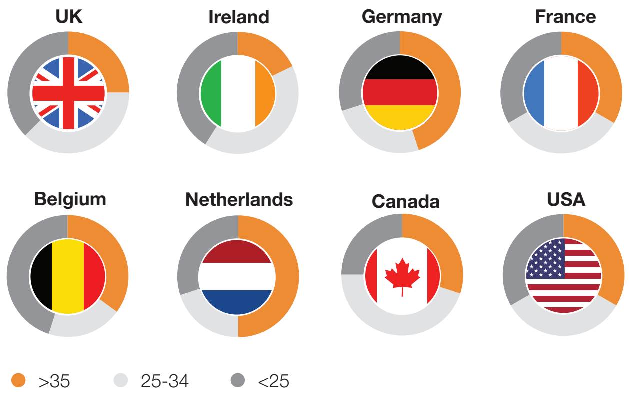
2 **Superdry remains relevant in its core UK market**

3 **Opportunities exist to better communicate the breadth of our product and extend certain categories, in particular womenswear**

The qualitative insights we have gleaned show what customers think of Superdry. This evidences that Superdry is a strong brand with considerable democratic appeal. We are renowned for high-quality products and iconic styles often associated with big logos, but have developed to also produce clothing with more subtle branding. However, these qualitative insights also show that the brand is still perceived as being rather masculine and that womenswear has a narrower appeal to younger customers. This is a significant opportunity for us and will be a key focus over the coming year. There is also some mystery around the brand and whether it is Japanese, American or British.

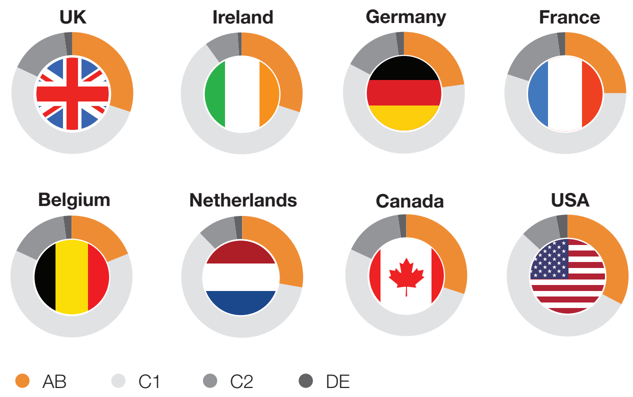
We have embedded this research in our design process and range planning as well as our customer communication and identified a number of opportunities to improve and extend our product range (see more on page 26).

Age profile trend in our market



Source: ABA Research online survey of Superdry e-commerce customers January–March 2015

Socio-economic profile



Source: ABA Research online survey of Superdry e-commerce customers January–March 2015

Our customers consistently say that Superdry is . . .

Enable.

Investing in our colleagues, systems and infrastructure.

We remain focused on sourcing the best talent.

3,900
Colleagues

100,000
Applications to join us

People
Doing the right thing for our Superdry family (customers and team)

The second pillar of our strategy is to **ENABLE** growth by continued investment in our colleagues, systems and infrastructure so that we drive more efficiency and greater profit opportunity as we grow our business.

Our investment in our colleagues

The entrepreneurial and innovative culture we inherited from our founders remains at the heart of our way of work. People at SuperGroup bring our brand to life and the success of our business is a direct result of the knowledge, skills, drive, passion and enthusiasm of our colleagues, wherever they are in the world. We believe this is due to the environment we have created where individuals can flourish and fulfil their potential.

We now employ in excess of 3,900 people across the UK, Europe, US and Asia. Colleague numbers will continue to increase as we grow the business. SuperGroup remains an attractive place to work and during the year we received more than 100,000 applications for roles and recruited in excess of 900 temporary workers to support Christmas 2014 peak trading.

We have further enhanced our suite of tools and learning opportunities to better equip colleagues to further the growth of our business. The demand for talent is ever greater and the ongoing review of our people across the business has enabled us to identify colleagues rich in our brand DNA, experience and skill set to support business development in new territories. This in turn provides colleagues with a more rewarding career. This review, conducted twice yearly, helps us to match future talent needs with existing talent in the business and supports our succession planning.

Looking ahead

Our focus is on sourcing the best talent and following a strategy to develop people ahead of the business's growth curve. We conducted our first engagement survey in June 2015 to help identify ways in which we can further support our colleagues to be at their best more of the time.

Enable.

Optimising the design to customer process.

Systems and infrastructure

As described on page 15, we are continuously improving the efficiency of our business by optimising the design to customer process. This has been enabled by the substantial investment in our IT systems, including our transactional and internal business systems, over the past two years. The end of FY15 marked a significant change in emphasis for our IT, systems and infrastructure teams. With us now having derisked substantially our infrastructure, the emphasis is on business-as-usual activities and on leveraging the newly deployed systems. Investment in our systems, infrastructure and processes will continue as we move into more territories and extend product categories.

The key system investments and improvements we have made this year to enhance our efficiency and the overall customer experience include:

1 Merchandise management system (Mercatus)

One year after completing the implementation of the merchandise management system, we are now leveraging the benefits of this fully automated system for Retail and e-commerce to manage our stock across Europe. We have a much improved view of our stock and our allocation and in-store and warehouse management of product has therefore improved. This has also resulted in more accurate reporting of stock availability and we are using the data generated by this system to inform range planning and stock allocation.

2 In-store point of sale system

We began the roll out of a new in-store point of sale system at the beginning of the year. This involved converting all our stores from a legacy Eurostop system to BTE Store 6.3 and new point of sale hardware. The benefits have been greater consistency across our estate, more and faster payment facilities, and near real-time reporting of our sales figures.

3 Financial system (Coda)

Following a rigorous selection process, Coda was selected as the Group's core financial system to provide the multi-national and multi-currency capability necessary to support the Group's global expansion. The replacement programme started in August 2014 with the initial implementation completed successfully in the second half of the financial year. The current financial year will see further enhancements to the system.

Extend.

Achieving growth in potential key categories.

Extend.

Significant opportunities exist for Superdry in just about every category other than male outerwear.

Our third strategic pillar is to **EXTEND**, through innovation of our existing product categories and also through the development of new, complementary product ranges.

Our product opportunities

We are putting data-driven insight into action by developing our product offering and improving our category management. Historically, we have been well known for our male outerwear, and specifically the upper-half of the body. By focusing on the categories and the subcategories that we are developing, we will drive the next phase of growth.

Significant opportunities exist for Superdry in just about every category other than male outerwear, particularly in womenswear, premium and denim, but also in active sportswear, ski and footwear. Our premium range is being refreshed as part of the collaboration with Idris Elba and will launch as part of the Autumn/Winter 2015 range.

Focusing on capturing the opportunity in womenswear

We have made substantial improvements in our womenswear over the past five years; however, we have not yet fully captured the opportunity. We have relatively low market share other than in specific subcategories such as logo t-shirts and logo sweats, where we have been very successful. Knitwear, for example, accounts for the largest proportion of value and volume in womenswear in the UK, a category in which we are growing rapidly. Dresses and outerwear, a more valuable category due to a higher average selling price, are two subcategories on which we are focused using a data-driven approach by, for example, adjusting our hem lengths and extending our size and colour offering. We aim to maintain our position in our strongest categories such as the iconic logo products whilst simultaneously growing our market share in knitwear, outerwear, tops and shirts, and denim.

In addition to improving our womenswear offering, our improved category management and design to customer process will offer newness more frequently as we go through the seasons – this is key to the success of our womenswear.

Passion

Always keep the passion, energy and enthusiasm that created the brand

Execute.

Growth opportunities in new markets and online.

Execute.

Forming a multi-channel relationship with our customers is vital.

Progression

Stay grounded and innovate like mad

The fourth pillar of our strategy is **EXECUTE**, bringing together all elements of the first three pillars and expanding our business globally, online as well as in our Retail and Wholesale channels.

Expanding our Retail estate in mainland Europe

A key driver of our growth strategy is the expansion of our Retail estate which is, as mentioned on pages 15 and 42, predominantly focused in mainland Europe. Our core owned estate targets stores between 3,000 to 6,000 square feet in major city locations or prime locations in shopping malls. Over the next five years we will grow by following a clear and systematic approach through a mix of owned retail, franchise and wholesale. We continued to make good progress and opened 73,000 square feet of new space in mainland Europe, including a 10,000 square feet flagship store in Munich, in FY15 and now operate from 66 owned stores: 20 in Belgium, 18 in Germany, seven in the Netherlands, seven in France, four in Scandinavia, six in Austria, two in Italy and two in Spain, where we also opened a further five El Corte Ingles concessions. Together these stores equate to 162,000 square feet of trading space, an increase of 82% during the year representing 21% of our total Retail estate.

Looking forward, we see significant opportunity for new Retail space in both our key markets and new markets.

The expansion of e-commerce continues

The strong growth in e-commerce continued in FY15 in Europe and in the UK, with the rest of the world, where our greatest growth opportunity lies, also doing well. Forming a multi-channel relationship with our customers is vital as our research suggests that multi-channel customers spend about 2.6 times more with Superdry compared to single-channel customers; and secondly, the retention index amongst multi-channel customers is about 80% higher than it is for single-channel customers.

The two key building blocks of our e-commerce business are being global and being multi-channel. Our philosophy is to enable customers to order anywhere, on any device, using any payment method, and have their order delivered to wherever they choose. As such, through 25 fully localised sites (sites that offer local pricing, currency, payment methods, customer service hours and content, translated into 12 languages) we are a 'glocalised' e-commerce business. Our partner programme is another important driver generating incremental growth. This is where we offer our product for sale on third party retailer sites, giving us access to new customers and allowing us to expand where we already have a presence whilst controlling the brand experience. We have eight partner sites currently, the most recent additions being The Iconic in Australia, performing ahead of our expectations, and TMall.com in China, which launched in March 2015. Whilst our partner programme is currently a relatively small part of our e-commerce business (c. 7% of e-commerce revenue), it has the potential to grow rapidly.

A key market development, which commenced in the UK in 2015, was our click-and-collect offering, 'Superdry Collect', which allows customers to order up until 10pm and collect from 12 noon the next day in any of our UK stores. We have complemented this with iKiosk – our in-store ordering on an iPad Mini with an integrated chip and pin device. This bespoke App gives customers in-store access to the full range from Superdry.com helping us capture lost sales from items being out of stock. The combination of the iKiosk and Superdry Collect is incredibly powerful and we therefore hope to roll this out to more stores around the world this year.

Corporate Responsibility.

“We believe that this approach is not only beneficial to stakeholders, but also contributes to the economic sustainability of the business itself.”

Corporate Responsibility.

In 2015 we will, together with Gloucestershire College, introduce apprenticeships at our head office in Cheltenham.

Our corporate responsibility programme is designed to:

- **drive environmental sustainability improvements**
- **respect workers in the supply chain**
- **support the communities SuperGroup interacts with**
- **ensure the welfare of our colleagues**

We believe that this approach is not only beneficial to stakeholders, but also contributes to the economic sustainability of the business itself.

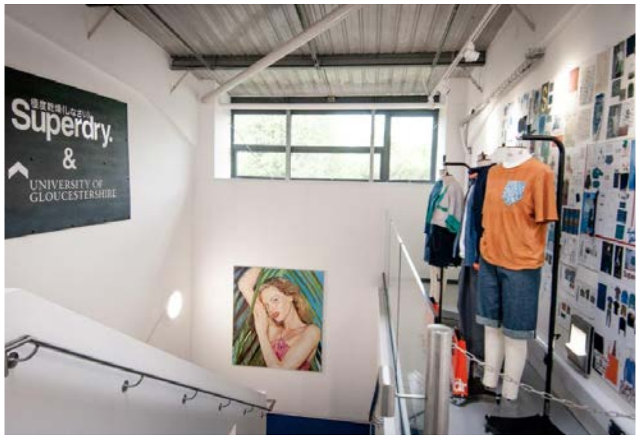
Governance and risk management of corporate responsibility

We remain committed to corporate responsibility at all levels in our business, with our ethical trading manager and energy environmental manager ensuring that the Executive Committee and Board are apprised fully on the progress we are making against our objectives. This team works with departments across the business to identify opportunities for operating in a more sustainable manner as well as helping to implement and monitor their success.

Issues pertaining to corporate responsibility are reviewed within our internal control and risk management processes. Ethical trading issues in the supply chain are considered as a risk to the business and are reviewed in accordance with risk management protocols. You can read more on how we manage our risks on pages 46 to 49.

Our role in the community

Youth employment remains an important social issue in the UK and in many other countries where we operate. The investment in our careers website has received overwhelmingly positive feedback from schools and careers advisers as it has raised awareness of the variety of careers young people can pursue and has shown them how to take that first step in building a career in our industry. Our paid intern (sandwich placement) programme was very successful and resulted in a number of participants joining SuperGroup in permanent roles. In 2015 we will, together with Gloucestershire College, introduce apprenticeships at our head office in Cheltenham.



Our collaboration with the University of Gloucestershire and their BA Honours in Fashion Design enabled colleagues from our in-house design team to support the next generation of designers by sharing their knowledge and experience, providing work placements and facilitating year one projects. Our partnership with the Prince's Trust, providing work experience to young people in our stores, continues and we are delighted that this programme has resulted in a number of participants becoming permanent colleagues.

We recognise that diversity contributes to our success

Equality and diversity are fundamental values supported by SuperGroup. We take our responsibilities under our equal opportunities policy seriously and we give full and fair consideration to applications for employment by disabled people. In the event of a colleague becoming disabled, every effort is made to ensure that their employment with us continues and that appropriate training is arranged. We respect individuals and their rights in the workplace and, with this in mind, specific policies are in place to prevent or, where issues are raised, address harassment and bullying and to ensure equal opportunities. Our whistleblowing policy and hotline continue to operate to give visibility to issues that might not have been resolved through normal business channels.

Our colleagues are from wide and diverse backgrounds, sexual orientations, nationalities and ethnic and religious groups. With continued global expansion, diversity amongst our colleagues will increase. We respect cultural differences, and learn about and embrace these differences in each territory in which we operate.

We recognise the benefits of encouraging diversity across the business and believe that this will contribute to our continued success. All appointments are made based on merit and are measured against specific objective criteria including the skills and experience needed for the position. We are committed to increasing the participation of women at the Board, Executive Committee and senior management level. As illustrated in the table below, as at 25 April 2015, more than half of our colleagues were female:

	Male		Female		Total
Role	No	%	No	%	No
Group Board directors[1]	7	88%	1	12%	8
Executive Committee[1]	5	62%	3	38%	8
Senior managers	10	56%	8	44%	18
Other employees	1,698	45%	2,110	55%	3,808
Total employees	**1,717**	**45%**	**2,122**	**55%**	**3,839**

1 Each group includes Julian Dunkerton, James Holder and Euan Sutherland.

Human rights and health and safety

We are committed to upholding human rights and we welcome the implementation of the United Nations' Guiding Principles of Business and Human Rights. Our Ethical Trading programme incorporates the principles of the California Transparency in Supply Chains Act by working to prevent human trafficking and slave labour in all of our factories around the world.

We recognise the importance of health and safety and are committed fully to providing a safe and healthy environment for our colleagues and customers. A risk management process including monthly inspections, annual auditing, and trend analysis is followed to identify hazards or increased risks within the Group and ensures that mitigating controls are effective. Health and safety policies and procedures are reviewed regularly to ensure they are robust and continue to improve further our health and safety standards. This, along with the ongoing training programme for stores and head office colleagues run by our health and safety team, has ensured that the reportable accident rate remains extremely low at just four for this financial year. Colleagues are encouraged to report any health and safety concerns they may have either internally, through an escalation procedure, or via the independent whistleblowing hotline. No reports or calls regarding health and safety have been made in this financial year. We have invested substantial amounts in installing and upgrading our physical security and fire detection systems to protect colleagues and customers.

Corporate Responsibility.

Our colleagues share in our success

Sharing in our success is something we value highly and, for the fourth year running, colleagues have the opportunity to join the Sharesave scheme. At this year's annual general meeting ("***AGM***") we will seek approval to offer both a share incentive plan and a company share option plan to ensure that a wider population of colleagues can benefit from the Group's success, to allow us to recognise personal contribution, and to deepen engagement with the Company and brand.

Integrity of our relationships

We remain focused on the safety of and ensuring fairness for all workers in the factories that manufacture Superdry products. We seek to ensure that suppliers comply with local and international legislation and recognised standards of best practice.

Our responsibilities

We are committed to producing high-quality products responsibly and our suppliers must sign up to our Ethical Trading Code of Practice ("***Code of Practice***"). Based on the conventions of the International Labour Organisation, the Code of Practice sets out the minimum standards expected from suppliers and their employees and covers safe and fair working conditions: no forced labour, child labour, discrimination or physical maltreatment; freedom to associate and collectively bargain; and fair wages and reasonable working hours. All factories participate in our established ethical audit programme and are audited regularly by a globally recognised third party audit provider. Where factories fall short of the Code of Practice, we work with them to achieve sustainable improvement.

Strong collaboration

In any one season we will work with over 130 factories globally – most of our production is in Turkey, India and China. Long-term stable partnerships are critical to our success and many of our core suppliers have been our partners for over ten years. We work together to encourage transparency and to improve continually to achieve a stable supply base. As part of this, we have integrated our ethical trading team into the sourcing team to form one integrated operational function. Combined with regular factory visits by our colleagues, the high visibility of ethical trading further reinforces our commitment to our suppliers. The new structure also supports a greater understanding within the business of challenges faced by factories and allows us to focus on core improvement areas when working with our suppliers.

Ethical Trading Initiative

As a member of the Ethical Trading Initiative we learn from trade unions and non-governmental organisations as well as other brands how to address ethical trading issues collectively.

Key initiatives

We continue to partner with locally based experts, as detailed below, to support us where we identify the need for greater transparency and improvement.

- **Pre-approval**: Having integrated our ethical trading team into our sourcing team, we have established a comprehensive technical and ethical pre-approval review process to ensure that any new factories we work with meet our requirements. This demonstrates a more proactive approach to improving our supplier relationships.
- **Improved audit integrity**: We are moving to a semi-announced ethical audit model (this is where factories are provided a one month timescale during which an audit will take place as opposed to an exact date) to provide us with greater visibility on the day-to-day working environment in our supply base. We also continue to complete unannounced audits to check results where performance is below the requisite standards. 154 ethical trading audits across nine countries were conducted during the year which enabled us to identify issues relevant to particular suppliers and to put in place action plans to address these issues.
- **Supporting improvement**: We have been working closely with suppliers of our core outerwear and accessories to deliver sustainable ethical and productivity improvement. Given the success of this in improving core management systems, we will roll this programme out to key suppliers over the next three years. We are also establishing a team of locally based experts to provide corrective action support in key sourcing countries.

Environment Value

"We are passionate about being a more sustainable business. Not only does sustainability drive innovation, it is also the 'right way' to run our business, helping to protect people and the planet and, in turn, enhancing our reputation."

Corporate Responsibility.

Carrier bag charge

As part of the Welsh and Scottish carrier bag regulation we raised approximately £11,000. These funds have been donated to our chosen charities, the ‘*Marine Conservation Society*’ to clear litter from Welsh beaches, and Scottish charity ‘*Trees for Life*’ to help restore native forests across the Highlands.

Environment and Communities

How we create environmental value

Reducing our environmental impact is vital to the economic sustainability and success of our business. The SuperGroup Environmental Policy, sanctioned by the Chief Executive Officer, commits us to reduce greenhouse gas emissions, energy consumption and waste. In line with this policy, we continued several projects and also introduced new projects (as detailed below) to lower our energy and resource consumption.

Energy efficiency: The roll out of automated (‘smart’) meter readers for real time monitoring of energy use continued in FY15 and 82% of UK stores now have these meters fitted. Any abnormal energy consumption is therefore flagged and we can promptly investigate and resolve the issue, avoiding energy waste.

After successful trials, all new UK and mainland Europe stores are being fitted with a building management system so that heating and lighting can be controlled and adjusted remotely. This maximises energy efficiency – we have already realised cost savings of 10% per year versus similar stores without this system. The system is currently in 21 stores and we plan to retrofit older stores in FY16.

Renewable energy: This financial year, 89% of our UK electricity was generated by solar wind and hydro schemes, delivered in partnership with a renewable energy supply company (an increase of five percentage points on last year). During the same period, four stores in the Republic of Ireland were also powered by renewables for the first time and other Superdry territories will see ‘green energy’ as the primary source of power over the coming year.

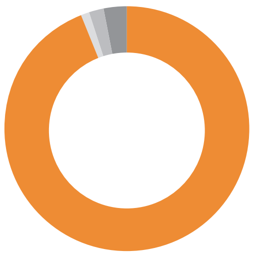
Lighting: Following a successful trial in our Nottingham store in the UK, we upgraded our store lighting systems in 20 stores to new energy efficient LED technology. This has reduced total electricity consumption in these stores by 20% on average achieving a combined annual saving of 660,000 kilowatt hours of electricity – enough to power over 150 UK homes. It is now standard that all new stores are fitted with LED lighting technology.

Textile recycling: Over 80 tonnes of waste textiles from our UK design, sampling and warehouse teams was recycled in FY15.

Global greenhouse gas ("*GHG*") emissions (Tonnes of CO_2 equivalent)

	1 May 2014 to 30 April 2015	5 May 2013 to 6 May 2014
Emissions from:		
Combustion of fuel and operation of facilities	**355**	321
Electricity, heat, steam and cooling purchased for own use	**9,422**	7,439
Emissions per £million of revenue	**19.13**	18.00

FY15 CO_2 by emissions source



- Electricity consumption
- Gas consumption
- Company owned vehicles
- Refrigerant leakage

We have measured our operational and wider carbon footprint for the past five years, identified the largest climate impacts and prioritised resources accordingly. Our methodology is to report on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources include all of our owned and operated Retail stores and office space. We do not have responsibility for any emission sources outside this. Data has been prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from UK Government's GHG Conversion Factors for Company Reporting 2014.

Working with our communities

Superdry360, our charity and community support programme launched in 2014, continues to grow and is a platform for charitable projects supporting the local, national and international communities in which we operate. In FY15 we raised or donated a total of approximately £175,000. In FY15 our key initiatives included:

Match funding: A five-fold increase from the previous year as we matched £8,656 in support of our colleagues' chosen charitable causes.

Cheltenham Design Festival: This ongoing association saw us donate in support of the 20 week Design Academy for local 14–18 year olds. We offered 17 young people a one day work experience taster session at our Cheltenham head office, giving them first-hand experience of working for a design-led company.

Prince's Trust: We provided sponsorship and work placements for six young people as part of the 'Get into Retail' programme run by The Prince's Trust. This course gives young people aged 16 to 25, who are work ready but do not have vocational skills, a mixture of practical training and work experience. Given its success, we plan to run a full 'Get into Retail' programme with The Prince's Trust during the summer of 2015.

Charity of the Year – CARE International: Over 50 colleagues participated in the CARE Prima Challenge on Exmoor. By completing a marathon course on foot, bike and canoe they helped CARE generate funds to support some of the world's most vulnerable communities. Further fundraising activities were carried out in store and at our head office.

Our Performance.

"Our focus remains on the growth of a global lifestyle brand through the extension of the Superdry brand and execution of clear Retail growth opportunities, underpinned by continued investment to strengthen our business."

Nick Wharton
Chief Financial Officer

8 July 2015

These financial results reflect our strategy to establish Superdry as a global lifestyle brand by expanding the business globally through each of our three routes to market: Retail, e-commerce and Wholesale.

Introduction

We made good progress this year with total retail space increasing by 13% (21% inclusive of the USA) and e-commerce sales increasing by approximately 40%. Total sales grew by 12.9% over the year with, encouragingly, each channel also delivering positive like-for-like growth.

We continue to invest in our business to support future growth. Capital investment, totalled £41.2m (2014: £36.0m) including investment in new Retail space of £22.1m (2014: £26.9m) which required additional central resources to manage this increased scale. The development of our Group infrastructure remains a clear priority through the enhancement of our team capability and improved systems. At the end of the year, we terminated the US licence and purchased the assets of SDUSA LLC for total consideration of £22.5m.

The shape of our financial performance was very different in each half year. The first half of the year was impacted by unseasonably warm autumn weather conditions which resulted in Group Retail like-for-like sales (including e-commerce) decreasing by 4.1% and year on year profit before tax decreasing by 30.2%. The second half of the year saw a marked improvement in performance with significant increases in revenue and underlying operating profit.

The Group's key performance indicators that are to be adopted for future reporting are shown on pages 38 to 39.

21%
Increase in retail space

c. 40%
Increase in e-commerce sales

£41.2 million
Capital investment

Measuring our Performance.

Following a review of the metrics considered most appropriate to measure the performance and progress of the Group, the key performance indicators that are to be adopted for future reporting are shown below.

Growth

- Group revenue represents amounts receivable for goods supplied, net of discounts, returns and sales taxes.
- Foreign currency sales are translated at the average rate for the month in which they were made.
- Total Retail selling space is defined as the trading floor area of all Group owned standalone stores, excluding concessions, and does not include stockrooms, administration and other non-trading areas.
- New store payback represents, for stores opened in the past three financial years, the actual or anticipated period to recover the initial investment in capital and working capital.
- Like-for-like sales growth is defined as the year-on-year increase in revenue from Group stores, e-commerce and concessions open for more than one year, and allowing for store upsizing of no more than 100% in original trading space.
- E-commerce participation is the proportion of Retail sales represented by e-commerce.

Growth KPIs

Group revenue – H1
(£m) +8.4% change

2014	192.1
2015	208.2

Group revenue – H2
(£m) +16.6% change

2014	238.8
2015	278.4

Group revenue – full year
(£m) +12.9% change

2014	430.9
2015	486.6

Total retail selling space (including USA)
(764,000 sq. ft) +20.7% change

2014	633
2015	764

Payback on new store investments
(Months)

2014	21
2015	23

Like-for-like sales
(%) +160 bps change

2014	3.2
2015	4.8

E-commerce participation of Retail revenue
(%) +290 bps change

2014	15.3
2015	18.2

Wholesale sales
(£m) +4.9% change

2014	145.4
2015	152.5

Operational

- Gross margin percentage is gross profit expressed as a percentage of Group revenue.
- Underlying operating profit margin is the ratio of underlying operating profit to external revenue. Underlying operating profit is external revenue less cost of sales, selling, general and administrative expenses, plus other gains and losses (net), and before charging/crediting re-measurements and exceptional items (note 13).

Operational KPIs

Gross margin
(%) +120 bps change

Underlying operating profit margin
(%) -120 bps change

Financial

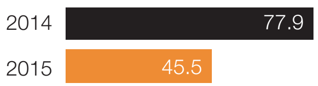
- Underlying fully diluted EPS is underlying profit after tax attributable to the owners of the Company divided by the weighted average number of shares.
- Cash flow from operations represents the cash generated from the core operating activities of the Group, excluding capital expenditure, financing, taxation, and acquisitions.

Financial KPIs

Underlying profit before tax – full year
(£m) +2.0% change

Net cash position[1]
(£m) -10.0% change

Cash flow from operations
(£m) -41.6% change



Underlying fully diluted EPS
(p) +2.8% change

[1] Net cash includes cash and cash equivalent together with term deposits classified as an Other Financial Asset.

Our Performance.

Group profit and loss

Group revenue for the year rose by 12.9% to £486.6m (2014: £430.9m), with revenue from newly opened and maturing Retail space contributing 8.2% of this growth. The Group gross margin rose 120 basis points to 60.9% (2014: 59.7%), reflecting the benefit of business acquisitions, sourcing and pricing gains, partially offset by a focused promotional programme designed to drive customer footfall during key trading periods and to reduce surplus inventory.

Group underlying operating margin declined by 120 basis points on last year to 13.1% (2014: 14.3%). Operating margins were broadly flat year on year in the second half, with operating performance being offset by continued infrastructure investment. The decline on a full year basis reflects the 330bps decline in the first half driven by significantly reduced sales volumes in that period.

Sales and distribution costs (which include costs associated with operating stores (including depreciation) and transporting products) totalled £197.4m (2014: £162.7m), an increase of 21.4%. These costs are primarily driven by our continuing store opening programme, where average Retail space increased by 17.1% during the year.

A number of business acquisitions were made in the second half of FY14, therefore FY15 carries the full year costs of our owned operations in Europe and Scandinavia that were previously operated as distributors. These costs represent c. 8% of the total increase in sales and distribution costs and are more than offset by an enhanced gross margin.

Against the benchmark of increased Retail space, store costs increased by 17.0%, and were flat year on year as a percentage of Retail sales. Distribution costs were also impacted by the increased participation of e-commerce, which carries higher unit delivery cost, our global expansion and the volume impact of the promotional activity. After the benefit of ongoing productivity gains delivered by the relocation of our UK distribution centre, distribution costs increased in the year by 30.2%, increasing as a percentage of sales by 100 basis points.

Central costs (which include the costs of operating our global operations teams and support functions, marketing costs and related depreciation) were £40.9m (2014: £37.8m), an increase of 8.1%, decreasing as a percentage of sales by 40 basis points. In addition, the Group continues to invest in key infrastructure, particularly in its merchandising, IT and design team and in new, more scalable and functional IT platforms to support future international expansion.

Underlying profit before income tax increased by 2% on the prior year to £63.2m (2014: £62.0m).

Global.

	Underlying 2015 £m	Re-measurements £m	Exceptional costs £m	Reported 2015 £m
Revenue:				
Retail	334.1	–	–	334.1
Wholesale	152.5	–	–	152.5
Group revenue	486.6	–	–	486.6
Gross profit	296.2	–	–	296.2
Operating profit:				
Retail	62.4	3.6	(3.4)	62.6
Wholesale	47.5	9.8	(12.5)	44.8
Central costs	(46.0)	–	(1.2)	(47.2)
Total operating profit	63.9	13.4	(17.1)	60.2
Net finance expense – central costs	(0.2)	–	–	(0.2)
Share of loss of investment – central costs	(0.5)	–	–	(0.5)
Profit before income tax:				
Retail	62.4	3.6	(3.4)	62.6
Wholesale	47.5	9.8	(12.5)	44.8
Central costs	(46.7)	–	(1.2)	(47.9)
Total profit before income tax	63.2	13.4	(17.1)	59.5

Underlying and reported profit

Underlying is defined as reported results adjusted to reflect the impact of exceptional items and re-measurements (and the related income tax where appropriate). We believe that the underlying results provide additional guidance to statutory measures to help understand the performance of the Group. All references to underlying are after making these adjustments.

For FY15 those items relate to the following:

- the gain on financial derivatives of £13.4m (see note 13);
- restructuring and reorganisation costs relating to head office of £2.7m (see note 13);
- the termination of the US licence and acquisition of assets from SDUSA LLC of £14.9m (see note 13);
- the acquisition of the Spanish and UK agents and Scandinavian distributor of £0.5m (gain) (see note 13).

Our Performance.

Our Retail division (including e-commerce)

Reflecting the continued expansion of owned stores across the EU together with positive Group Retail like-for-like growth in the year of +4.8% (2014: +3.2%), our Retail division delivered revenue of £334.1m (2014: £285.5m), up 17.0% on the year. The Retail division now represents 69% of total Group revenue (2014: 66%) and added 82,000 square feet of space in the year through 28 store openings in 8 countries, including importantly 8 in Germany. Group Retail like-for-like sales were particularly fuelled by a strong e-commerce performance benefitting from enhancements to the on-site customer journey, delivery proposition improvements, the introduction of a greater number of localised (local language and check-out) sites and improved and widened product availability on our key partner sites.

The Retail division's operating profit in FY15 was £62.6m (2014: £49.2m). Underlying operating profit in the year was £62.4m (2014: £54.8m), up 13.9% on the year, and underlying operating profit margin was 18.7% (2014: 19.2%).

The operating margin decline reflects the net impact of adverse weather trends in the autumn, which initially dampened sales and necessitated promotional activity to clear excess stock, and the impact of foreign exchange fluctuations, partially offset by continued scale-led efficiencies within our store portfolio.

Retail division	2015 £m	2014 £m	Growth
External revenues	**334.1**	285.5	17.0%
Underlying operating profit	**62.4**	54.8	13.9%
Underlying operating margin (%)	**18.7%**	19.2%	(50)bps
Re-measurements	**3.6**	(2.0)	
Exceptional items	**(3.4)**	(3.6)	
Retail operating profit	**62.6**	49.2	27.2%

69%
Total Group revenue

28
Stores opened in 8 countries

Our Wholesale division

Our Wholesale division delivered revenue of £152.5m, up 4.9% (2014: £145.4m), representing 31% of total Group revenue (2014: 34%). At the end of the year the Group had Wholesale operations in 69 countries through 212 (2014: 185) Superdry branded franchise stores and 9 (2014: 23) licensed stores.

Revenue growth in Wholesale was achieved mainly through territories outside Europe (rest of world) and clearance channels. Revenues within the UK were adversely impacted by the failure of a key customer, while revenues within Europe were reduced by the strengthening of sterling against the Euro. The rest of world has seen an increase in orders through the existing franchise partnership base opening new stores and the addition of new partnership deals.

Wholesale revenue by territory	**2015 £m**	2014 £m	Growth %
UK and Republic of Ireland	**31.6**	31.9	(0.9)
Europe	**87.3**	86.5	0.1
Rest of World	**25.9**	20.6	25.7
Clearance & other	**7.7**	6.4	20.3
Total Wholesale revenue	**152.5**	145.4	4.9

Operating profit in the year was £44.8m (2014: £41.0m), whilst underlying operating profit was £47.5m (2014: £47.8m). Underlying operating margin was 31.1% (2014: 32.9%), a decline of 180 basis points year on year. This was predominantly due to the impact of currency, higher levels of bad debt and from higher customer returns driving increased supply chain costs.

Wholesale division	**2015 £m**	2014 £m	Growth
External revenues	**152.5**	145.4	4.9%
Underlying operating profit	**47.5**	47.8	(0.6)%
Underlying operating profit margin %	**31.1%**	32.9%	(180)bps
Re-measurements	**9.8**	(1.7)	
Exceptional items	**(12.5)**	(5.1)	
Wholesale operating profit	**44.8**	41.0	9.3%

69
Countries where we operate

31%
Total Group revenue

Our Performance.

Taxation in the period

Our income tax expense on underlying profit of £14.8m (2014: £14.9m) represents an effective tax rate of 23.4% (2014: 24.0%). This is higher than the statutory rate of 20.9% (2014: 22.8%) primarily due to the depreciation and amortisation of non-qualifying assets and non-allowable expenses.

The UK corporation tax rate reduced from 23% to 21% with effect from 1 April 2014 and will further reduce to 20% with effect from 1 April 2015.

During the year we paid £40m (2014: £49m) in UK taxes, which includes corporation tax, import duty, business rates, employer's national insurance and stamp duty.

In preparation for the listing of the business on the London Stock Exchange, a substantial reorganisation was undertaken with effect from 7 March 2010 and the Group's subsidiaries acquired net assets with a total fair value of £375m. Within this amount, £340m was identified as intangible assets and goodwill. In previous years we have highlighted the uncertainty around the tax deductibility of this goodwill arising and the related deferred tax asset. In October 2014 HMRC agreed the value of the intangibles held and accordingly the related deferred tax assets are now confirmed to be fully recoverable.

Earnings per share

Underlying basic earnings per share is 59.1p (2014: 58.0p), an increase of 1.9%.

Reported basic earnings per share is 56.1p (2014: 34.0p) based on a basic weighted average of 80,972,376 shares (2014: 80,580,959 shares). The increase in the basic weighted average number of shares is predominately due to 441,917 five pence ordinary shares being issued during February 2014 in accordance with the deferred contingent share consideration agreement following the acquisition of SuperGroup Europe BVBA in 2011. There was also an increase in share premium in the year of £0.2m in respect of 19,818 five pence ordinary shares issued as the first tranche of consideration following the buy-out of the German agency and franchise agreement in October 2013.

Underlying diluted earnings per share is 58.8p (2014: 57.2p) and diluted earnings per share is 55.8p (2014: 33.6p). These are based on a diluted weighted average of 81,370,944 (2014: 81,653,319) shares, with the reduction in the year arising from the cancellation of performance-related options granted under our performance share plan (for details of this plan please refer to page 78).

Dividends

We have kept our dividend policy under review since listing on the London Stock Exchange in 2010. We recently announced our intention to commence the payment of ordinary dividends with an interim dividend payment in FY16. The introduction of a dividend policy acknowledges our confidence in the Superdry brand as well as our ability to deliver sustainable profitable growth, cash generation and return on capital. The policy also recognises the significant range of investment opportunities available to us to grow shareholder value and provides flexibility for the organic and other opportunities that may require investment concentrated within a short time period.

Key parameters of our dividend policy are as follows:

- we intend to adopt a progressive dividend policy at a prudent earnings cover targeting 3.0x – 3.5x;
- we intend to adopt a dividend formula so that the interim dividend will be the equivalent of approximately one-third of the total dividend for the previous year; and
- if, over an extended period, excess capital has not been deployed, we will consider one-off returns to shareholders whilst maintaining flexibility through a positive cash balance.

Cash flow, balance sheet and investments

We remain financially strong and highly cash generative, retaining net cash balances (including cash equivalents and term deposits classified as an other financial asset) of £77.6m (2014: £86.2m) as at the end of the year after funding continued investment across our business and the buy-back of the US operations in March 2015.

Cash generated from operations of £45.5m is reduced versus the prior year (2014: £77.9m) due to increases in inventory levels beyond that required to support our increased operational scale through new stores and sales growth, together with a reduction in trade payables as more of our supply is arranged via direct relationships with suppliers.

Investment in inventories, trade receivables and trade payables increased by 42.4% during the year to £96.7m (2014: £67.9m) and as a proportion of Group revenue was 19.9% (2014: 15.8%). The increase was predominantly driven by the growth of the business, including the increase in the store portfolio, the working capital acquired in the USA and residual inventory from the Autumn/Winter 2014 trading conditions combined with earlier intake of Spring/Summer product. Inventory increased to £107.9m (2014: £77.8m), up 38.7% and trade payables were £51.2m (2014: £42.4m), an increase of 20.8% on the prior year, and represented 10.5% (2014: 9.8%) of Group revenue. Reflecting the improvement in the Wholesale business in the final quarter of the financial year, trade receivables (excluding prepayments and provisions) increased by 23.1% to £40.0m (2014: £32.5m) and were 8.2% (2014: 7.5%) of Group revenue.

We continue to review our supplier base in order to manage risk and meet growth expectations. During the year, the number of suppliers decreased to 58 (2014: 66) although several of these operate from multiple locations. Changes to sourcing in recent years have resulted in the supply base being focused in three principal territories: Turkey, China and India. The flexible sourcing model that we have adopted, in terms of both suppliers and territories, enables us to generate competitive tension between suppliers and de-risk our sources of supply.

There has been an increase in acquisitions and investments in property, plant and equipment and intangible assets to £41.2m (2014: £36.0m). This has been driven by the termination of the US licence, expenditure incurred in opening 94,000 (gross of closures) square feet of new Retail space, ongoing information technology investments and, recognising the strengthening of central capability and the ongoing centralisation of regional support functions, and the reconfiguration and expansion of our UK head office.

As at 25 April 2015, the net book value of property, plant and equipment was £72.3m (2014: £70.3m). During the year, £22.1m (2014: £26.9m) of capital additions were made, of which £13.0m (2014: £21.8m) relates to leasehold improvements across the Group relating to new stores. We continue to generate strong returns on these investments with the average payback from stores opened in the last three financial years anticipated to be 23 months. The balance is made up of furniture, fixtures and fittings (£5.1m) and computer equipment (£2.9m). Leasehold improvements, furniture and fittings and computers with a value of £4.9m were acquired as part of the business combination in the USA and Scandinavia.

Landlord contributions of £1.2m (2014: £4.6m) were received during the year and will be amortised over the length of the respective leases.

Intangible assets, comprising goodwill, lease premiums, distribution agreements, trademarks, the website and computer software, stood at £52.1m at the year end (2014: £46.7m). Acquisitions in the year resulted in £8.8m being added to intangibles.

Current assets		2015 £m	2014 £m	Growth %
Inventories		**107.9**	77.8	38.7
Trade and other receivables	Trade receivables	**40.0**	32.5	23.1
	Other receivables/derivatives	**40.7**	21.8	86.7
Subtotal receivables		**80.7**	54.3	48.6
Net cash[1]		**77.6**	86.2	(10.0)
Total current assets		**266.2**	218.3	21.9
Trade and other payables	Trade payables	**(51.2)**	(42.4)	(20.8)
	Other payables/derivatives/borrowings	**(41.6)**	(30.7)	35.5
Total current liabilities		**(92.8)**	(73.1)	26.9
Net current assets		**173.4**	145.2	19.4
Working capital	Inventories	**107.9**	77.8	38.7
	Trade receivables	**40.0**	32.5	23.1
	Trade payables	**(51.2)**	(42.4)	(20.8)
Total working capital		**96.7**	67.9	42.4

[1] Net cash includes cash and cash equivalent together with term deposits classified as an other financial asset.

Robust financial management

We believe that robust systems and business and monitoring processes allied to a culture of strong cost control are key to operating our business effectively and efficiently in both the short and long term. Significant improvements to business processes and financial controls have been made during the year, aided by the replacement of our core finance system and the roll out of process improvements related to the implementation of enhanced merchandise management systems at a store level. Furthermore, in line with best practice and other retail businesses, the Group has reviewed its contractual relationships with suppliers and can confirm that there are no complex supplier arrangements in place.

Outlook

Having delivered a further year of revenue and profit growth despite challenging trading conditions in the first half, our focus remains on the growth of a global lifestyle brand through the extension of the Superdry brand and execution of clear Retail growth opportunities, underpinned by continued investment to strengthen our business.

We are well placed to continue this growth through a strong pipeline of new stores in our targeted European markets, good momentum in e-commerce, and the clear opportunity to further increase brand awareness through our collaboration with Golden Globe winning actor, Idris Elba.

How we Manage our Risks.

In accordance with the UK Corporate Governance Code (the "Code"), we understand the need for a robust system of internal control and risk management. Following a review of our risks, we have further assessed our key risks and uncertainties which are reviewed by the Executive Committee and Board twice a year. We consider the following matters to be the principal risks and uncertainties affecting SuperGroup. These may not be exhaustive and there might be additional unknown risks that could have an adverse effect on the business.

Risk	Potential impact	Mitigation	Change
Fashion and design trends may not be responded to in a timely manner. This could become more significant for us as womenswear becomes a larger proportion of our sales.	We may experience inventory shortages or excesses that could result in lower margins, lost revenue or customer goodwill.	Our founders are intrinsic to the brand and have a strong understanding of and connection to the market and our customers. This knowledge combined with an extensive programme of customer research over the past 12 months has provided a clear understanding of our customers. This has enabled focused range planning and product development. The introduction of category management disciplines for SS16 will further embed this approach. We continue to develop new product ranges such as the recent Rugby and Superdry Snow launches. The upcoming collaboration with Idris Elba is expected to further broaden and strengthen customer appeal. We have made further investment in strengthening the design team in both numbers and experience.	↔
Failure to achieve long-term business growth as a result of either the lack of an effective strategy or the failure to successfully implement the strategy.	Failure to achieve planned growth targets could significantly impact on investor sentiment.	The four pillar growth strategy presented in March 2015 sets out how we will create a global lifestyle brand. These are: • **Embed** the Superdry brand to further broaden and strengthen the brand's appeal; • **Enable** the business to deliver long-term growth through continued investment in people, processes and systems; • **Extend** the Superdry product range to capture significant growth opportunities; and • **Execute** global growth opportunities, in new markets and online. We have strengthened our management team during the year and, combined with the experience and knowledge of our founders, our leadership team now has a good mix of capabilities and experience. Gaps in the executive team have been identified and are being filled with the planned appointments of a Global Retail Director and a Transformation Director who will start in September 2015. We continue to be strongly cash generative and able to fund our ongoing investment programme.	↔
Failure to deliver on our business aspirations in North America.	Failure to improve the performance of our North American business could result in financial losses and/or brand damage, which could undermine the strategy of becoming a global lifestyle brand.	A combined team of UK and US colleagues will bring a balance of our global strengths with local knowledge of existing operations and the North American market. We have established clear plans to integrate and improve the existing Retail and Wholesale business. Key focus areas include improving operational efficiency, selling the full range of Superdry products to North American customers and enhancing the overall customer experience, online and in store.	NEW

Risk	Potential impact	Mitigation	Change
Failure to deliver business critical projects.	Failure to deliver key projects could impact on the effectiveness and efficiency of business operations or delay growth opportunities.	We continue to focus on the delivery of key projects to provide the business with the core infrastructure to support future growth. Highlights of the past 12 months include the successful implementation of the new finance system and the completion of the transition of the European Retail business into a central merchandising system. Cross-functional projects in the pipeline will be delivered under the guidance of a new central programme team providing a more consistent approach to embedding changes across the organisation. The standardised project methodology currently being deployed provides a framework for improved project delivery, visibility and management of project risks and issues. This change programme will continue with ongoing systems investments and, in FY17, establishing a new European distribution centre.	↓
Loss of key individuals or the inability to attract and retain talent.	Lack of appropriately skilled and experienced resource could result in a delay in achieving the Group's strategic goals.	Euan Sutherland's appointment as Chief Executive Officer and Julian Dunkerton's move to the newly created role of Founder and Product and Brand Director provide the necessary leadership skills to drive our global strategic goals. Our executive team has undergone significant change in FY15. With the recruitment that has already taken place or is in progress, we have a strong and highly experienced team in place. Our ongoing talent review and succession planning process is providing the executive team with the necessary data and tools to understand the future skills requirements of the business. This process is also helping to ensure that our employees benefit from rewarding careers. The approach we have taken to increasing our direct recruitment, backed up by a strong recruitment website, has successfully supported recruitment at all levels across the Group.	↔
Economic and financial conditions result in challenging trading conditions or economic instability.	Our results can be affected by the impact of economic conditions on consumer confidence and buying habits.	Our diversified business model encompassing Retail (including e-commerce) and Wholesale along with our increasing global footprint, provides significant counter-economic protection. The implementation of new IT systems and the integration of European Retail operations have enabled a deeper understanding of the performance of our business. Regular reviews through customer research and a review of competitor pricing, together with forecasting disciplines, are in place to assess current market conditions and to ensure that any issues are dealt with in a timely manner. Our Wholesale team manages closely credit terms and use of insurance and bank guarantees with their trading partners to balance their ability to purchase goods with managing the risk of bad debts. Our treasury function monitors the stability of financial institutions that hold our deposits. Investments are spread over a number of institutions to mitigate this risk and ensure competitive terms. The policy governing this is laid out in note 31 of this report.	↔

How we Manage our Risks.

Risk	Potential impact	Mitigation	Change
Failure to ensure that working conditions in the supply base are in line with our ethical trading policy.	There is a potential for SuperGroup to suffer negative customer and investor sentiment.	Ethical trading matters are managed by our Ethical Trading Manager, reporting directly to the Head of Sourcing, and we are a member of the Ethical Trading Initiative. We engage with our suppliers and expect them to operate in accordance with our Code of Practice. We assess the status of operating practices through a schedule of audits and visits and, where necessary, work with suppliers on improvement plans.	↔
Key infrastructure or IT systems may be unavailable due to operational problems or a major incident.	Should any of our IT facilities be unavailable for an extended period, our ability to trade would be impaired. If a major incident impacted the peak trading period from November to January, then the impact on earnings would be more severe.	The IT replacement programme has continued to deliver systems with improved reliability and availability. During the past 12 months, the store point of sale ("***POS***") and finance systems have been replaced and major upgrades have been carried out on both the e-commerce platform and core IT infrastructure. The overall IT legacy replacement programme will continue through FY16 with ongoing investment in new capabilities beyond this date. Our business continuity planning and disaster recovery capabilities have been enhanced and we expect these to be finalised and tested in FY16.	↓
Brand damage may occur due to over-exposure of the Superdry brand or the existence of counterfeit product.	The strength of the Superdry brand is fundamental to the success of our business. There is a risk that our brand may become over-exposed or damaged by the existence of counterfeit products with inferior quality and/or design.	A sustained programme of brand insight analysis over the past 12 months has shown that the Superdry brand continues to have strong appeal in the UK and mainland European markets with positive indications in the US. Our in-house brand protection team works closely with third party advisers and customs authorities throughout the world to monitor the production and sale of counterfeit product and, where identified, remove it (whether it be online or in the marketplace) using all remedies available, including take down procedures and issuing proceedings. We also monitor our supply chain to limit the risk of any supplier selling unauthorised product directly into the market.	↔

Risk	Potential impact	Mitigation	Change
Failure to comply with legal and regulatory frameworks.	Failure to comply with legal obligations or regulatory frameworks in the diverse markets in which we operate could result in financial penalties, the inability to enforce contracts and/or reputational damage.	Our tax and in-house legal functions work closely with the business to identify and mitigate legal and regulatory risks using both internal resources and external advisers where either specialist or local advice is needed.	↔
We increasingly transmit data electronically, creating a growing security risk. There is also a risk of the loss of controlled data by authorised users.	A failure to protect data adequately could lead to prosecution and reputational damage to SuperGroup.	We continue to invest in new IT systems and infrastructure to enhance our security profile. The replacement of the store POS system completed in early 2015 has provided a significant step towards compliance with Payment Card Industry standards. Changes to the compliance standard in late 2014 require our external systems providers to re-validate their systems against the standard. As a result, we anticipate being compliant in the third quarter of 2015. We have recently reviewed and strengthened our global data protection training programme. Our legal team works closely with the operational teams (particularly Human Resources and IT) to ensure that the requirements of data protection legislation are understood and built into operational processes.	↔
Risk of significant changes in currency exchange rates.	Our financial results could be impacted by changes in exchange rates.	We maintain constant management oversight, including Board review, of foreign exchange exposure and opportunities. We use forward foreign exchange contracts to provide planning certainty in the major currencies in which we trade and, therefore, mitigate currency translation exposure. This policy is set out in note 31 of this report.	↔

Key:

↑ Increasing

↔ Stable

↓ Reducing

NEW New risk

Our Governance.

"Good corporate governance is good business. Our governance framework supports and enables effective execution of our strategy together with high quality and timely decision making. Rigorous analysis, robust challenge, close monitoring of performance, and an appropriate system of checks and balances are combined with the entrepreneurial and creative culture of the Company. As SuperGroup has grown and developed we have evolved and improved the governance framework in line with the maturity of the Company."

Peter Bamford
Chairman

8 July 2015

Board of Directors.


Peter Bamford


Euan Sutherland


Julian Dunkerton


Nick Wharton


James Holder

Peter Bamford

Chairman

Peter is Chairman of the Board and of the Nomination Committee.

Peter is also a non-executive director of Rentokil Initial Plc. Peter was a director of Vodafone Group Plc from 1998 to 2006 where he held senior executive roles, including Chief Marketing Officer, Chief Executive of Northern Europe, Middle East and Africa and Chief Executive of Vodafone UK. Prior to this he was a director of WH Smith Plc, and held senior positions at Tesco Plc and Kingfisher Plc. Peter has served on the boards of public companies for the last 20 years and has extensive experience in developing and growing businesses and brands internationally.

Julian Dunkerton

Founder, Product & Brand Director

Julian has worked exclusively in the retail sector for over 28 years, co-founding the Cult retail chain from a market stall in Cheltenham and turning it into a successful retail chain. Together with James Holder, Julian established the Superdry clothing brand 12 years ago. Julian has a deep understanding of the Superdry brand, strong commercial instincts and a feel for its target customers, developed through his hands-on experience of building SuperGroup from the ground up.

James Holder

Founder, Brand and Design Director

James is responsible for brand and product development and heads up SuperGroup's team of in-house designers. James created the Bench clothing brand in 1992, which became the premier English skate-wear brand in the niche skate/BMX market. In 2003 he teamed up with Julian Dunkerton and developed the Superdry brand. James brings exceptional clothing design skills to the Group and has been central to the success of the Superdry brand in appealing to its target market.

Euan Sutherland

Chief Executive Officer

Euan was appointed as Chief Executive Officer of the Company on 22 October 2014, having previously been an independent non-executive director and a member of the Audit, Nomination and Remuneration Committees.

Euan has served as Group Chief Executive Officer for the Co-op group of companies, Group Chief Operating Officer at Kingfisher Plc and as a non-executive director with the Co-op Food Board. Prior to this he was Chief Executive of AS Watson UK, the owner of Superdrug. Euan has over 22 years' experience within the retail sector having held roles with Boots, Dixons, Coca-Cola, Matalan and Mars.

Nick Wharton

Chief Financial Officer

Nick was appointed Chief Financial Officer of the Company on 24 June 2015.

Nick was previously Chief Executive Officer of Dunelm Group plc between 2010 and 2014, and before that was Chief Financial Officer of Halfords Group Plc. In his eight year career at Halfords, he held both finance and strategy roles. Prior to this, Nick worked in senior finance positions at Boots Opticians, Boots Healthcare International, Do-it-All Limited and Cadbury Schweppes. Nick is a chartered accountant and has been a non-executive director of Mothercare plc since November 2013.

Board of Directors.


Keith Edelman


Penny Hughes


Minnow Powell


Ken McCall


Lindsay Beardsell

Keith Edelman
Senior Independent Non-executive Director

Keith is Chairman of the Remuneration Committee, a member of the Nomination Committee and, from 30 October 2014 until 16 April 2015, was a member of the Audit Committee. He is also non-executive Chairman of Goals Soccer Centres Plc and Revolution Bars Group Plc which was listed on the London Stock Exchange on 13 March 2015, and a non-executive director at Safestore Holdings Plc and the London Legacy Development Corporation.

Keith was Managing Director of Arsenal Holdings Plc from 2000 to 2008 and Chief Executive of Storehouse Plc (encompassing BHS and Mothercare) from 1993 to 1999. Keith has extensive retail and international experience and has served on the boards of public companies for 30 years across a wide range of businesses and markets.

Minnow Powell
Independent Non-executive Director

Minnow is Chairman of the Audit Committee, a member of the Remuneration Committee and, from 21 October 2014 until 1 April 2015, was a member of the Nomination Committee. He is also a non-executive director at Computacenter Plc where he is Chairman of the Audit Committee, and is on the Supervisory Board and Audit Committee of TUI AG (following the merger of Tui Travel Plc and TUI AG).

During his 35 years with Deloitte, Minnow became a senior partner and concentrated on looking after Deloitte's major clients including Hammerson, Reed Elsevier, Anglo American and BSkyB. He is a chartered accountant and was a member of the UK's Audit Practices Board for six years. Minnow has extensive experience in external and internal audit, risk management, financial controls and corporate/financial reporting in a wide range of sectors.

Penny Hughes
Independent Non-executive Director

Penny was appointed to the Board on 1 April 2015 and became a member of the Audit Committee and the Nomination Committee. She is also a non-executive director of WM Morrison Supermarkets Plc where she is Chairman of the Corporate Compliance and Responsibility Committee, and The Royal Bank of Scotland Group plc where she is Chairman of the Sustainable Banking Committee.

Penny's previous non-executive directorships include Skandinaviska Enskilda Banken, Home Retail Group Plc, The Gap Inc, Next Group Plc, The Body Shop International Plc, Thomson Reuters Group Limited, Vodafone Group Plc and Trinity Mirror Plc. During her executive career Penny spent ten years at The Coca-Cola Company, initially as Marketing and Commercial Director, before being made President of Coca-Cola Great Britain and Ireland at the age of 33.

Ken McCall
Independent Non-executive Director

Ken is a member of the Audit Committee and Remuneration Committee. He is also a member of the Europcar Group Executive Board and Managing Director of Europcar Group UK Limited.

Ken was previously Chief Executive Officer of DHL Express UK & Ireland, Chief Executive Officer of TNT Middle East, Africa and Asia and Chief Executive Officer of TNT China. He brings over 30 years' experience in the logistics sector and of running international businesses in Europe and Asia.

Lindsay Beardsell
Company Secretary

Lindsay is Group General Counsel and Company Secretary. She practiced with Freshfields Bruckhaus Deringer, held positions with Centrica plc and United Utilities plc, and headed up the Legal and Company Secretarial functions at both Renold plc and Gazprom Energy, before joining SuperGroup Plc in August 2013.

Corporate Governance Report.

Code compliance

The following, together with the directors' biographies on pages 51 to 52, the Directors' Remuneration Report on pages 64 to 84, the Directors' Report on pages 85 to 86, the Nomination Committee Report on page 63 and the Audit Committee Report on pages 58 to 62 provide an explanation of how the principles of the Code have been applied and detail areas of non-compliance during the year.

We complied throughout the year with the provisions set out in the UK Corporate Governance Code issued by the Financial Reporting Council in September 2012 (the "***Code***") and the UK FCA Disclosure and Transparency Rules in all material respects other than as set out below.

The following details areas of non-compliance during the year, all of which have now been remedied:

- From 1 May 2014 to 25 February 2015, less than half of the Board (excluding the Chairman) was considered to be independent.
- For the period from 21 October 2014 to 30 October 2014, the composition of the Audit Committee was not compliant with the Code as it had only two members. This was as a result of Euan Sutherland resigning from his role as non-executive director and assuming the role of Chief Executive Officer and was addressed with the appointment of Keith Edelman to the Audit Committee on 30 October 2014.

The Board is considered to be of a sufficient size and balance to meet the requirements of the business. The composition of the Board has been strengthened by the appointment of Penny Hughes, who joined the Board on 1 April 2015. She is a highly experienced director with extensive public company expertise in the consumer sector both as an executive and as a non-executive director.

The Strategic Report includes the information needed for shareholders to assess our performance, business model and strategy and is incorporated into the Directors' Report by reference.

The Board

The Board is responsible collectively for promoting our success and for implementing the business model and strategy as set out in the Strategic Report on pages 1 to 49. The Board provides leadership for the Group and concentrates its efforts on strategy, performance, governance and internal control, as set out in the schedule of matters reserved for the Board.

The Board meets regularly to consider issues relating to our overall performance, strategy and future development. In accordance with the Code, the schedule of matters reserved for the Board has been reviewed and approved.

The principal matters reserved for the Board are:

- setting and managing Group strategy;
- changes relating to the Group's capital structure including share issues and buy-backs;
- reviewing and approving financial reporting;
- oversight of maintenance of sound internal controls and risk management;
- approving capital expenditure and long-term commitments;
- Board membership and appointment;
- approving remuneration policy for directors, the Company Secretary and other senior executives;
- delegation of authority; and
- approval of corporate governance and Company policies.

The requirement for Board approval on these matters is understood by our senior management team and is built into our control framework.

The Board receives appropriate and timely information to enable it to discharge its duties.

The division of responsibilities between Chairman and Chief Executive Officer, and the role and duties of the Senior Independent Director, are set out in writing and agreed by the Board. These were reviewed during the year. Keith Edelman is the Group's Senior Independent Director – a summary of his responsibilities is available on our website at www.supergroup.co.uk.

The non-executive directors meet with the Chairman separately on a regular basis (normally the evening before each Board meeting) without the executive directors present – there have been four such meetings during the year. In addition, the non-executive directors have each spoken to the Senior Independent Director to appraise the performance of the Chairman during the year.

All members of the Board of Directors and the Board committees have sufficient resources and budget to allow access to independent advice as required.

All directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are complied with. The appointment and removal of the Company Secretary is a matter for the Board.

Operational matters, trading performance and the development of proposals for the Board, where required under the schedule of matters reserved for the Board, are controlled by the Executive Committee that consists of the Chief Executive Officer, Chief Financial Officer, Founder, Product and Brand Director, Founder, Brand and Design Director, Sales and Marketing Director, Director of HR and Head of Merchandising, advised by the Group General Counsel. In addition, in order to facilitate effective decision making and communication, the Operating Group (comprising the Director of IT, Group Financial Controller, Head of Logistics, Head of Sourcing, Head of International Development, Head of UK Retail, Head of e-commerce and Head of International Retail) joins the Executive Committee meeting once each month.

Corporate Governance Report.

The Board has appointed committees to carry out certain duties. These committees are detailed below. Each of these committees is chaired by a separate chairman and has written terms of reference which are available on our website.

Minutes are prepared for each of these committee meetings by the Company Secretary and presented at the following respective meetings for approval. All committees have sufficient resources to undertake their duties.

As at the date of the Annual Report, the Board has nine members: the non-executive Chairman, the Chief Executive Officer, three other executive directors and four non-executive directors. Euan Sutherland was appointed as Chief Executive Officer on 22 October 2014, having previously been an independent non-executive director of the Company since 1 December 2012, Penny Hughes was appointed as a non-executive director on 1 April 2015 and Nick Wharton was appointed as Chief Financial Officer on 24 June 2015. Biographies of the directors appear on pages 51 to 52. The Nomination Committee continues to monitor Board composition and succession with a view to ensuring compliance with the Code.

Non-executive director independence

The independence of the non-executive directors is considered annually along with their commitment and performance on the Board and relevant committees. All non-executive directors are considered by the Board to be independent of management and free from any relationship that could interfere materially with the exercise of their independent judgement.

A clause is included in their letters of appointment setting out their required time commitment.

Having considered the Chairman's commitments, the Board is satisfied that he has adequate time to be able to act as Chairman.

Directors' conflicts of interest

Our Articles of Association permit the directors to consider and, if thought fit, authorise situations where a director has an interest that conflicts, or may possibly conflict, with the Group's interests. In deciding whether to authorise a conflict or potential conflict, the non-conflicted directors must act in a way they consider would be most likely to promote the Group's success and they may impose limits or conditions when giving their authorisation, or subsequently, if they think it is appropriate. Any authorisation given is recorded in the Board minutes. The Board will continue to monitor and review potential conflicts of interest on a regular basis.

Relationship agreement

Any person who exercises or controls, on their own or together with any person with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings of a company are known as 'controlling shareholders'. The Listing Rules require companies with controlling shareholders to enter into a written and legally binding agreement which is intended to ensure that the controlling shareholder complies with certain independence provisions. The agreement must contain undertakings that:

(a) transactions and arrangements with the controlling shareholder (and/or any of its associates) will be conducted at arm's length and on normal commercial terms;

(b) neither the controlling shareholder nor any of its associates will take any action that would have the effect of preventing the listed company from complying with its obligations under the Listing Rules; and

(c) neither the controlling shareholder nor any of its associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

As reported in our last Annual Report, our single largest shareholder is Julian Dunkerton, one of the founders of the Company. We and Julian Dunkerton entered into a relationship agreement on 12 March 2010 which was amended on 9 July 2014 to regulate our ongoing relationship in accordance with the Listing Rules. The Board confirms that, since the entry into the amended Relationship Agreement until 8 July 2015:

(i) we have complied with the independence provisions included in the Relationship Agreement;

(ii) so far as we are aware, the independence provision included in the Relationship Agreement have been complied with by Julian Dunkerton; and

(iii) so far as we are aware, the procurement obligation included in the Relationship Agreement has been complied with by Julian Dunkerton.

Performance evaluation

Our annual Board evaluation to assess the performance of the Board, our non-executive directors and committees was carried out between March and May 2015. The Company Secretarial team managed this internally using a set of questions covering a range of issues including processes, responsibilities, the balance of skills, experience, independence and knowledge, diversity and a number of other factors relevant to its effectiveness. Every third year the evaluation is facilitated by an independent external adviser in accordance with the Code. Consequently, an independent external evaluation will be undertaken in 2016. The performance of the executive directors during the year was monitored by the Chief Executive Officer and Nomination Committee.

The Board evaluation carried out this year highlighted that improvements could be made to the administration of the Nomination Committee and Remuneration Committee meetings, and there was general consensus that the Board should continue to provide sufficient time to focus on strategic matters, particularly those associated with international growth (notably in the USA and China).

Re-election of directors

As at the AGM in 2014, all directors will again offer themselves for election or re-election as appropriate. We consider the directors offering themselves for election or re-election to be effective, committed to their roles and to have sufficient time available to perform their duties.

Board committees

The Board has three committees. Committee membership as at 8 July 2015 was as set out below.

Audit Committee:	Minnow Powell (Chairman)
	Penny Hughes
	Ken McCall
Nomination Committee:	Peter Bamford (Chairman)
	Keith Edelman
	Penny Hughes
Remuneration Committee:	Keith Edelman (Chairman)
	Ken McCall
	Minnow Powell

A description of the work of the Audit, Nomination and Remuneration Committees is set out on pages 58 to 84.

The terms of reference of each committee are documented and agreed by the Board and are available on our website at www.supergroup.co.uk. The terms and conditions of appointment for each director are available for inspection at our registered office.

Board and committee attendance

The table below gives details of directors' attendance at scheduled Board and committee meetings during FY15:

	Board Meeting		Audit Committee		Nomination Committee		Remuneration Committee	
Maximum Number	Number eligible	Number attended	Number eligible	Number attended	Number eligible	Number attended	Number eligible	Number attended
Peter Bamford	8	8	–	–	9	9	–	–
Julian Dunkerton	8	8	–	–	5	5	–	–
Keith Edelman	8	8	3	3	9	9	7	7
James Holder	8	8	–	–	–	–	–	–
Penny Hughes	–	–	1	1	1	1	–	–
Ken McCall	8	8	7	6	–	–	3	3
Minnow Powell	8	8	7	7	3	3	7	7
Euan Sutherland	8	8	3	3	5	5	4	3
Hans Schmitt (resigned 31 December 2014)	5	5	–	–	–	–	–	–
Susanne Given (resigned 12 February 2015)	6	5	–	–	–	–	–	–
Shaun Wills (resigned 25 February 2015)	6	6	–	–	–	–	–	–

During the year, additional ad hoc Board meetings were held as required. From time to time, committee meetings are attended by non-members by invitation from the relevant Chairman. Attendance is set out in the relevant committee minutes.

Information and professional development

Non-executive directors have the opportunity to meet with members of the Executive Committee, Operating Group and wider management team to gain first-hand experience of the business. Senior managers regularly attend Board meetings to make presentations to the directors. This year, these presentations have included such topics as our approach to product development, sourcing strategies, buying product, IT projects, corporate social responsibility and environmental activities, and logistics strategy.

In addition, the non-executive directors make site visits to ensure that they are kept up to date with developments across the Group. In October 2014, the Board visited a number of our owned stores in Germany to understand better the strategic approach to and operational management of our Retail business outside the UK.

All directors have received instruction on their responsibilities as a director and have also received and approved our competition law, data protection and information security policies.

Diversity

We believe in respecting individuals and their rights in the workplace. Please see page 31 of the Strategic Report for more information about our approach to our people and diversity.

Corporate Governance Report.

Communication with shareholders

We recognise the importance of communicating with our shareholders. Communication with institutional shareholders is undertaken as part of our investor relations programme in which the non-executive directors are encouraged to participate. The Chief Executive Officer and Chief Financial Officer make presentations after the preliminary and interim results and communicate regularly on developments to our shareholders.

The Chairman arranges meetings with institutional shareholders to gain a balanced understanding of their views and concerns and to discuss strategic development and corporate governance. The Chairman ensures that the views of shareholders are communicated to the Board as a whole.

The Chairman is in regular communication with our significant private shareholders, Julian Dunkerton and James Holder. During the year, the Chairman has discussed Board composition, governance and the strategic approach to entering new markets with our shareholders.

Our AGM will be held on 9 September 2015, at which time shareholders will have the opportunity to ask questions of the Chairmen of the Audit, Remuneration and Nomination Committees, together with all other members of the Board of Directors.

Our shareholders have the opportunity to meet non-executive directors at additional times in the year.

The Annual Report and Financial Statements are made available to all of our shareholders and potential investors. Other information about us is made available on our website.

Financial Statements

The Board is ultimately responsible for approving the Annual Report and Financial Statements and the half year report.

Internal control and risk management

In accordance with the guidance for directors on internal control, the Board confirms that there is a process for identifying, evaluating and managing the risks we face. This process was put in place prior to the IPO in March 2010, underwent significant review in 2012, and has continued to be developed during the year. We have a Risk Committee that reports into the Executive Committee, with oversight provided by the Audit Committee, which meets every month to review the risks identified, agree mitigating actions and discuss any new risks. Where new risks are identified, they are scaled according to their likelihood and potential impact, and then monitored. These systems are in place to manage rather than eliminate risk and can provide only reasonable and not complete assurance against material misstatement or loss. The principal risks and uncertainties are reviewed twice each year by the Board.

The role of the Executive Committee is to implement Board policies on risk and control and the Board has delegated day-to-day management to the Chief Executive Officer and, through him, to the other executive directors and members of the Executive Committee and Operating Group.

During the year, a more comprehensive control framework was implemented which delegates authority for both financial and operational activities, the aim being to increase the level of responsibility and embed a culture of compliance through the organisation. The key elements of the control framework and review processes in place are as follows:

- The Board sets corporate strategy and business objectives.
- The Executive Committee integrates these objectives into their operational and financial business plans.
- The Executive Committee meets regularly, together with the Operating Group (normally twice each month), to consider our operational and financial performance and business development. The Chief Executive Officer reports to the Board on behalf of the Executive Committee on significant changes in the business and the external environment. The Chief Financial Officer provides the Board with financial information which includes key performance and risk indicators.
- We operate a risk management process which is integrated within the short and long-term business planning processes.
- Our treasury position, including cash and foreign exchange, is managed in accordance with our approved treasury policy.
- Financial forecasts, providing predicted results with sensitivity analysis, are prepared routinely throughout the year for review by the Executive Committee and the Board.
- We have established investment appraisal and authorisation procedures and our capital expenditure is reviewed against budgets which have been approved by the Board.
- We assess routinely the capability of our people to deliver the business objectives set and respond accordingly. During FY15, it was recognised that there is a need to focus on succession planning to ensure that, where there is a loss of key personnel, we have the ability to operate in both the short and long term.

Processes are in place to ensure appropriate action is taken where necessary to remedy any deficiencies identified through our internal control and risk management processes.

The Audit Committee, on behalf of the Board, has reviewed the effectiveness of internal controls during the year and confirms that:

- there is an ongoing process for identifying, evaluating and managing our significant risks;
- this has been in place for the year and up to the date of approval of the Annual Report and Financial Statements;
- the process is regularly reviewed by the Board; and
- the process accords with the Code.

In addition, the Board also reviewed the effectiveness of the risk management process in the year. Whilst satisfactory, it concluded that improvements could be made and further enhancements have been made to:

- widen the Risk Committee membership to include the Director of IT and the Group Programme Manager;
- invite the heads of each function to present their risks and answer any questions each year; and
- ensure there is clear ownership of each risk identified.

Our directors' powers

Our directors have delegated authority to manage the operations of SuperGroup subject to the limitations contained in the schedule of matters reserved for the Board, the terms of reference of the Board committees and our Group delegated authority statement.

Political contributions

We have not made any political donations during the year.

Directors' indemnity insurance

We maintain directors' and officers' liability insurance which gives appropriate cover for any legal action brought against our directors and/or officers. In accordance with section 236 of the Companies Act 2006, qualifying third party indemnity provisions are in place for the directors in respect of liabilities incurred as a result of their office, as far as is permitted by law. Both the insurance and indemnities applied throughout the year and continue through to the date of this Directors' Report.

Change of control

The provisions of our employee share plans may cause options and awards granted under such plans to vest upon a change of control.

Substantial shareholdings

As at 6 July 2015, we had been notified, in accordance with the Disclosure and Transparency Rules (DTR 5), of the following substantial interests in our ordinary share capital (see table below):

Name of holder	At 25 April 2015	At 6 July 2015	At 6 July 2015 % held
Julian Dunkerton	26,088,944	26,088,944	32.21
James Holder	9,667,190	9,667,190	11.94
Standard Life Investments	7,799,164	7,799,164	9.63
Artemis Investment Management	4,205,695	4,205,695	5.19
Oppenheimer Funds	3,549,310	4,087,930	5.05
Old Mutual Global Investors	3,912,179	3,912,179	4.83
Theo Karpathios	3,221,219	3,221,219	3.98

Share capital

Details of our share capital are set out in the Directors' Report on page 85.

The Directors' Report was approved by the Board of Directors on 8 July 2015.

Going concern

Our business activities and growth strategy, together with factors likely to affect our future development, performance and position, are set out in the Strategic Report on pages 1 to 49 and Performance section on pages 36 to 45.

The directors have reviewed our forecasts and projections. These include assumptions around our products, expenditure commitments and expected cash flows. Taking into account possible changes in trading performance and after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue our operations for the foreseeable future. For this reason, we have continued to adopt the going concern basis in preparing the Financial Statements.

Independent auditors

On the recommendation of the Audit Committee, the directors will put a resolution before the AGM to reappoint PricewaterhouseCoopers LLP as auditors for the ensuing year.

Annual General Meeting

Our AGM will be held at Cheltenham Ladies' College, Bayshill Road, Cheltenham, Gloucestershire, GL50 3EP on 9 September 2015 commencing at 11.30am. The notice of this year's AGM is included in a separate circular to shareholders and will be sent out at least 20 working days before the meeting. This notice is available to view under the 'Investors' section of our website www.supergroup.co.uk. In accordance with the Code, all valid proxy appointments are properly recorded and counted, are made available at the AGM and published on our website after the meeting.

The notice of this year's AGM sets out why we believe the directors should be re-elected. Details of the directors' service agreements and letters of appointment are given in the Directors' Remuneration Report on pages 64 to 84.

The directors consider that each of the proposed resolutions to be presented at the AGM is in our best interests and those of our shareholders and employees as a whole and is most likely to promote the success of the Company for the benefit of its shareholders as a whole. The directors unanimously recommend that shareholders vote in favour of each of the proposed resolutions, as the directors intend to do in respect of their own shareholdings.

Approved and signed on behalf of the Board.

Lindsay Beardsell
Company Secretary
8 July 2015

Registered Office:
Unit 60
The Runnings
Cheltenham
Gloucestershire
GL51 9NW

Audit Committee Report.

Dear shareholder,

I am pleased to present my report to shareholders on the key activities undertaken by the Audit Committee during the year in accordance with its principal responsibilities which are to:

- monitor the integrity of the Group's Financial Statements, the half year report and any formal announcements relating to the Group's financial performance, reviewing significant financial reporting judgements contained therein, together with compliance with accounting standards and other legal and regulatory requirements;
- review the Group's internal financial controls and internal control and risk management systems, by considering reports on their effectiveness from the Chief Financial Officer and, when in role, the Chief Operating Officer, together with reports from both the internal and external auditors;
- review the Group's controls and systems to ensure compliance with the provisions of the Bribery Act 2010 and the Group's whistleblowing policy;
- review the effectiveness of the Group's internal audit function and ensure that it is adequately resourced;
- recommend to the Board the appointment, reappointment and removal of the external auditors and to approve their remuneration and terms of their engagement;
- review and monitor the external auditors' independence and objectivity, the effectiveness of the external audit process and the audit plan; and
- review the engagement of the external auditors to ensure that the provision of non-audit services by the external audit firm does not impair its independence or objectivity.

The Audit Committee has a standing agenda of areas to be covered at each meeting based on its terms of reference and in addition it considers relevant matters as they arise. The Audit Committee has met seven times during the year and reports were provided to the subsequent Board meeting.

I am satisfied that the Audit Committee was presented with papers of good quality during the year, provided in a timely fashion to allow due consideration of the subjects under review. I am also satisfied that meetings were scheduled to allow sufficient time to enable full and informed debate. We also reviewed our terms of reference during the year, including comparing them against the Code, and these were approved by the Board. These are available at www.supergroup.co.uk.

No significant matters were raised in the annual evaluation of the Audit Committee's performance, although as the control environment matures we plan to reduce the number of meetings in the future.

The qualifications of each of the Audit Committee members are set out in the details of the Board of Directors on pages 51 to 52.

Minnow Powell
Audit Committee Chairman
8 July 2015

Audit Committee

The members of the Audit Committee during the year were:

Member	Audit Committee member since	Resignation date
Minnow Powell (Chairman)	1 December 2012	–
Ken McCall	24 May 2010	–
Euan Sutherland	1 December 2012	21 October 2014
Keith Edelman	30 October 2014	16 April 2015
Penny Hughes	1 April 2015	–

All of the Audit Committee members are non-executive directors. The Board considers them all to be independent and the biographies of each of the members are set out in pages 51 to 52. At least one member (Minnow Powell, the Audit Committee Chairman) has recent and relevant financial experience.

By invitation of the Chairman, the Chief Executive Officer, the Chief Financial Officer, Head of Internal Audit (outsourced to KPMG LLP), other senior managers, external auditors and formerly the Chief Operating Officer also attend Audit Committee meetings.

The role of the Audit Committee secretary is performed by the Company Secretary.

At least once a year the Committee meets separately with the external auditors and Head of Internal Audit without management present.

The principal matters under consideration during the year are set out below.

Internal control and risk management

The Audit Committee has continued to review and discuss with management the Group's process for and evaluation and assessment of its internal controls and management of risk. The review focuses on the effectiveness of the risk management process including financial, operational, technical and compliance risks and related controls which are described on page 56. The Audit Committee has noted the continued focus and improvement in the risk management process and the strengthening of internal controls during the year.

Risk management process

The identification and management of key risks for the Group is achieved through a risk register which is formally reviewed and updated by management on a regular basis to ensure that it is focused on real, current and significant business risks and that mitigating actions are feasible. The internal Risk Committee, whose members include the Chief Financial Officer, Group General Counsel, Director of IT and Group Programme Manager, meets on a monthly basis to review the risk register, assess the appropriateness of key risks and then make recommendations to the Board and Audit Committee. In 2015 the process has been reviewed and re-positioned to reflect the growing scale, maturity and complexity of the Group. The key advantages are:

- heightened awareness of risk and greater accountability for management of risk at all levels within the organisation;
- robust assessment and identification of mid-tier risks; and
- improved integration of risk, mitigation and key business continuity processes.

The Audit Committee has reviewed the revised risk management process and recommended to the Board that the process be adopted.

IT

The upgrade of the core business infrastructure was a significant investment programme approved by the Board to be completed by 2015. The programme covered new systems, and replacement or upgrades to a number of the Group's core existing systems and facilities. The programme has been substantially delivered and, during the year, the following key projects were successfully completed:

- the new point of sale (POS) system was rolled out across UK and European Retail stores;
- upgrade to the integrated system (Styleman) for production orders, sales orders and sales ledger; and
- the replacement finance system was operational from August 2014 and is now being rolled out across our European subsidiaries. The implementation of the business information reporting system will be completed by the end of 2015.

Given the significant IT improvements being undertaken by the Group, the Audit Committee has continued to focus on the development of the IT control environment. Senior management have also provided reports on the Group's compliance with the Payment Card Industry Data Security Standard (PCI DSS), and IT security risks, key issues and development of the related controls. A business continuity planning (BCP) programme has been developed and will continue to be enhanced over the remainder of 2015. A disaster recovery (DR) plan which focuses on the major IT components critical to business operations is now in place with the final areas due to be completed by the end of 2015.

Delegated authorities

We have developed a delegated authority framework to allow the business to make operational decisions and sign contracts within agreed authority levels. The Audit Committee reviewed and challenged the framework prior to Board approval in December 2014.

Other

The Audit Committee has continued to review other key areas of risk and internal controls including accounts payable, intercompany, treasury, tax and credit control management with presentations given by the manager responsible. The Audit Committee also discussed with management the risk and controls over fraud, and the risk of financial misstatements by the breaching of laws and regulations.

Following the nature of the departure of the previous Chief Financial Officer in February 2015, the Board commissioned KPMG to provide independent assurance that there was no related breakdown of financial controls, and KMPG confirmed that, based on agreed procedures performed, there was no evidence of a related breakdown.

Audit Committee Report.

Financial reporting and accounting judgements

The Audit Committee reviewed and approved the Financial Statements of the Group and all formal announcements relating to the Group's financial performance. The review considers the integrity of the reporting, the appropriateness and acceptability of accounting policies and practices, and compliance with financial reporting standards and requirements.

For accounting judgements, the Committee considered detailed papers from management and the views of the external auditors. The Audit Committee considers that the Group has adopted appropriate accounting policies and made appropriate estimates and judgements where required.

The primary area of accounting judgements and issues reviewed by the Audit Committee for the current year are set out below:

Area	Issue	How addressed
Acquisition accounting, licence and contract termination, and other exceptional and remeasurement items	Material items are outside the normal course of business and are adequately disclosed. Fair values are appropriately determined at the date of acquisition.	The Committee reviewed management's assessment of the acquisition accounting for the purchase of the assets of SDUSA LLC and the acquisition of the SMAC group of companies (SMAC A/S, SMAC Retail A/S and SMAC Norge A/S) including judgements taken in relation to forecasts used, fair values ascribed to assets and liabilities acquired, identification of intangible assets and resulting goodwill/bargain purchase. The Committee considered the nature and size of costs categorised as exceptional to include whether they met the definition of an exceptional, being material in size, unusual, or infrequent in nature, or are remeasurements. The Committee has reviewed the exceptional and remeasurement items as disclosed in Note 13 to the Financial Statements and is satisfied that the categorisation is appropriate.

Deferred tax assets are not considered a primary area of judgement for 2015 as the tax benefit in relation to the Wholesale business and the non-recognition for the Retail business has now been agreed with HM Revenue and Customs.

Other areas that have been discussed and considered by the Audit Committee in relation to the 2015 Annual Report are:

Area	Issue	How addressed
Provisions for inventory, returns, receivables and property	Management judgement is required and estimates are used to support the provisions.	For each provision, the Committee considered and challenged the judgements made by management and assessed the available evidence, including historic trends, and concluded that the provisions were appropriate.
Goodwill reallocation review	The goodwill allocation between Cash Generating Units (CGUs) is based on judgement.	In respect of goodwill, the Committee considered and challenged the basis of allocation between the Wholesale and Retail CGUs, and concluded that the judgements used were suitable for use in the goodwill allocation.
Going concern	The appropriateness of preparation of the accounts on a going concern basis.	The Committee reviewed the cash flow forecasts and concluded that it was appropriate to prepare the accounts on a going concern basis.
Revenue recognition	Revenue for Wholesale sales is recognised in the appropriate period.	The Committee has reviewed management's policy for credit note provisions and the controls in place over the Wholesale invoicing process, and are satisfied they are appropriate.
Complex supplier arrangements	Any accounting policies, judgements and estimates arising from complex supplier arrangements are adequately disclosed.	The Committee has reviewed with management the commercial arrangements with suppliers and has concluded that the business has no complex supplier arrangements.

Fraud, whistleblowing and bribery

The Group has a policy and process in place for fraud, security and whistleblowing and the Audit Committee is satisfied that employees have the opportunity to raise concerns in confidence about possible fraudulent activity and any other concerns that arise within the organisation. The Committee is also satisfied that arrangements are in place for proportionate and independent investigation of such matters, including appropriate follow-up action.

During the year the Audit Committee received an update on instances of fraud within the Group and a summary of the calls to the whistleblowing helpline together with follow up actions that were undertaken.

Controls and procedures surrounding anti-bribery monitoring to ensure compliance with the Bribery Act 2010 were put in place by the Group in 2014 and the Audit Committee receives a regular report on the Group's gift register which includes any gifts and hospitality received by employees from external business relationships above an agreed threshold.

Internal audit effectiveness

The internal audit function has continued to develop and improve its effectiveness during the year. The ongoing review of an audit universe, and the outputs from the Risk Committee, has enabled the role of internal audit and scope of its work to continue to evolve to take account of changes within the Group and emerging best practice. The annual review of the internal audit plan ensures that the coming year is planned and following two years agreed in outline so that areas of focus are audited at least once over the course of the three year plan. During the year, internal audit has delivered ten audits including coverage of the following areas: European subsidiaries, treasury, expenses, HR and payroll, IT, trade marks and intellectual property, pricing, public reporting, and follow up reports on retail operations, product development, IT and e-commerce.

The effectiveness of internal audit is reviewed on an ongoing basis by the Audit Committee, by discussion and assessment with senior management on the issues identified by the internal audit reports, and through the regular follow up at meetings on progress on the recommended actions. A formal review was undertaken in September 2014 and no significant concerns were identified.

External audit effectiveness and integrity of the Group's relationship

The Audit Committee reviews, with the external auditors, the audit plan and the outcome and findings of the annual external audit. In reviewing the audit plan the Audit Committee:

- noted and challenged the key areas of risk raised by PricewaterhouseCoopers (“***PwC***”);
- understood the basis of materiality and requested that all potential adjustments and errors above £0.1m be reported to the Audit Committee; and
- ensured, as part of their procedures, that the auditor understood the nature of each balance sheet account.

In addition, the Committee approves the scope and fees for the external audit and is responsible for recommending the appointment, reappointment and removal of external auditors.

Effectiveness of external audit

A review of the effectiveness of external audit in September 2014 was undertaken by an internal survey of members of the Audit Committee, Chief Financial Officer, and the internal finance team. The Committee noted that areas for improvement identified in 2013 had been addressed. We also reviewed the AQRT report on PwC as a firm and noted the key findings. We were satisfied that our external auditors continued to perform effectively and will use the new FRC guidance on effectiveness when we carry out the 2015 review.

Supervision of the external auditors

The Audit Committee oversees the external auditors by reviewing and approving the audit plan and ensuring that it is consistent with the scope of the audit engagement. The Committee meets regularly with the external auditors, both with and without management present. During the review of the audit plan, the Committee discussed and agreed those financial statement risk areas identified by the auditors that required additional audit emphasis and discussed and challenged the auditors' assessment of materiality. The audit opinion on pages 88 to 94 provides a full explanation of the auditors' assessment of material misstatement, concept of materiality and scope of the audit.

Reappointment of external auditors

Based on the assessment of effectiveness and independence of the external auditors, the Audit Committee has recommended the reappointment of for the next financial year. The appointment of PwC the external auditors will continue to be reviewed annually and a tendering process will be undertaken if the Committee considers it appropriate. PwC have been the Group's auditors since the IPO in 2010, and, prior to this, auditors to the legacy SuperGroup companies since 2008. The Committee notes that under current regulations, the audit will need to be tendered in time for the audit for the year ended 2018.

Audit Committee Report.

Independence

Auditor independence is maintained by reviewing PwC's confirmation of their independence and the threat thereto, monitoring the nature and value of non-audit services carried out, and ensuring that employees of the external auditors who have worked on the audit in the past two years are not appointed, without prior approval of the Audit Committee, to senior financial positions within the Company. In addition, the rotation of the lead partner occurs every five years.

The Audit Committee assessed the independence of the external auditors and concluded that they were independent.

Non-audit services

The general policy in respect of non-audit work by the external auditors is that they should not be requested to carry out non-audit services on any material activity of the Group where they may, in the future, be required to give an audit opinion or act as management, in accordance with the Audit Practices Board's Ethical Standards for Auditors. In certain limited areas it is in the Group's and its shareholders' interests to engage the external audit firm to deliver certain services. To protect auditor objectivity and independence the Audit Committee approves each individual non-audit service above £20,000 in value and every piece of work once an agreed threshold is reached.

Details of all non-audit services provided during the year are set out within the note on auditors' remuneration on page 117 and are summarised in the table below:

	2015 £m	2014 £m
Audit fees	**0.3**	0.3
Non-audit fees		
Tax compliance and advisory	**0.1**	0.3
Other	**0.1**	0.1
Total non-audit fees	**0.2**	0.4
Non-audit fees as a percentage of audit fees	**74%**	150%

Non-audit fees were 100% or above in 2014 primarily due to ongoing tax advisory services and the appointment of PwC for other work, including due-diligence on the acquisition of US assets from SDUSA LLC, where an experienced understanding of the Group's structure and business was required to be able to provide appropriate assurance work. Tax advisory services were tendered during the year and Grant Thornton was appointed as the Group's tax adviser in October 2014, which has reduced the threat to independence for PwC as external auditors.

The Committee has reviewed and agreed the non-audit services as set out above provided by the external auditors, together with the associated fees, and is satisfied that these did not prejudice the external auditors' independence or objectivity.

Approved and signed on behalf of the Board.

Minnow Powell
Audit Committee Chairman
8 July 2015

Nomination Committee Report.

Principal functions

The Nomination Committee is responsible for nominating candidates for Board positions and ensuring that the Company has the leadership and senior management to meet its growth ambitions. The principal functions of the Nomination Committee are:

- to review the structure, size, composition and balance of the Board and recommend changes where appropriate;
- to consider and recommend succession planning for executive and non-executive directors;
- to identify and nominate candidates for approval of the Board to fill Board vacancies or new positions as and when they arise;
- to approve appointments to the Executive Committee; and
- to evaluate the skills, experience and knowledge of Board members.

The role of secretary to the Nomination Committee is performed by the Company Secretary.

Activities during the year

The Nomination Committee met nine times during the year. In addition to the members of the Nomination Committee, the Director of HR attended each of the meetings.

The prime focus this year has been on the selection and appointment of a new Chief Executive Officer, overseeing a series of changes to Board composition and ensuring that the Company has the right talent in key roles to realise its growth potential in existing and new markets.

During the year, the Nomination Committee monitored the performance of the senior team and reviewed the organisational structure. It also ensured that key individuals were given support and mentoring where appropriate.

Key talent risks and succession plans for the executive directors and senior leaders were reviewed in both October 2014 and in April 2015 and actions put in place to mitigate identified risks.

Director changes

In October 2014, following a review of potential external candidates proposed by an independent external search consultancy, the Committee recommended to the Board that Euan Sutherland should be appointed as Chief Executive Officer and his appointment to the Board was approved.

Following Euan's move from a non-executive director to his executive role, the Committee launched a recruitment process using an independent external search consultancy (Egon Zehnder) for a replacement and Penny Hughes was appointed as a non-executive director in April 2015.

As a consequence of the above appointments a number of changes were made to committee memberships during the year. Euan Sutherland and Julian Dunkerton resigned from the Nomination Committee in October 2014. Minnow Powell was appointed to the Nomination Committee in October 2014 and resigned in April 2015; Ken McCall was appointed to the Remuneration Committee in October 2014; Keith Edelman was appointed to the Audit Committee in October 2014 and resigned in April 2015 when the Board approved the appointment of Penny Hughes to the Board, the Nomination Committee and Audit Committee.

Hans Schmitt, Susanne Given and Shaun Wills all left the Company during the year. Neither Hans Schmitt nor Susanne Given have been replaced as their responsibilities have been reorganised following Euan's appointment as Chief Executive Officer. The Nomination Committee launched a full recruitment process to fill the role of Chief Financial Officer and recommended the appointment of Nick Wharton, who was appointed on 24 June 2015. Nick, who had been covering the role on an interim basis since February, brings deep financial management skills as well as broad retail and business experience from his roles with various retailers.

None of the existing executive directors hold non-executive directorships with companies outside the Group. Nick Wharton will continue to be a non-executive director of Mothercare Plc.

Euan and the Committee have conducted a review of the executive team structure to define clear accountability for delivery of the five year strategic plan and to ensure the right leadership structure is in place to lead the business through a complex period of growth in new territories. The need for two new Executive Committee roles has been identified: a Retail Director, harmonising the leadership of our Retail businesses across the world; and a Transformation Director, leading strategic infrastructure programmes and the development of Retail and Wholesale business in new territories. Paula Kerrigan will join the Group in September 2015 as Transformation Director. Paula previously held senior leadership roles with Kingfisher Plc and the Co-operative Group.

Composition and diversity

The Nomination Committee continues to review the composition of the Board and membership of Board Committees and has agreed a plan of action to address succession and diversity. In particular, the Nomination Committee takes the view that the role of women is important at all levels in SuperGroup. At the end of the year, 12% of the Board, 38% of the Executive Committee and 44% of senior managers were female. This demonstrates an improvement in gender diversity at every level of leadership across the organisation, which we seek to continue.

Approved and signed on behalf of the Board.

Peter Bamford
Nomination Committee Chairman
8 July 2015

Remuneration Report.

1. Remuneration Committee Chairman's Annual Statement (unaudited)

This part of the report has been prepared in accordance with Part 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and 9.8.8R of the Listing Rules.

The Directors' Remuneration Report has been divided into the following three sections:

1. **This Remuneration Committee Chairman's Annual Statement**: This summarises and explains the major decisions taken by the Committee, how the Directors' Remuneration Policy was operated in the year just ended and how it will operate for the current year.
2. **Directors' Remuneration Policy**: This sets out the basis of remuneration for our directors which was approved by shareholders at the AGM in September 2014 and is unchanged. Although not required to be included in the report this year, the policy has been included in line with best practice and to assist the reader.
3. **Annual Report on Remuneration**: This sets out the remuneration earned by our directors in the year ended 25 April 2015 and explains how the remuneration policy will be implemented in the current financial year.

The approach of our Remuneration Committee has remained consistent with previous years; executive directors receive a mix of annual and long-term incentives which reward strong business and financial performance in line with our strategy and which are measured against robust benchmarks. The Committee considers that the remuneration arrangements promote our long-term success within a suitable risk framework, are suitably aligned to enhancing shareholder value and that the actual remuneration earned by the executive directors continues to be a good reflection of their and our overall performance.

The year under review

Our remuneration policy was approved in September 2014 with 94% of votes cast in favour. The Committee gave full consideration to the operation of the policy prior to proposing it to shareholders at the AGM and considers the level of support obtained to be a strong endorsement. The Remuneration Committee has reviewed the Directors' Remuneration Policy during the year and remains of the view that it promotes the attraction, motivation and retention of the executives required to successfully drive our strategy. As such, the Committee has decided that no changes to the Directors' Remuneration Policy are required.

In addition to reviewing the Directors' Remuneration Policy and how it operated during the year just ended, the Committee determined the remuneration arrangements in respect of Euan Sutherland's appointment as Chief Executive Officer on 22 October 2014. The package reflects his significant levels of experience in international and online expansion obtained from senior executive positions in a number of leading retailers and has been focused towards long-term share-based performance-linked remuneration to reflect our ambitions for growth. Details of the remuneration package, which is within the shareholder approved policy, were announced on his appointment and are set out in the Annual Report on Remuneration.

Hans Schmitt (December 2014), Shaun Wills (February 2015) and Susanne Given (February 2015) all left the Company during FY15. Details of their termination arrangements are presented in the Annual Report on Remuneration on page 78.

Performance and reward

As a result of this year's financial performance target not having been met there will be no annual bonus payments made to executive directors for the year ended 25 April 2015 in respect of Group financial performance. However, having met the personal/strategic objectives agreed at appointment in October 2014, Euan Sutherland will receive an amount equal to 50% of his pro rated salary in respect of the non-financial targets of the annual bonus.

The performance share plan ("***PSP***") award granted in 2012 in respect of the three year performance period which ended on 25 April 2015 is due to vest in August 2015 and is expected to vest at 32.4% of the original award. This is based on 46.2% vesting against the earnings per share ("***EPS***") targets (70% of awards) and 0% against the relative total shareholder return ("***TSR***") targets (30% of awards). Further details about our share schemes can be found on pages 67 to 68.

The year ahead

As explained, no changes will be made to the Directors' Remuneration Policy for FY16. No base salary increases were awarded to executive directors with effect from 26 April 2015, the annual bonus will continue to be capped at 100% of base salary (150% of base salary for the Chief Executive Officer with any award in excess of 100% being awarded in deferred shares) and PSP awards will continue to be based 70% on EPS and 30% on relative TSR. The Chief Executive Officer and Chief Financial Officer will receive awards of 200% of salary (award levels for the Chief Financial Officer are expected to be 100% of salary thereafter). Malus and clawback provisions will continue to apply.

The Remuneration Committee is confident that the actions during FY15 and the continuation of the previously approved Directors' Remuneration Policy will continue to ensure that the executive directors are properly incentivised to deliver strong and sustainable growth.

Approved and signed on behalf of the Board.

Keith Edelman
Remuneration Committee Chairman
8 July 2015

2. Directors' Remuneration Policy (unaudited)

In formulating the remuneration policy, full consideration has been given to the principles set out in the Code. The Remuneration Committee regularly reviews the policy to ensure it takes account of best practice and serves our needs. As part of the regular review, the Remuneration Committee encourages dialogue with major shareholders and considers their feedback, alongside guidance from the major shareholder representative bodies. Details of votes cast for and against the resolution to approve last year's remuneration report and any matters discussed with shareholders during the year are set out in the Annual Report on Remuneration.

This section sets out the Directors' Remuneration Policy which was approved by shareholders at the AGM on 19 September 2014 in accordance with section 439A of the Companies Act 2006. There are no proposed changes to this policy.

Policy overview

We aim to provide a remuneration structure and approach that enables the attraction, retention and motivation of high calibre people with the capability to drive continued growth of the business and which is aligned to shareholder interests. Where the Remuneration Committee has discretion in implementing the remuneration policy, that discretion will be exercised diligently and in a manner aligned with shareholder interests. Discretion will only be exercised within the boundaries and limits set out in the Directors' Remuneration Policy.

The Remuneration Committee will not seek to make changes to any element of executive director remuneration to compensate participants for changes in their personal tax status.

Summary of the Executive Director Remuneration Policy

Element	Base Salary
Purpose and link to strategy	Set at levels to attract and retain talented executive directors of the high calibre required to develop and deliver the growth strategy. Base salary will reflect the individual skill, experience and role of the executive within the Group whilst reflecting that paid to executives of comparable companies.
Operation	When determining base salary the Committee typically takes into account: • business and individual performance; • salary levels at companies of a similar size, industry, global scope and complexity; and • the salaries paid to other employees across the Group. Base salary is normally paid on a monthly basis in cash. The base salary for each executive director is normally reviewed annually in May by the Remuneration Committee although an out of cycle review may be conducted if the Remuneration Committee determines it appropriate. A salary review will not necessarily lead to an increase in salary.
Maximum opportunity	There is no prescribed maximum base salary level or maximum annual increase. Salary increases will typically be in line with the general level of increase awarded to other employees in the Group and/or the director's country of employment. In exceptional circumstances (e.g. where there is an increase in scale, scope and/or responsibility, to reflect the development and success of the individual within the role, and/or to take account of relevant levels/market movements) a higher increase may be awarded. Current salaries are detailed in the Annual Report on Remuneration.
Performance measures	Individual and business performance is taken into consideration when deciding salary levels.

Remuneration Report.

Element	Retirement Benefits
Purpose and link to strategy	To provide retirement benefits which are market competitive and to enable us to attract and retain executive directors of the right calibre.
Operation	Executive directors can choose to participate in the personal pension plan relevant to the country where they are employed, or to receive a cash allowance, or a combination of the two. Our Group personal pension plan is a defined contribution plan.
Maximum opportunity	The maximum Company contribution to an executive director's pension (or equivalent cash allowance) may not exceed 15% of base salary.

Element	Other Benefits
Purpose and link to strategy	To ensure a competitiveness with broader market practice. To support personal health and well-being.
Operation	Benefit provision is set at an appropriate market level taking into account the executive director's home jurisdiction, the jurisdiction where they are based, market practices at similar companies and the level/type of benefits provided elsewhere in the Group. The benefits to which executive directors are entitled include (but are not limited to) a biannual health assessment, private medical insurance (for the individual and their family), company sick pay, holiday pay, life assurance, car allowance and staff discount on Superdry products. Other benefits may be provided where appropriate. In country and global relocation support may also be provided where appropriate. Executive directors are eligible to participate, on the same basis as other employees, in our Sharesave scheme and will be entitled to participate in any other all-employee share plan operated in the future.
Maximum opportunity	There is no maximum level of benefits provided to an individual executive director. Participation by executive directors in the Sharesave scheme, and any other all-employee share plan operated in the future, is limited to the maximum award levels permitted by HM Revenue and Customs.

Element	Annual Performance Bonus
Purpose and link to strategy	To encourage and reward the achievement of challenging financial and strategic performance targets during a financial year. The performance measures set each year align to our strategy and shareholder value creation.
Operation	Bonus payments are normally awarded in cash and are not pensionable. An individual executive director may choose to defer bonus awarded into our Group personal pension plan. The Remuneration Committee may defer part of an executive director's annual bonus into SuperGroup shares for a specified period of time.
Maximum opportunity	Up to 150% of base salary.
Performance measures	Performance is normally assessed over one financial year. The annual performance bonus may be based on a mix of financial, personal and/or strategic business objectives relevant to the particular performance year and is aimed at securing a sustainable long-term business model. The performance criteria and performance targets are determined by the Remuneration Committee each year and include threshold levels for minimum award (below which no bonus will be awarded), on-target award and maximum award. The Remuneration Committee will set demanding performance targets to encourage stretch performance. These targets are considered to be commercially confidential and will therefore be disclosed in due course after the performance period has ended. A straight-line sliding scale between threshold (0% of opportunity), target (50% of opportunity) and maximum (100% of opportunity) is used to determine the level of award. Malus and clawback provisions apply.

Element	Performance Share Plan ("*PSP*")
Purpose and link to strategy	To incentivise and reward executive directors to develop and deliver strategic plans that create long-term value through the setting of strategic targets; and to ensure a strong link between reward, underlying Group financial performance and total shareholder returns. To support recruitment, long-term retention and collaborative working through share ownership.
Operation	Awards are granted on a discretionary basis and normally vest subject to performance and continued employment at the end of a three year performance and vesting period. Awards may be structured as conditional awards or nil or nominal cost options. Executive directors may benefit, in the form of cash or shares, from the value of any dividend paid over the vesting period to the extent that awards vest.
Maximum opportunity	Maximum award limit: 200% of salary. Exceptional circumstances* award limit: 300% of salary (*for recruitment or retention).
Performance measures	Normally based on a three year performance period. Performance measures will be based on financial metrics – (e.g. Earnings Per Share ("***EPS***")) and/or relative total shareholder return ("***TSR***"). 25% of an award vests for threshold performance increasing to 100% vesting for maximum performance. Malus and clawback provisions will apply.

Remuneration Report.

Element	Share Ownership Guidelines
Purpose and link to strategy	To increase alignment between management and shareholders.
Operation	Executive directors not holding shares worth at least 100% of their base salary will be expected to retain 50% of any PSP awards which vest (net of tax) until such time as this level of holding is met.
Maximum opportunity	Minimum of 100% of base salary.

Financial performance measures (e.g. EPS) and TSR are used for the PSP's performance criteria. The Group's key performance indicators, as set out in the Strategic Report, contribute to the delivery of profit before tax, EPS and TSR. The combination of EPS and TSR performance conditions for the PSP provides a balance between rewarding management for growth in sustainable profitability and stock market outperformance. TSR is a clear indicator of the relative success of the Group in delivering shareholder value and, as a performance measure, firmly aligns the interests of directors and shareholders. The EPS target range will require significant levels of growth and the TSR condition will be based on relative outperformance of selected listed companies. Performance against the TSR and EPS targets will be independently calculated and reviewed by the Remuneration Committee.

In approving this Directors' Remuneration Policy, authority was given to the Company to honour any commitments entered into with current or former directors. Details of any payments to former directors will be set out in the Annual Report on Remuneration as they arise.

Remuneration arrangements across the Group

The reward philosophy is consistent across the Group, namely that reward should support our business strategy and be sufficient to attract and retain high performing individuals. Within this framework, there are differences for a range of objective reasons, including global location, culture, best practice, employment regulation and the local talent market.

- **Salaries and benefits** – a range of factors are considered including business performance, individual capability and performance, the pay of other employees and external market data.
- **Annual performance bonus** – consistent with the policy for executive directors, annual bonuses that are in place across the Group are typically linked to business performance with a focus on underlying Group profit, although we retain the right to void a bonus award in circumstances where we deem an individual has not performed to an acceptable level or has acted inappropriately during the performance period.
- **PSP** – a small number of the management team who provide significant strategic input or lead a significant function within the Company, and more junior employees who have made an exceptional contribution, may be invited to participate in the PSP in any year.
- **All employee share schemes** – in the UK the Company operates a Sharesave scheme which is open to all eligible employees. Employees can elect to save up to £500 each month for a fixed period of three years. At the end of the savings period, individuals may use their savings to buy ordinary SuperGroup shares at a discount capped at up to 20% of the market price set at the launch of each scheme. Shareholder approval will be sought for the introduction of a share incentive plan and company share option plan at the forth-coming AGM (see notice of AGM for further details).
- **Retirement benefits** – in line with local country practices, we encourage all employees to contribute appropriate savings toward their retirement. In the UK, we operate pension arrangements within the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010.

Executive directors' service agreements

The following table sets out a description of any obligations on the Company, contained in the current executive directors' service contracts, which could give rise to, or impact, remuneration payments or payments for loss of office.

Element	Terms
Notice period	A maximum of 12 months by the Company and 12 months by the executive director.
Contract date	Euan Sutherland – 22 October 2014 Julian Dunkerton – 12 March 2010 James Holder – 12 March 2010 Nick Wharton – 24 June 2015
Expiry date	Euan Sutherland, Julian Dunkerton, James Holder and Nick Wharton have no fixed expiry date.
Base salary	Contractual entitlement to receive a base salary and for a salary review to take place each year. We are not obliged to increase an executive director's salary following a review.
Pension contributions	Employer pension contribution.
Contractual benefits	Contractual entitlement to: • private medical insurance; • company sick pay; • life assurance; • holiday pay; • car allowance; and • discount on Superdry products.
Annual bonus	Contractual entitlement to participate in the annual performance bonus scheme, subject to our policy in relation to such a scheme and to the approval of the Committee.
Long-term incentive plan (PSP)	Contractual entitlement to be considered for participation in the PSP, subject to our policy in relation to such a scheme and to the approval of the Remuneration Committee.

The service contract for a new executive director will not include any provision that is more generous than those listed above.

All executive director service contracts and letters of appointment are available for inspection at our registered office during normal hours of business and will also be available at our AGM to be held on 9 September 2015.

With the consent of the Board, where an appointment can enhance an individual executive director's experience and add value to the Company, executive directors are able to accept non-executive appointments outside the Company. Retention of any fees received by the executive director is at the discretion of the Remuneration Committee.

Remuneration Report.

Discretions retained by the Committee

The Remuneration Committee will operate the annual bonus plan and PSP according to their respective rules (or relevant documents) and in accordance with the Listing Rules where relevant. The Remuneration Committee retains certain discretions, consistent with market practice, with regard to the operation and administration of these plans. These include, but are not limited to, the following in relation to the PSP: the participants; the timing of grant of an award; the size of an award; the determination of vesting; discretion required if dealing with a change of control or restructuring of the Group; determination of the treatment of leavers; adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends); reviewing performance measures and weighting; and targets for the PSP from year to year.

In relation to the annual bonus plan, the Committee retains discretion over: the participants; the timing of grant of a payment; the determination of the bonus payment; dealing with a change of control; determination of the treatment of leavers based on the rules of the plan and the appropriate treatment chosen; the annual review of performance measures and weighting; and targets for the annual bonus plan from year to year.

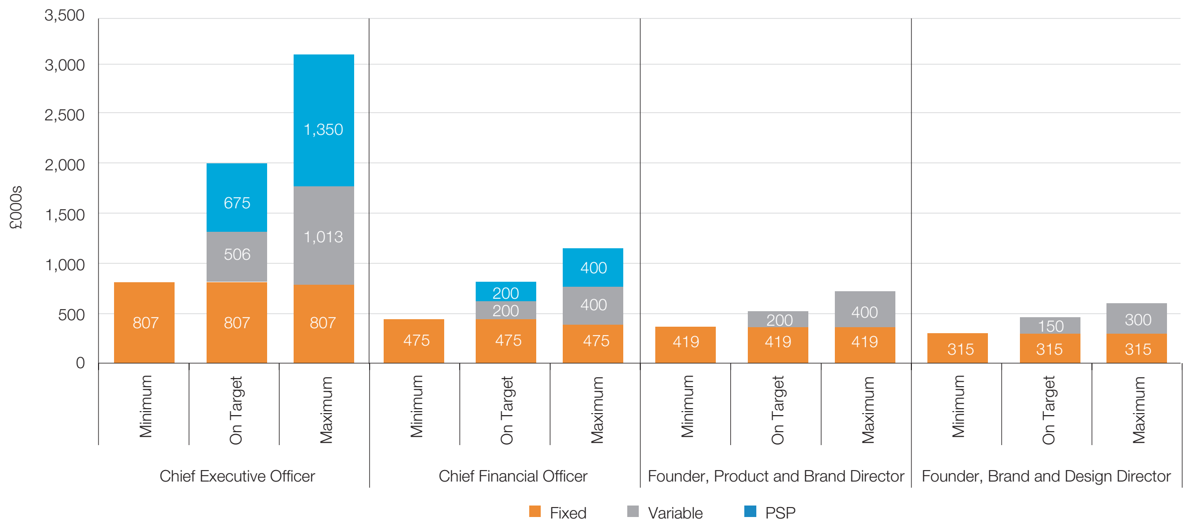
In relation to both our PSP and annual bonus plan, the Remuneration Committee retains the ability to adjust the targets and/or set different measures if events occur (e.g. material acquisition and/or divestment of a Group business) which cause it to determine that the conditions are no longer appropriate and the adjustment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy. We have used EPS as a determining measure since inception for the PSP; it is therefore consistent and transparent to participants and shareholders. The Remuneration Committee will exercise discretion if required to adjust EPS to reflect what it considers to be a fairer outcome for shareholders and executive directors. In both the current and prior year, the Remuneration Committee has excluded re-measurements and exceptional items from both the PSP and the annual bonus plan.

Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with our major shareholders.

The operation of our Sharesave scheme will be as permitted under HM Revenue and Customs' rules and the Listing Rules. Details of share awards held by executive directors at the end of the financial year are set out in the Annual Report on Remuneration. These remain eligible to vest based on their original award terms.

Illustrations of application of the Directors' Remuneration Policy

Our remuneration arrangements have been designed so that a substantial proportion of reward is dependent on the achievement of stretching short and long-term performance targets. The chart below shows the value of the current executive directors' packages under three reward scenarios (minimum, on-target and maximum).



The chart above is based on the following assumptions:

- Base salary as at 1 May 2015.
- Estimated value of benefits.
- On-target bonus taken to be 50% of the maximum potential (150% of salary for the Chief Executive Officer, 100% of salary for other executive directors).
- On-target PSP award (excluding Julian Dunkerton and James Holder) is taken to be 50% of the maximum potential (200% of salary for Chief Executive Officer and 100% of salary for Chief Financial Officer).
- Consistent with the disclosure requirements, no share price appreciation has been assumed.

Approach to the recruitment and retention of executive directors

Principles

When hiring a new executive director or promoting to the Board from within the Group, the Remuneration Committee will offer a package that is sufficient to attract, retain and motivate the right talent, whilst at all times aiming to pay no more than is necessary. In determining an appropriate remuneration package, the Remuneration Committee will take into consideration all relevant factors including but not limited to the impact on other existing remuneration arrangements, the candidate's location and experience, external market influences and internal pay relativities.

The remuneration package for a new executive director would be set in accordance with the terms of our prevailing approved remuneration policy at the time of appointment and take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

Salary would be provided at such a level as required to attract the most appropriate candidate and may be set initially at a below mid-market level on the basis that it may progress towards the mid-market level once expertise and performance has been proven and sustained. The annual bonus potential would be limited to 150% of salary and grants under the PSP would be limited to 200% of salary (300% of salary in exceptional circumstances).

In addition, the Remuneration Committee may offer additional cash and/or share-based elements to replace deferred or incentive pay forfeited by an executive director leaving a previous employer. It would seek to ensure, where possible, that these awards would be consistent with awards forfeited in terms of vesting periods, expected value and performance conditions.

For an internal executive director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

For external and internal appointments, the Remuneration Committee may agree that certain relocation and/or incidental expenses (as appropriate) will be met.

Policy on payment for loss of office

We are committed to ensuring a consistent approach so that we do not pay more than is necessary in circumstances leading to loss of office. In the event of an early termination of a contract, the policy is to seek to minimise any liability. When managing such situations the Remuneration Committee takes a range of factors into account, including contractual obligations, shareholder interests, organisational stability and the need to ensure an effective handover. Executive directors may be entitled to a payment in lieu of notice ("***PILON***") if notice is served by us. In the normal course of events, the executive director would work their notice period. In the event of termination for cause (e.g. gross misconduct or negligence), neither notice nor PILON would be given and the executive director would cease to perform services immediately.

In the event of termination for reasons other than cause (for example, resignation) where the individual is requested by us to cease working before the end of the notice period, PILON may be payable. If a portion of the notice period is served, the PILON payment will be reduced on a pro rata basis. Payments may be made on a phased basis. Alternatively, rather than making a PILON, we may place an executive director on garden leave for the duration of some or all of their notice period.

Where an executive director leaves during a financial year, the annual bonus may be payable with respect to the period of the financial year worked although it will be pro rated for time and paid at the normal payment date.

Any share-based entitlements granted to an executive director under our share plans will be determined based on the relevant plan rules. The default treatment under the PSP is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, ill-health, injury, disability, retirement, sale of the employing company or business outside the Group or any other circumstances at the discretion of the Remuneration Committee, 'good leaver' status may be applied. For good leavers, awards will normally vest on their normal vesting date, subject to the satisfaction of the relevant performance conditions at that time and will be reduced pro rata to reflect the proportion of the performance period actually served. However, in the event of the death of an executive director, the Remuneration Committee has discretion to determine that awards vest at cessation, subject to performance targets, with no service pro rata reduction.

Payment may also be made in respect of accrued benefits, including untaken holiday entitlement.

In addition, as is consistent with market practice, we may pay a contribution towards an executive director's legal fees for entering into a statutory agreement and may pay a contribution towards fees for outplacement services as part of a negotiated settlement.

There is no provision for additional compensation on termination following a change of control, nor liquidated damages of any kind.

Consideration of conditions elsewhere in our Company

The Remuneration Committee has oversight of the main compensation structures throughout the Group and actively considers the relationship between general changes to employee remuneration and executive director reward. When considering changes to executive director remuneration, the Remuneration Committee is provided with comparative employee information (for example, average salary review) across the Group.

The Remuneration Committee does not consider it appropriate to consult directly with employees when formulating executive director reward policy. However, it does take into account information provided by the Director of HR.

Remuneration Report.

Consideration of shareholder views

The members of the Remuneration Committee are always available to discuss any issues or concerns with shareholders.

Summary of the Non-Executive Director Remuneration Policy

The Board aims to recruit high calibre non-executive directors with broad commercial, international or other relevant experience. The remuneration policy is as follows:

Element	Base Salary
Purpose and link to strategy	Fees are set at an appropriate level to attract and retain high calibre non-executive directors, and reflect the time commitment and responsibilities of each role and fees paid in other companies of a similar size, industry, global scope and complexity.
Operation	Fees are normally reviewed annually. Fees are normally paid in cash. Each non-executive director is paid a basic fee for undertaking non-executive director and Board duties. A higher fee is typically paid to the Chairman of the Board and the Senior Independent Director. Additional fees may also be payable for taking on Committee responsibilities and other Board duties. Non-executive directors also receive staff discount on Superdry products.
Maximum opportunity	As is the case for the executive directors, there is no prescribed maximum fee or maximum fee increase.
Performance measures	Individual and business performance is taken into consideration when deciding fee levels.

When recruiting a new non-executive director, the remuneration arrangements offered will be consistent with the policy presented above.

Non-executive directors are appointed for an initial period of three years. This period may be renewed. Appointments may be terminated by either the Company or the non-executive director giving three months' notice, or in the case of the Chairman, 12 months' written notice. Save in respect of retirement by rotation, a non-executive director being removed from office will be entitled to compensation equal to the fee during any remaining notice period.

Name	Date of appointment or reappointment	Expected date of expiry of current term
Peter Bamford	29 January 2013	28 January 2016
Keith Edelman	29 January 2013	28 January 2016
Ken McCall	29 January 2013	28 January 2016
Minnow Powell	1 December 2012	30 November 2015
Penny Hughes	1 April 2015	31 March 2018

All non-executive director service contracts and letters of appointment are available for inspection at our registered office during normal hours of business and will also be available at our AGM to be held on 9 September 2015.

3. Annual Report on Remuneration

The following part of the Directors' Remuneration Report, together with the Annual Statement, will be subject to an advisory vote at the AGM to be held on 9 September 2015 and sets out how the Directors' Remuneration Policy will be implemented in 2016, and how it was implemented in 2015. This part of the report has been prepared in accordance with Part 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and 9.8.8R of the Listing Rules.

The following sections of the Annual Report and Accounts are identified as audited or unaudited as appropriate.

Implementation of the Remuneration Policy for 2016:

Base salary (audited)

Executive directors' base salaries are normally reviewed annually, taking into account business and individual performance, salary levels at companies of a similar size, industry, global scope and complexity and the salaries paid to other employees across the Group. No changes have been made to base salary for existing executive directors. Current annual base salary levels are as follows:

		From 26 April 2015[1]	From 27 April 2014[1]
Euan Sutherland[2]	Chief Executive Officer	**£675,000**	£675,000
Julian Dunkerton	Founder, Product & Brand Director	**£400,000**	£400,000
James Holder	Founder, Brand & Design Director	**£300,000**	£300,000
Nick Wharton[3]	Chief Financial Officer	**£400,000**	–

1 On appointment if later.
2 Euan Sutherland was appointed to the Board as an executive director on 22 October 2014.
3 Nick Wharton was appointed to the Board as an executive director on 24 June 2015.

Benefits in kind and pension (audited)

Benefits will continue to include a biannual health assessment, private medical insurance (for the individual and their family), sick pay, holiday pay, life assurance, car allowance and staff discount on Superdry products. Other benefits may be provided where appropriate. We will continue to contribute no more than 15% of salary into the Group personal pension plan and/or in the form of a salary supplement.

Annual bonus (audited)

We will continue to operate an annual bonus plan for FY16 based on the achievement of challenging financial metrics, business objectives and personal/strategic objectives. Specific targets will not be disclosed in advance as they are commercially confidential, but will be disclosed next year. The maximum bonus opportunity in FY16 will be 150% of base salary for the Chief Executive Officer and 100% of base salary for other executive directors.

Long-term incentives (audited)

The SuperGroup PSP enables us to incentivise and reward participants appropriately for contributing to the delivery of our strategic objectives and to provide an appropriate level of long-term performance-related pay.

For FY16, the grant for the Chief Executive Officer, Euan Sutherland, and the Chief Financial Officer, Nick Wharton, will be 200% of salary. Although Julian Dunkerton and James Holder are eligible to participate in the PSP, the Committee believes that their significant shareholdings in the Company are sufficient to incentivise them and align interests with longer-term Company performance at the current time.

Consistent with the FY15 awards, performance for FY16 awards will be 70% based on sliding scale EPS and 30% based on TSR relative to a selected group of retailers as measured over the three year period ending the 2018 financial year end:

- 25% of the EPS-related component of the award will vest for average annual EPS growth of 8% p.a. increasing on a straight-line basis to 50% of the EPS-related component of the award vesting for average annual EPS growth of 10% p.a.; increasing on a straight-line basis to 100% vesting for EPS growth of at least 12% p.a.; and
- 25% of the TSR-related component of the award will vest if the Company's TSR is ranked at the median of a comparator group increasing on a straight-line basis to 100% vesting at the upper quartile of the group. The comparator group for the FY15 awards will comprise the companies listed in the following FTSE AllShare subsectors: Apparel Retailers, Broadline Retailers, Clothing and Accessories, Furnishings, Home Improvement Retailers, Recreational Products, Speciality Retailers and Toys at the start of the TSR performance period.

In addition to the TSR performance condition, the Remuneration Committee must also be satisfied that there has been an improvement in our underlying financial performance.

Remuneration Report.

Non-executive directors (audited)

Fee levels for FY16 are as follows:

Name	Base fee	Audit/ Remuneration Committee chairmanship	Senior Independent Director	From 26 April 2015	From 27 April 2014[1]
Peter Bamford[2]	£190,000	–	–	**£190,000**	£165,000
Keith Edelman	£50,000	£10,000	£10,000	**£70,000**	£70,000
Minnow Powell	£50,000	£10,000	–	**£60,000**	£60,000
Ken McCall	£50,000	–	–	**£50,000**	£50,000
Penny Hughes	£50,000	–	–	**£50,000**	£50,000

1 On appointment if later.
2 Following a review of the Chairman's time commitment and fees paid by comparable organisations, Peter Bamford's fee was increased from £165,000 to £190,000 with effect from 1 May 2015.

Directors' remuneration (audited)

The detailed emoluments received by the directors for the year ended 25 April 2015 are detailed below:

Director		Base salary/fees	Taxable benefits[1]	Pension contributions[2&3]	Annual bonus	Long-term incentives	Other payments	Total
Executive directors								
Euan Sutherland	2015	£355,645	£20,957	£48,438	£177,822	–	–	£602,862
	2014	–	–	–	–	–	–	–
Julian Dunkerton	2015	£400,000	£19,180	–	–	–	–	£419,180
	2014	£400,000	£19,412	–	–	–	–	£419,412
James Holder	2015	£300,000	£15,545	–	–	–	–	£315,545
	2014	£300,000	£15,766	–	–	–	–	£315,766
Non-executive directors								
Peter Bamford	2015	£165,000	£4,010	–	–	–	–	£169,010
	2014	£165,000	–	–	–	–	–	£165,000
Keith Edelman	2015	£70,000	£2,298	–	–	–	–	£72,298
	2014	£70,000	–	–	–	–	–	£70,000
Ken McCall	2015	£50,000	£1,128	–	–	–	–	£51,128
	2014	£50,000	–	–	–	–	–	£50,000

Director		Base salary/fees	Taxable benefits[1]	Pension contributions[2&3]	Annual bonus	Long-term incentives	Other payments	Total
Non-executive directors								
Minnow Powell	2015	£60,000	£3,658	–	–	–	–	£63,658
	2014	£60,000	–	–	–	–	–	£60,000
Euan Sutherland	2015	£23,656	£1,492	–	–	–	–	£25,148
	2014	£50,000	–	–	–	–	–	£50,000
Penny Hughes	2015	£4,166	–	–	–	–	–	£4,166
	2014	–	–	–	–	–	–	–
Former directors								
Susanne Given	2015	£350,000	£42,309	£26,083	–	–	–	£418,392
	2014	£350,000	£23,063	£26,250	£315,000	–	–	£714,313
Hans Schmitt	2015	£220,000	£10,162	£16,500	–	–	–	£246,662
	2014	–	–	–	–	–	–	–
Shaun Wills	2015	£275,000	£12,991	£20,625	–	–	–	£308,616
	2014	£250,000	£15,766	£18,750	£225,000	–	–	£509,516

1 Benefits for 2015 comprised a car allowance, and medical insurance for all the executive directors and an accommodation allowance for Susanne Given and Euan Sutherland. For non-executive directors certain expenses relating to the performance of a director's duties in carrying out activities, such as travel to and from Company meetings, are classified as taxable benefits. In such cases, the Company will ensure that the director is not out of pocket by settling the related tax via the PAYE Settlement Agreement (PSA). In line with current regulations these taxable benefits have been disclosed and are shown in the taxable benefits column in the directors' remuneration table above. The figures shown include the cost of the expenses grossed up for tax and National Insurance.

2 Susanne Given, Hans Schmitt and Shaun Wills participated in the Company's Group personal pension plan under which the executive director contributes 5% of base salary and the Company contributes 7.5% of base salary.

3 Euan Sutherland received a Company contribution of 15% of base salary in the form of either pension contribution or cash allowance.

4 Susanne Given resigned as a director on 12 February 2015 and will leave the Company on 31 August 2015.

5 Hans Schmitt resigned as a director and left the Company on 31 December 2014.

6 Shaun Wills ceased to be a director on 25 February 2015 and left the Company on 27 February 2015.

Remuneration Report.

Annual bonus for the year ended 25 April 2015

For FY15 the maximum annual bonus opportunity was 150% of salary for the Chief Executive Officer (pro rated from appointment) and 100% of salary for the other executive directors. Reflecting that Euan Sutherland's appointment was part-way through the financial year, his bonus arrangement was based two-thirds on profit-related targets and one-third on personal/strategic targets while the bonus arrangement for all other executive directors was based purely on profit-related targets. The performance against the targets was as follows:

		Start to earn	Full Payout	Actual	Bonus Award
Profit-related targets	100% of annual bonus for executive directors and ex Chief Executive Officer, 66.6% of Chief Executive Officer's bonus	Threshold	Maximum	< Threshold[1]	No payout under this element
Personal/strategic targets	33.3% of Chief Executive Officer's total bonus opportunity	Threshold	Maximum	> Maximum[2]	Full payout under this element (Chief Executive Officer only)

1 The profit-related targets for the 2015 financial year, against which the threshold target was not met, have not been disclosed as they are considered to be commercially confidential. They will be published in the FY16 Annual Report.

2 The personal/strategic targets agreed for Euan Sutherland were based on fostering a strong working relationship with the founders, developing a new trading plan and strategic framework, establishing improved communication throughout the senior management population and reviewing the structure of the leadership team. Following a review of the defined measures of success, the actual achievements and supporting evidence, the Committee was satisfied that each of the objectives was met in full.

Annual bonus for the year ended 26 April 2014

For FY14 the maximum annual bonus opportunity was 100% of salary for all executive directors (pro-rated from appointment where relevant). Julian Dunkerton and James Holder chose to waive their bonus award. The performance against the targets was as follows:

		Start to earn	Full Payout	Actual	Bonus Award
Profit-related targets	100% of annual bonus for executive directors	Threshold £56m	Maximum £62.5m	£62m	90%

Performance share plan

The PSP awards granted on 16 August 2012 was based on a three year performance period ended 25 April 2015. As disclosed in previous annual reports, the performance condition for these awards was as follows:

Metric	Performance Condition	Threshold Target	Stretch Target	Actual	% Vesting
Earnings per share (70%)	25% of this part vests for average annual EPS growth of 12% in excess of RPI, increasing on a straight-line basis to 100% of this part vesting for EPS growth of at least 18% per annum in excess of RPI.	12% in excess of RPI	18% in excess of RPI	13.7% in excess of RPI	46.2% (max. 70%)
Total shareholder returns (30%)	25% of this part of the award vests if the Company's TSR is ranked at the median of the comparator companies, increasing on a straight-line basis to 100% vesting of this part if the Company's TSR is ranked at the upper quartile of the comparator group (comprising FTSE AllShare companies in the following subsectors: Apparel Retailers, Broadline Retailers, Clothing and Accessories, Furnishings, Home Improvement Retailers, Recreational Products & Services, Restaurants & Bars, Speciality Retailers and Toys).	Median	Upper quartile	< Median	0% (max. 30%)
					32.4%

None of the current executive directors held 2012 PSP awards at the year end. Details of the awards held by Susanne Given are presented in the Board Changes section below (awards held by Shaun Wills lapsed on leaving the Company).

Board Changes

Appointment of Chief Executive Officer

The Board announced the appointment of Euan Sutherland, previously a non-executive director of the Company, as Group Chief Executive Officer on 22 October 2014. At the same time, Julian Dunkerton, previously Group Chief Executive Officer, switched to the newly created role of Founder, Product and Brand Director.

The main elements of Euan's remuneration package, which reflects the significant levels of experience that he brings to the role and which is consistent with the shareholder approved Directors' Remuneration Policy, are as follows:

- Salary: £675,000 p.a.
- Annual bonus: Capped at 150% of salary with up to 100% paid in cash with the remainder awarded via shares deferred for three years. The annual bonus is assessed based on a mix of financial, personal and/or strategic business objectives and in the year of appointment, two-thirds was financial and one-third was based on strategic/personal performance.
- Performance share plan (PSP) award on appointment equivalent to 300% of salary with vesting subject to performance and continued employment over three years. Subsequent awards are expected to be limited to no more than 200% of salary.
- The annual bonus and PSP awards are both subject to malus and clawback provisions.

Appointment of Chief Financial Officer

The Board announced the appointment of Nick Wharton as Chief Financial Officer on 24 June 2015.

The main elements of Nick's remuneration package, which reflects his experience as both a Chief Financial Officer and Chief Executive Officer of other retailers and which is consistent with the shareholder approved Directors' Remuneration Policy, are as follows:

- Salary: £400,000 p.a.
- Annual bonus: Capped at 100% of salary. The annual bonus is assessed based on a mix of financial, personal and strategic business objectives.
- Performance share plan (PSP) award on appointment equivalent to 200% of salary with vesting subject to performance and continued employment over three years. Subsequent awards are expected to be limited to no more than 100% of salary.
- The annual bonus and PSP awards are both subject to malus and clawback provisions.

Remuneration Report.

Payments for loss of office (audited)

Susanne Given stepped down from the Board as Chief Operating Officer on 12 February 2015 and will cease employment on 31 August 2015. She will continue to receive her usual contractual entitlements up until the 31 August 2015 (save for certain benefits which ceased from 31 March 2015) and will also receive a payment in lieu of the remaining notice period due under her employment contract of £204,166. In respect of PSP awards, the 2012 awards (241,615 shares under award) will vest on 16 August 2015 at 32.4% of the maximum (see page 76) and the 2013 and 2014 PSP awards will vest at the normal time subject to time pro rating and performance (20,852 and 11,415 pro rated shares under award respectively).

Shaun Wills ceased to be Chief Financial Officer on 25 February 2015 and left the Company on 27 February 2015. Other than contractual entitlements payable for the period up to 27 February 2015, no remuneration or payment has been or will be made in connection with his ceasing to be a director and officer of the Company. All outstanding share awards lapsed on leaving the Company.

Hans Schmitt stepped down from the Board as Managing Director International & Wholesale and left the Company on 31 December 2014. Other than contractual entitlements payable for the period up to 31 December 2014, no remuneration or payment has been or will be made in connection with his ceasing to be a director and officer of the Company. All outstanding share awards lapsed on leaving the Company.

Payments to past directors (audited)

No payments were made to past directors during the year.

Scheme interests awarded during the year (audited)

PSP awards granted in the year

On 14 August 2014 (22 October 2014 for the Chief Executive Officer), PSP awards were granted to executive directors as follows:

Executive	Number of PSP awards[1]	Basis	Face value	Performance condition	Performance period
Susanne Given	34,246	100% of base salary	£350,000[2]	Vesting will be determined by EPS and TSR over the performance period	Three financial years ending 2016/17
Shaun Wills	32,289[4]	100% of base salary	£330,000[2]		
Hans Schmitt	32,289[4]	100% of base salary	£330,000[2]		
Euan Sutherland	193,965	300% of base salary	£2,025,000[3]		

1 PSP awards are structured as nil-cost options.
2 Based on a share price of £10.22 which was the 10 day weighted average share price.
3 Based on a share price of £10.44 which was the 10 day weighted average share price.
4 Lapsed on leaving the Company.

The performance condition for these awards is set out below:

Performance condition	% of award subject to condition	Targets	% of PSP award which will vest
Average annual earnings per share (EPS) growth in excess of the Retail Prices Index (RPI)[1]	70%	Average annual EPS growth of 9.5% in excess of RPI	25%
		Average annual EPS growth of 14.5% in excess of RPI	100%
		Between 9.5% and 14.5% average annual EPS growth in excess of RPI	Straight-line between 25% and 100%
Total Shareholder Return (TSR) against comparator group of companies[2]	30%	Median	25%
		Upper quartile	100%
		Between median and upper quartile	Straight-line between 25% and 100%

1 The Committee retains the ability to adjust the EPS condition if events occur (e.g. material acquisition and/or divestment of a Group business) which cause it to determine that the condition is no longer appropriate and amendment is required so that the condition achieves its original purpose and is not materially less difficult to satisfy.

2 TSR comparator group: those companies listed in the following FTSE AllShare subsectors: Apparel Retailers, Broadline Retailers, Clothing and Accessories, Furnishings, Home Improvement Retailers, Recreational Products & Services, Restaurants & Bars, Speciality Retailers and Toys.

Remuneration Report.

Directors' interests in share awards (audited)

The tables below set out details of the executive directors' outstanding share awards (which will vest in future years subject to performance and/or continued service).

Executive	Scheme	At 27 April 2014	Granted during the year	Exercised during the period	Lapsed during period	At 25 April 2015	Date of award	Performance period	Normal vesting date/ exercise period	Share price on date of grant £	Exercise price £	Share price on date of exercise
Euan Sutherland	PSP	–	193,965	–	–	**193,965**	22/10/14	3 financial years ending 2016/17	22/10/17	£10.44	–	–
Total			193,965			**193,965**						
Susanne Given	PSP	241,615	–	–	–	**241,615**	16/08/12	3 financial years ending 2014/15	16/08/15	£4.44	–	–
	PSP	31,278	–	–	10,426	**20,852**	15/08/13	3 financial years ending 2015/16	15/08/16	£11.35	–	–
	PSP	–	34,246	–	22,831	**11,415**	14/08/14	3 financial years ending 2016/17	14/08/17	£10.22	–	–
Total		272,893	34,246		33,257	**273,882**						
Shaun Wills	PSP	115,054	–	–	115,054	**0**	16/08/12	3 financial years ending 2014/15	16/08/15	£4.44	–	–
	PSP	22,341	–	–	22,341	**0**	15/08/13	3 financial years ending 2015/16	15/08/16	£11.35	–	–
	PSP	–	32,289	–	32,289	**0**	14/08/14	3 financial years ending 2016/17	14/08/17	£10.22	–	–
	SAYE	1,734	–	–	1,734	**0**	23/10/12	3 years	01/12/15	£6.54	£5.19	–
	SAYE	–	955	–	955	**0**	01/11/14	3 years	01/12/17	£11.78	£9.42	–
Total		139,129	33,244		172,373	**0**						
Hans Schmitt	PSP	29,491	–	–	29,491	**0**	15/08/13	3 financial years ending 2015/16	15/08/16	£11.35	–	–
		25,322	–	–	25,322	**0**	23/12/13	3 financial years ending 2015/16	23/12/16	£13.03	–	–
	PSP	–	32,289	–	32,289	**0**	14/08/14	3 financial years ending 2016/17	14/08/17	£10.22	–	–
	Restricted Share award	10,742	–	–	10,742	**0**	03/02/14	-	01/6/15	£15.36	–	–
Total		65,555	32,289		97,844	**0**						

All awards granted under the PSP are subject to continued employment and the satisfaction of the performance conditions set out above. The PSP awards are all structured as conditional awards.

Share ownership

The beneficial and non-beneficial interests of the directors in the share capital of SuperGroup at 25 April 2015 are set out below:

Director	Interests in ordinary shares 25 April 2015	Interests in ordinary shares 26 April 2014	Shareholding guideline achieved	Interests in shares PSP	Interests in shares SAYE	Total
Executive directors						
Euan Sutherland	**11,613**	1,496	No	193,965	–	205,578
Julian Dunkerton	**26,088,944**	26,088,944	Yes	–	–	26,088,944
James Holder	**9,667,190**	11,850,003	Yes	–	–	9,667,190
Non-executive directors						
Peter Bamford	**6,000**	6,000	–	–	–	6,000
Keith Edelman	**4,000**	4,000	–	–	–	4,000
Ken McCall	**5,000**	5,000	–	–	–	5,000
Minnow Powell	**1,496**	1,496	–	–	–	1,496
Penny Hughes	**0**	N/A	–	–	–	0
Former directors						
Susanne Given	**0**	0	N/A	273,882	–	273,882
Hans Schmitt	**0**	0	N/A	–	–	–
Shaun Wills	**0**	1,254	N/A	–	–	–

The following sections of the Annual Report and Accounts are unaudited.

Relative importance of the spend on pay (unaudited)

The following table sets out the percentage change in distributions to shareholders and employee remuneration costs.

	2015 £m	2014 £m	Change
Employee remuneration costs (£m)	**66.9**	60.1	11.3%
Dividends (£m)	**nil**	nil	nil

Remuneration Report.

Percentage increase in the remuneration of the Chief Executive Officer (unaudited)

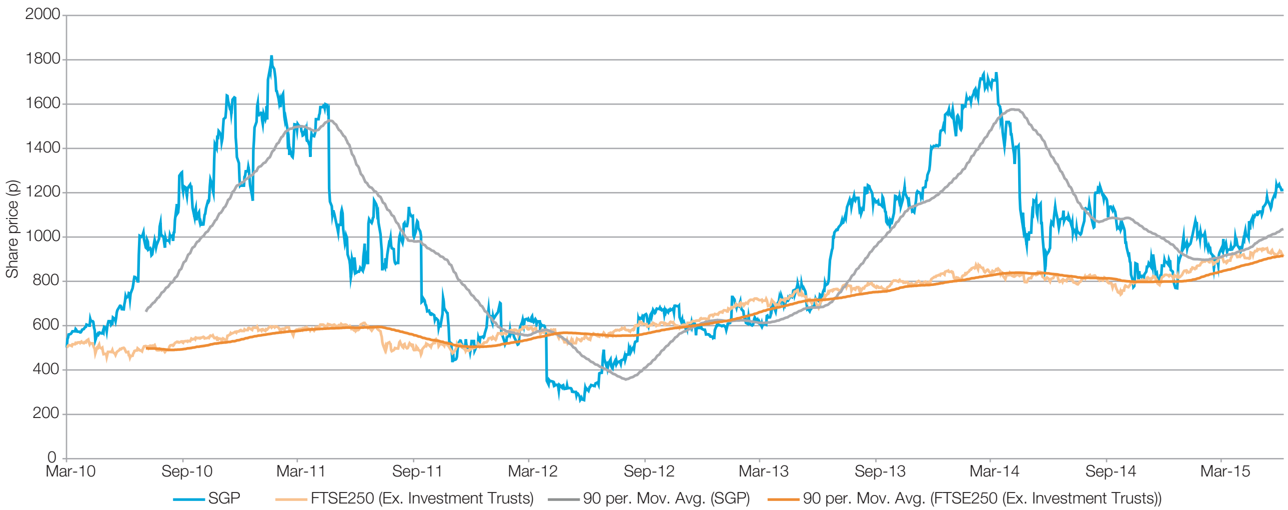
The table below shows the movement in salary, benefits and annual bonus for the Chief Executive Officer between the current and previous financial year compared to the average of all employees of the Group.

Element of remuneration		% change
Salary	Chief Executive Officer	nil
	Employees	2.9%
Taxable benefits	Chief Executive Officer	nil
	Employees	nil
Annual bonus	Chief Executive Officer	n/a*
	Employees	n/a**

* Julian Dunkerton, previously CEO, chose to waive his bonus award in FY14. Euan Sutherland received a bonus award of 50% of salary (pro rated from joining) for FY15.
** Bonus payments are only made to a small group of senior leaders and Wholesale sales roles.

Performance graph (unaudited)

The graph below shows the total cumulative shareholder return (TSR) for the Group compared with the TSR of the FTSE 250 (excluding Investment Trusts) over the period from the initial public offer to 25 April 2015. The FTSE 250 (excluding Investment Trusts) was selected as this is the index of which the Group was a constituent for the period shown. The table on the following page sets out the Chief Executive Officer single figure over the past six years.



Single figure table (unaudited)

Year ending	Chief Executive	Total remuneration	Annual bonus (% of max)	Long-term incentives (% of max)
2015	Euan Sutherland[1]	£604,174	33.3%[4]	–
2015	Julian Dunkerton[2]	£419,180	–	–
2014	Julian Dunkerton	£419,412	–	–
2013	Julian Dunkerton	£419,406	–	–
2012	Julian Dunkerton	£419,463	–	–
2011	Julian Dunkerton	£418,745	–	–
2010	Julian Dunkerton	£59,884[3]	–	–

1 Euan Sutherland was appointed as Group Chief Executive Officer on 22 October 2014.
2 Julian Dunkerton, previously Chief Executive Officer, switched to the newly created role of Founder and Product and Brand Director on 24 October 2015.
3 For six week period to 2 May 2010.
4 Annual bonus is the proportion awarded of the maximum bonus opportunity.

Membership and attendance

During the year ended 25 April 2015, the Remuneration Committee consisted of the following non-executive directors:

Keith Edelman
Euan Sutherland (until October 2014)
Minnow Powell
Ken McCall

Executive directors attend Remuneration Committee meetings by invitation of the Committee, except where their own remuneration is being discussed. Euan Sutherland (Chief Executive Officer), Julian Dunkerton (former Chief Executive Officer), Shaun Wills (former Chief Financial Officer), Lindsay Beardsell (Group General Counsel) and Andrea Cartwright (Director of HR) attended Remuneration Committee meetings during the year under review and provided advice to assist the Committee.

Adviser to the Committee

During 2015 the Remuneration Committee received advice from New Bridge Street ("***NBS***") (a trading name of AON plc) on senior executive remuneration and employee share schemes. Neither NBS nor AON plc provided other services to us during the year. NBS is a member of the Remuneration Consultants Group and complies with its code of conduct. The Remuneration Committee is comfortable that NBS's advice remains objective and independent. For the year under review NBS's total fees charged were £41,684.

Remuneration Report.

Dilution

In accordance with shareholder guidelines, the Remuneration Committee applies a limit on the amount of shares which can be issued to satisfy employee share plan awards of 10% of our issued share capital in any rolling ten year period. Of this 10%, only half can be issued to satisfy awards under the discretionary arrangements (i.e. the PSP).

Statement of shareholder voting

At last year's AGM the Directors' Remuneration Policy and the Annual Report on Remuneration received the following votes from shareholders:

	For	Against	Votes cast	Votes withheld
Directors' Remuneration Policy				
Total number of votes	64,892,908	4,338,110	69,231,018	535,940
% of votes cast	93.73	6.27	85.51	
Directors' Remuneration (excluding the Directors' Remuneration Policy)				
Total number of votes	55,286,569	5,134,704	60,421,273	9,345,685
% of votes cast	91.50	8.50	74.63	

Approved and signed on behalf of the Board.

Keith Edelman
Remuneration Committee Chairman
8 July 2015

Directors' Report.

We present the Directors' Report together with our audited Financial Statements (and those of our subsidiaries) (together the "***Group***") for the financial year ended 25 April 2015. The Corporate Governance Report set out on pages 53 to 57 forms part of this Directors' Report. We are UK domiciled but have a number of overseas subsidiaries and branches in Austria, Italy and Portugal.

The Directors' Report and Strategic Report comprise the 'management report' for the purposes of the Financial Conduct Authority's Disclosure and Transparency Rules (DTR 4.1.8.R).

Please refer to pages 51 to 52 for a full list of the directors.

Results

Our Financial Statements for the year are set out on pages 98 to 146, which should be read in conjunction with the Finance Review.

Post balance sheet events

There have been no balance sheet events that either require adjustment to the Financial Statements or are important in the understanding of our current position other than those detailed in note 35 on page 146.

Approach to tax

Our approach to tax matters is to comply with all relevant tax laws and regulations, whichever country we operate in, whilst effectively managing the overall tax burden. We will pay the right and fair amount of tax in each territory we trade from in accordance with the letter and spirit of local laws and regimes. We understand that taxes we pay to governments are an important source of revenue for them in providing a stable infrastructure and environment in which we operate.

Our businesses operate in a growing number of countries, which leads to increasing complexity in our tax affairs, and it is well documented that tax authorities around the world are subjecting the tax affairs of large companies to ever-greater scrutiny. We look to manage our tax affairs in a manner to support business operations with the aim of ensuring that the tax consequences match the economic and commercial consequences of those operations. Naturally, we seek to ensure that the same profits are not taxed twice by different jurisdictions and that transactions between subsidiary and associate companies are conducted on an arm's length basis and in line with our transfer pricing agreements.

Where a tax rule, regulation or incentive exists that may convey a tax advantage to us, for example, using losses incurred in prior years, we will use that rule, regulation or incentive to support the businesses as permitted by local law.

We use the services of external, expert tax advisers to provide input into our tax affairs, such as the management of compliance in the UK and overseas jurisdictions and the impact of changes in tax legislation on us. During the year we undertook a tax tender and appointed Grant Thornton as our primary tax adviser.

Tax governance

Our tax strategy is determined by the Board of Directors as a sub-set of our overall business strategy and is overseen by the Audit Committee. Operational responsibility for the execution of the Group's tax strategy rests with the Chief Financial Officer, who reports the Group's tax position to the Audit Committee on a regular basis.

The Audit Committee considers tax risks that may arise as a result of business operations through the Group's risk management framework. The consideration of such tax risks includes actions to mitigate the risks or to prevent their occurrence or recurrence.

As a clothing brand with international Retail and Wholesale operations, we naturally have a presence in some countries with lower tax rates than the UK. We also operate in a number of countries with much higher rates and all territories are chosen for their strategic importance to the growth of the business rather than their tax regimes. Importantly, we have full Retail and Wholesale trading businesses and we aim to pay appropriate taxes in all of the countries where we have a presence.

Related party transactions

Other than in respect of arrangements set out in note 5 to the Financial Statements and in relation to the employment of directors, details of which are provided in the Directors' Remuneration Report on pages 64 to 84, there is no material indebtedness owed to or by us to any employee or any other person or entity considered to be a related party.

Details of related party transactions are set out in note 5 to the Financial Statements.

Share capital

Details of our issued share capital, together with details of movements in our issued share capital during the year, are shown in note 32 which is deemed to be part of this Directors' Report. We have one class of ordinary shares, which carries no right to fixed income. Each share carries the right to one vote at our general meetings. The ordinary shares are listed on the Official List and traded on the London Stock Exchange. As at 25 April 2015, we had 80,984,973 ordinary shares in issue.

Share capital, control and restriction on voting rights

As at 25 April 2015, our issued share capital was 80,984,973 ordinary shares of five pence each in nominal value (the "***issued share capital***"). Details of our share capital are shown in note 32 to the Financial Statements on page 143.

The rules about the appointment and replacement of directors are contained in our Articles of Association. Specific rules regarding the re-election of directors are referred to in the Corporate Governance Report on pages 53 to 57. Changes to the Articles of Association must be approved by our shareholders.

Powers relating to the issue and buy back of shares are included in our Articles of Association and such authorities are renewed by shareholders each year at the AGM.

Pursuant to the terms of an agreement entered into between us and Julian Dunkerton dated 12 March 2010 as amended on 9 July 2014, Julian Dunkerton has undertaken to ensure that we are able to operate independently of him as a shareholder for as long as he and persons with whom he is acting in concert together hold not less than 30% of the voting rights attached to the ordinary shares. He is restricted from exercising his voting rights in certain circumstances, including the requisition of a general meeting to appoint or remove a director.

Directors' Report.

Share buy-backs

At the AGM in 2014, shareholders approved a resolution to grant the directors authority to repurchase a maximum number of 8,096,137 ordinary shares (representing 10% of our issued share capital as at 1 August 2014) as shares become available. During the reporting year to 25 April 2015, we did not purchase any of our own shares. We intend to renew this authority at the AGM in September 2015 in respect of 8,102,872 ordinary shares (again, representing 10% of our issued share capital as at 21 July 2015). Further details are set out in the notice of the AGM.

Share schemes

We have two types of share scheme: (i) a long-term incentive plan (or performance share plan) ("***LTIP***" or "***PSP***"); and (ii) a save as you earn scheme ("***SAYE***" or "***Sharesave***" scheme).

All shares allotted under the PSP and SAYE schemes have the same rights as those already issued.

Directors' share interests

The interests of the directors holding office at 25 April 2015 are shown in the Directors' Remuneration Report on page 81. There were no changes to the beneficial interests of the directors between 25 April 2015 and 8 July 2015.

UK Corporate Governance Code

Our statement on corporate governance and compliance with the Code can be found in the Corporate Governance Report on pages 53 to 57 and is incorporated by reference.

The Takeover Directive

The rights and obligations attached to the issued share capital are set out in the Articles of Association available on our website www.supergroup.co.uk. At the AGM in 2014, shareholders approved resolutions to allot shares up to an aggregate nominal value of £1,349,356 (representing one-third of our issued share capital as at 1 August 2014). It is intended to renew this authority at the AGM in September 2015 in respect of shares with a nominal value of £1,350,479 (again, representing one-third of the issued share capital as at 21 July 2015).

The disapplication of pre-emption rights for cash issues of shares was approved at the AGM in 2014 in respect of ordinary shares with a nominal value of £202,403, representing approximately 5% of our issued share capital at that date. This disapplication will be renewed at the AGM in September 2015 in respect of ordinary shares with a nominal value of £202,572 (again representing approximately 5% of the issued share capital as at 21 July 2015).

Other relevant disclosure requirements from the Takeover Directive are included elsewhere in the Directors' Report, the Corporate Governance Report, the Directors' Remuneration Report and the Notes to the Group and Company Financial Statements.

There are no agreements in place between us and our employees or directors for compensation for loss of office or employment that trigger as a result of a takeover bid.

Financial risk management

Please refer to note 31 of the accounts.

Legal and regulatory compliance

The legal team is responsible for identifying and carrying out assessments of those areas of the business where material legal and regulatory risks may be present. In the last year, the legal team (supported by external advisers where appropriate) reviewed our approach to franchise agreements and carried out training in anti-bribery and corruption, data protection and competition law. We have also further reviewed risks in relation to our intellectual property portfolio and implemented changes to ensure that our strategy to protect the Company's intellectual property is robust. Where issues are identified, mitigating actions are built into an action plan involving the drafting and communication of policies and the delivery of training where appropriate, or are approached by way of a revision to key contractual terms. The Board receives regular reports on material litigation and the legal action taken to support our strategy, and the Audit Committee monitors progress against set compliance targets.

In order to ensure that our suppliers behave in a moral and ethical manner, we have in place a comprehensive supplier manual which includes contractual terms, codes of conduct and an ethical trading policy. Compliance with the manual is monitored by audits carried out in accordance with an agreed plan, and a report is presented to the Board annually.

Whistleblowing hotlines are in place internationally and are managed through a third party provider. These cover all countries in which we operate. All matters arising from the use of the whistleblowing hotline are referred to the Company Secretarial team and investigated. The Audit Committee receives a summary of all matters arising through the whistleblowing hotline on a regular basis.

Health and safety

We are committed to providing a safe place for employees to work and customers to shop. Our policies are reviewed on an ongoing basis to ensure that the approach to training, risk assessments, safe systems of working and accident management are appropriate. As part of this process, a rolling audit programme is in place to ensure that health, safety, environmental and security risks are stringently assessed and that robust control measures are in place to limit these risks.

For further information, please refer to the Strategic Report on pages 1 to 49.

Greenhouse gas emissions

We have measured our operational and wider carbon footprint for the past five years, providing insight into where the largest climate impacts are and to prioritise resources accordingly.

The Corporate Responsibility Report contains a table detailing our global greenhouse gas (carbon) emissions on page 35 and is incorporated into the Directors' Report by reference.

Disclosure of information to auditors

Each director who held office on the date of approval of this Directors' Report confirms that, so far as he or she is aware, there is no relevant audit information of which the Company's auditors are unaware. Furthermore, each director has taken all the steps that he or she ought to have taken as a director to make him or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved and signed on behalf of the Board.

Lindsay Beardsell
Company Secretary
8 July 2015

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and parent Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Company Financial Statements respectively; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Each of the directors, whose names and functions are listed on pages 51 to 52, confirm that, to the best of their knowledge:

- the Group Financial Statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

The directors also confirm that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The directors' responsibilities statement was approved by a duly authorised Committee of the Board of Directors on 8 July 2015 and signed on its behalf by Nick Wharton, Chief Financial Officer and Euan Sutherland, Chief Executive Officer.

Nick Wharton
Chief Financial Officer
8 July 2015

Euan Sutherland
Chief Executive Officer

Financial Statements.

Independent Auditors' Report.

to the members of SuperGroup Plc

Report on the financial statements

Our opinion

In our opinion, SuperGroup Plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 25 April 2015 and of the Group's profit and the Group's and the Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

What we have audited

SuperGroup Plc's financial statements comprise:

- the Group and Company balance sheets as at 25 April 2015;
- the Group statement of comprehensive income for the year then ended;
- the Group and Company statements of changes in equity;
- the Group and Company cash flow statements for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Independent Auditors' Report.

to the members of SuperGroup Plc

Our audit approach

Overview

- Overall Group materiality: £3.2 million which represents 5% of underlying profit before tax.

- We conducted an audit of the complete financial information of three reporting units: DKH Retail Limited, C-Retail Limited and SuperGroup Plc due to their size and risk characteristics.
- In addition, we conducted the statutory audits of three reporting units located in the UK such that the audit work was complete prior to finalisation of the Group financial statements, as well as some specific procedures in the US, which included attending physical inventory observations at the acquisition date.
- We also audited central activities, including the US business combination and goodwill impairment testing.

- US business combination, including classification of exceptional items arising from the business combination.
- Reallocation of goodwill between cash generating units.
- Inventory and accounts receivable provisions.

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Independent Auditors' Report.

to the members of SuperGroup Plc

Area of focus	How our audit addressed the area of focus
US business combination, including classification of exceptional items arising from the business combination Refer to the Audit Committee Report on page 60, the critical accounting estimates and judgements in note 2 to the accounts on page 111, and note 33 for the US business combination. The US business combination with SD USA LLC ("SD USA") included the termination of an existing licence agreement allowing SD USA exclusive rights to the Superdry brand in the USA, Canada and Mexico ("North America"), and the acquisition of the trade and certain assets from SD USA, comprising principally 15 Superdry stores. The fair value of consideration paid for the acquisition of the trade and assets of SD USA and settlement of the pre-existing relationship was £22.5m, with £1.7m indemnity held in escrow for a period of up to one year. Management used an external expert to prepare the models used to value both the pre-existing relationship and reacquired right (intangible asset). The principal matters that we focused on were:	We read the relevant legal documentation for the business combination to understand each element of the transaction and whether it related to an identifiable asset or liability, or whether it was an item that should be included in the statement of comprehensive income. We found that each element of the transaction had been correctly classified. We also agreed amounts paid by the Group to bank statements, and understood the terms of amounts held back in escrow to confirm they formed part of the consideration paid. We assessed the competency of management's external expert who prepared the valuation models for both the pre-existing relationship and reacquired right by evaluating the professional qualifications and reputation of the expert. We found them to be reputable and appropriately qualified.
Termination of licence agreement This existing licence was granted to SD USA in 2008 and was for a 30 year period, allowing exclusive rights to distribute Superdry products in North America. The termination of the licence agreement required judgement in relation to determining the gain/loss on settlement of the pre-existing relationship. A model was prepared by management's expert and the two key judgements involved in this valuation were: 1. determining the unfavourable contract terms with reference to current market terms; and 2. forecasting cash flows for the remaining 23 year licence period. The unfavourable element of the terminated licence agreement was included as an exceptional item. This required judgement in determining if it met the Group accounting policy definition.	**Termination of licence agreement** We used our valuation knowledge to test the results of the expert's model by understanding the appropriateness of the methodology used, benchmarking the discount rate to comparable organisations and data sources, benchmarking the growth rate to long-term economic forecasts for the US, re-performing the discounting of cash flows and testing for mathematical accuracy. We found the assumptions adopted and methodology applied by the expert to be acceptable consistent with our knowledge of the business. We tested management's assessment of unfavourable contract terms by considering recent and similar licence agreements for royalty rates to understand the amount by which the US licence was unfavourable, and found the conclusions reached to be reasonable based on this comparable information. Cash flow forecasts used in the valuation model were agreed to Board approved papers for the first five years, and we understood and challenged assumptions in the forecasts such as phasing of forecast store openings and capital expenditure forecasts. We considered the classification of the loss on the pre-existing relationship as exceptional, and determined that it met the Group accounting policy definition.

Independent Auditors' Report.

to the members of SuperGroup Plc

Area of focus	How our audit addressed the area of focus
Acquisition of trade and assets The acquisition of the trade and assets involved judgements in relation to the identification and valuation of assets and liabilities to be recognised. In particular: • The valuation of the 're-acquired right' intangible asset required judgement to determine the estimated future cash flows under the remaining licence period. • The valuation of inventory included judgement to determine the fair value with reference to the quality of that inventory based on management experience, current retail prices, costs of selling and average margins. • The resulting bargain purchase recognised in the statement of comprehensive income is calculated as the difference between the fair value of identified assets and liabilities acquired and the fair value of consideration paid, less the amount attributed to the pre-existing relationship. Other exceptional items arising from the US acquisition primarily relate to onerous leases and fixed asset impairments. Judgement was required to determine whether the recognition criteria had been met at the balance sheet date, and whether these items met the Group's accounting policy description for exceptional items.	**Acquisition of trade and assets** • We checked and found that the cash flow forecasts used in the model were the same as those used in the pre-existing relationship model (as above). We used our valuation knowledge to test the results of the expert's model as described above. For the purpose of evaluating this specific item we benchmarked the discount rate to comparable organisations and data sources and the growth rate to long term economic forecasts for the US, re-performed the discounting of cash flows, assessing the appropriateness of contributory asset charges based on a reasonably expected return on the underlying asset, and tested for mathematical accuracy. We found the assumptions adopted and methodology applied by the expert to be consistent with our knowledge of the business. • We evaluated the fair value ascribed to inventory by challenging management's assessment of the quality of inventory by reference to the age of that inventory, agreeing margins by sales channel to recent actual experience. We also challenged judgements formed around costs to sell by reference to actual costs experienced in the same sales channels elsewhere in the Group. We found these to be appropriate. • Having obtained audit evidence over the valuation of assets and liabilities acquired, we re-performed management's calculation of the resulting bargain purchase recognised in the statement of comprehensive income. We considered the classification as exceptional, and determined that it met the Group accounting policy definition. For onerous lease and asset impairment provisions included as exceptional we considered the classification of costs as exceptional and determined that they met the Group accounting policy. We also tested these costs by agreeing them to appropriate evidence to evaluate the onerous element of the lease and amounts by which fixed assets were impaired.

Independent Auditors' Report.

to the members of SuperGroup Plc

Area of focus	How our audit addressed the area of focus
Reallocation of goodwill between cash generating units Refer to the Audit Committee Report on page 60, the critical accounting estimates and judgements in note 2 to the accounts on page 111, and note 19 for goodwill. Management has reassessed the cash generating units ("CGUs") used in their goodwill impairment testing as a result of structural changes in the way in which the European business is operated. The structural changes include the movement of the wholesale operations from Belgium to the UK and the restructuring of key management personnel. As a result, the goodwill that arose on the acquisition of SuperGroup Europe ("SGE") in 2011 has been reallocated between two CGUs (being Retail and Wholesale) based on a three year historic average of retail and wholesale sales made by SGE. This allocation required judgement to determine the methodology upon which the allocation should take place.	We understood the rationale for reallocating goodwill between CGUs given the structural changes in the business, and determined it to be consistent with the accounting framework. We traced the three year historic revenue data used in the reallocation of goodwill between the Retail and Wholesale CGUs back to historical accounting records and found it to be accurate. We then recomputed the allocation of goodwill based on this data.
Inventory and accounts receivable provisions Refer to the Audit Committee Report on page 60, the critical accounting estimates and judgements in note 2 to the accounts on page 111, note 22 for inventory and note 23 for accounts receivable. The valuation of inventory involves judgement in recording provisions for slow moving or obsolete inventory. The Group accounting policy is based upon the ageing of inventory by season, with a percentage provision applied which reflects the actual historic rate of losses made. In addition, specific provisions are made for known product quality issues. This requires management judgement to assess the quality of product and the expected realisable value. Accounts receivable provisions involve judgement in determining the recoverability of receivables. Provisions are made for specific known issues such as counterparty risk.	We evaluated the slow moving and obsolete inventory provision by testing the season ageing of inventory at the balance sheet date and then recalculating the provision required with reference to the Group policy. We also challenged the Group policy for provision rates by reference to historic evidence of selling inventory below cost and/or actual inventory write downs. We found that the provision rates were consistent with the evidence obtained as to past activity, and appropriately applied. We evaluated the provision for accounts receivable balances by testing the ageing of amounts due at the balance sheet date to understand and quantify the potential risk in overdue balances. Recoverability was then tested by vouching cash receipts after the year end date. For amounts that were past due and not yet recovered we understood and challenged the provision requirements with reference to that customer's historic payment performance, any credit insurance or bank guarantees in place, and the wider macro-economic situation. We found that the provisions recorded were consistent with the evidence obtained.

Independent Auditors' Report.

to the members of SuperGroup Plc

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group financial statements are a consolidation of a number of reporting units, comprising the Group's operating businesses within three segments – Retail, Wholesale and Central Cost – plus its centralised functions.

In establishing the overall approach to the Group audit, we identified three reporting units: DKH Retail Limited, C-Retail Limited and SuperGroup Plc (the Company), which, in our view, required an audit of their complete financial information both due to their size and risk characteristics. These reporting units were audited by the Group engagement team.

In addition, we also conducted the statutory audits of three non-significant reporting units located in the UK such that the audit work was complete prior to finalisation of the Group financial statements. The audits of three further reporting units located in Belgium were conducted by the PwC network firm in Belgium. We also conducted specified procedures on the acquired US business including attending physical inventory observations at the acquisition date.

The audits of these nine reporting units, together with additional procedures performed on centralised functions and at the Group level, including audit procedures over the consolidation and impairment testing and in respect of accounting matters arising in relation to the US acquisition, as described in our area of focus above, gave us the evidence we needed for our opinion on the Group financial statements as a whole.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Group materiality	£3.2 million (2014: £3.0 million).
How we determined it	5% of underlying profit before tax.
Rationale for benchmark applied	We believe that underlying profit before tax is the key measure used by the shareholders as a body in assessing the Group's performance. This benchmark, which excludes exceptional and remeasurement items, provides us with a consistent year on year basis for determining materiality by eliminating the non-recurring and/or disproportionate impact of these items.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.1 million (2014: £0.1 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent Auditors' Report.

to the members of SuperGroup Plc

Going concern

Under the Listing Rules we are required to review the directors' statement, set out on page 57, in relation to going concern. We have nothing to report having performed our review.

As noted in the directors' statement, the directors have concluded that it is appropriate to prepare the financial statements using the going concern basis of accounting. The going concern basis presumes that the Group and Company have adequate resources to remain in operation, and that the directors intend them to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's and Company's ability to continue as a going concern.

Other required reporting

Consistency of other information

Companies Act 2006 opinion

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

• Information in the Annual Report is: — materially inconsistent with the information in the audited financial statements; or — apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Company acquired in the course of performing our audit; or — otherwise misleading.	We have no exceptions to report arising from this responsibility.
• the statement given by the directors on page 87, in accordance with provision C.1.1 of the UK Corporate Governance Code ("the Code"), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's and Company's performance, business model and strategy is materially inconsistent with our knowledge of the Group and Company acquired in the course of performing our audit.	We have no exceptions to report arising from this responsibility.
• the section of the Annual Report on pages 58 to 62, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report arising from this responsibility.

Independent Auditors' Report.

to the members of SuperGroup Plc

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' remuneration report - Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from these responsibilities.

Corporate governance statement

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with ten provisions of the UK Corporate Governance Code. We have nothing to report having performed our review.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' Report.

to the members of SuperGroup Plc

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Andrew Lyon BSc FCA **(Senior Statutory Auditor)**
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
8 July 2015

Financial Statements.

Group statement of comprehensive income.

	Note	Underlying 2015 £m	Re-measurements and exceptional items £m	Total 2015 £m	Underlying 2014 £m	Re-measurements and exceptional items £m	Group Total 2014 £m
Revenue	4	486.6	–	486.6	430.9	–	430.9
Cost of sales		(190.4)	–	(190.4)	(173.6)	–	(173.6)
Gross profit		296.2	–	296.2	257.3	–	257.3
Selling, general and administrative expenses - underlying		(238.3)	–	(238.3)	(200.5)	–	(200.5)
– exceptional gains	13	–	1.8	1.8	–	–	–
– exceptional costs	13	–	(18.9)	(18.9)	–	(13.1)	(13.1)
Selling, general and administrative expenses	7	(238.3)	(17.1)	(255.4)	(200.5)	(13.1)	(213.6)
Other gains and losses (net)	8	6.0	13.4	19.4	4.7	(3.7)	1.0
Operating profit	6	63.9	(3.7)	60.2	61.5	(16.8)	44.7
Finance income	12	0.4	–	0.4	0.6	–	0.6
Finance expense	12	(0.6)	–	(0.6)	–	–	–
Share of loss of investment	20	(0.5)	–	(0.5)	(0.1)	–	(0.1)
Profit before income tax		63.2	(3.7)	59.5	62.0	(16.8)	45.2
Income tax expense	14	(14.8)	1.3	(13.5)	(14.9)	(2.5)	(17.4)
Profit for the period		48.4	(2.4)	46.0	47.1	(19.3)	27.8
Attributable to:							
Owners of the Company		47.8	(2.4)	45.4	46.7	(19.3)	27.4
Non-controlling interests		0.6	–	0.6	0.4	–	0.4
		48.4	(2.4)	46.0	47.1	(19.3)	27.8
Other comprehensive income net of tax:							
Items that may be subsequently reclassified to profit or loss							
Currency translation differences		(11.4)	–	(11.4)	(0.8)	–	(0.8)
Total comprehensive income for the period		37.0	(2.4)	34.6	46.3	(19.3)	27.0
Attributable to:							
Owners of the Company		36.4	(2.4)	34.0	45.9	(19.3)	26.6
Non-controlling interests		0.6	–	0.6	0.4	–	0.4
		37.0	(2.4)	34.6	46.3	(19.3)	27.0
		pence per share		pence per share	pence per share		pence per share
Earnings per share:							
Basic	17	59.1		56.1	58.0		34.0
Diluted	17	58.8		55.8	57.2		33.6

Underlying is defined in note 4.

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 not to present the Company statement of comprehensive income.

The notes on pages 104 to 146 inclusive are an integral part of the Group and Company financial statements.

Financial Statements.

Balance sheets.

Company number: 07063562

	Note	Group 2015 £m	Group 2014 £m	Company 2015 £m	Company 2014 £m
ASSETS					
Non-current assets					
Property, plant and equipment	18	72.3	70.3	2.7	2.9
Intangible assets	19	52.1	46.7	10.4	8.1
Investments in subsidiaries	20	–	–	380.6	366.0
Investments accounted for using the equity method	20	0.7	0.3	–	–
Deferred income tax assets	21	27.8	30.4	1.1	1.3
Derivative financial instruments	31	0.7	–	–	–
Total non-current assets		153.6	147.7	394.8	378.3
Current assets					
Inventories	22	107.9	77.8	–	–
Trade and other receivables	23	70.3	54.3	47.3	38.4
Derivative financial instruments	31	10.4	–	–	–
Other financial assets	24	10.0	–	10.0	–
Cash and cash equivalents	24	67.6	86.2	14.1	43.3
Total current assets		266.2	218.3	71.4	81.7
LIABILITIES					
Current liabilities					
Borrowings	25	–	0.1	14.4	78.7
Trade and other payables	26	79.8	58.9	77.9	4.3
Current income tax liabilities	26	13.0	11.9	–	–
Derivative financial instruments	31	–	2.2	–	–
Total current liabilities		92.8	73.1	92.3	83.0
Net current assets/(liabilities)		173.4	145.2	(20.9)	(1.3)
Non-current liabilities					
Trade and other payables	26	28.0	28.9	–	–
Provisions for other liabilities and charges	27	2.9	1.1	–	–
Deferred income tax liabilities	21	0.9	1.6	–	–
Derivative financial instruments	31	–	0.1	–	–
Total non-current liabilities		31.8	31.7	–	–
Net assets		295.2	261.2	373.9	377.0
EQUITY					
Share capital	32	4.0	4.0	4.0	4.0
Share premium		147.5	147.3	147.5	147.3
Translation reserve		(12.7)	(1.3)	–	–
Merger reserve		(302.5)	(302.5)	–	–
Retained earnings		456.0	411.4	222.4	225.7
Other reserves	34	0.7	0.7	–	–
Equity attributable to the owners of the Company		293.0	259.6	373.9	377.0
Non-controlling interests	34	2.2	1.6	–	–
Total equity		295.2	261.2	373.9	377.0

The notes on pages 104 to 146 inclusive are an integral part of the Group and Company financial statements.

The financial statements on pages 98 to 103 were approved by the Board of directors on 8 July 2015 and signed on its behalf by:

Euan Sutherland Chief Executive Officer **Nick Wharton** Chief Financial Officer

Financial Statements.

Cash flow statements.

	Note	Group 2015 £m	Group 2014 £m	Company 2015 £m	Company 2014 £m
Cash flows from operating activities					
Profit/(loss) before income tax		**59.5**	45.2	**(2.7)**	(3.7)
Adjusted for:					
– Depreciation of property, plant and equipment	18	**21.3**	19.1	**2.7**	1.8
– Loss on disposal of property, plant and equipment	6	**0.2**	1.7	**–**	–
– Proceeds on disposal of fixed assets		**0.2**	0.2	**–**	–
– Amortisation of intangible assets	19	**5.5**	3.2	**2.0**	0.4
– Share of loss of investment, net of dilution gain	20	**0.3**	0.1	**–**	–
– Net impact of lease incentives		**(2.2)**	1.9	**–**	–
– Finance income	12	**(0.4)**	(0.6)	**(0.3)**	(0.6)
– Finance expense	12	**0.6**	–	**–**	–
– Unrealised fair value (gain) /loss on derivative financial instruments	31	**(13.4)**	3.7	**–**	–
– Fair value loss on deferred contingent share consideration		**–**	4.0	**–**	–
– Long-term incentive plan	11	**(0.8)**	1.1	**(0.8)**	1.1
– Impairment of plant, property and equipment	6	**1.1**	–	**–**	–
Changes in working capital:					
– Increase in inventories		**(25.7)**	(2.6)	**–**	–
– (Increase)/decrease in trade and other receivables		**(16.4)**	(11.3)	**(8.5)**	(14.5)
– Increase in trade and other payables, and provisions		**15.7**	12.2	**73.0**	2.1
Cash generated from/(used in) operations		**45.5**	77.9	**65.4**	(13.4)
Interest received	12	**0.4**	0.6	**0.3**	0.6
Tax paid		**(10.9)**	(9.6)	**–**	–
Net cash generated from operating activities		**35.0**	68.9	**65.7**	(12.8)

Financial Statements.

Cash flow statements.

	Note	Group 2015 £m	Group 2014 £m	Company 2015 £m	Company 2014 £m
Cash flow from investing activities					
Acquisitions (net of cash acquired)	33	**(13.9)**	(2.2)	**(13.1)**	(1.0)
Purchase of property, plant and equipment	18	**(22.1)**	(26.9)	**(2.5)**	(1.9)
Purchase of intangible assets	19	**(5.2)**	(6.9)	**(4.3)**	(6.1)
Purchase of investments/associates	20	**(10.7)**	(0.4)	**(10.7)**	(0.4)
Net cash used in investing activities		**(51.9)**	(36.4)	**(30.6)**	(9.4)
Cash flow from financing activities					
Repayment of borrowings	25	**(0.1)**	(0.3)	**–**	–
Net cash used in financing activities		**(0.1)**	(0.3)	**–**	–
Net (decrease)/increase in cash and cash equivalents	30	**(17.0)**	32.2	**35.1**	(22.2)
Cash and cash equivalents, net of overdraft, at beginning of period	24	**86.2**	54.5	**(35.4)**	(13.2)
Exchange losses on cash and cash equivalents	24	**(1.6)**	(0.5)	**–**	–
Cash and cash equivalents at end of period, net of overdraft	24	**67.6**	86.2	**(0.3)**	(35.4)

The notes on pages 104 to 146 inclusive are an integral part of the Group and Company financial statements.

Financial Statements.

Statements of changes in equity.

		Attributable to owners of the Company								
Group	Note	Share capital £m	Share premium £m	Translation reserve £m	Merger reserve £m	Retained earnings £m	Other reserves £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 28 April 2013		**4.0**	**140.1**	**(0.5)**	**(302.5)**	**382.4**	**–**	**223.5**	**0.4**	**223.9**
Comprehensive income										
Profit for the period		–	–	–	–	27.4	–	27.4	0.4	27.8
Other comprehensive income										
Currency translation differences		–	–	(0.8)	–	–	–	(0.8)	–	(0.8)
Total other comprehensive income		**–**	**–**	**(0.8)**	**–**	**–**	**–**	**(0.8)**	**–**	**(0.8)**
Total comprehensive income for the period		**–**	**–**	**(0.8)**	**–**	**27.4**	**–**	**26.6**	**0.4**	**27.0**
Transactions with owners										
Employee share award scheme	11	–	–	–	–	1.1	–	1.1	–	1.1
Deferred tax – employee share award scheme		–	–	–	–	0.5	–	0.5	–	0.5
Shares issued	32	–	7.2	–	–	–	–	7.2	–	7.2
Reserves arising on business combination	34	–	–	–	–	–	0.7	0.7	0.8	1.5
Total transactions with owners		**–**	**7.2**	**–**	**–**	**1.6**	**0.7**	**9.5**	**0.8**	**10.3**
Balance at 26 April 2014		**4.0**	**147.3**	**(1.3)**	**(302.5)**	**411.4**	**0.7**	**259.6**	**1.6**	**261.2**
Comprehensive income										
Profit for the period		–	–	–	–	45.4	–	45.4	0.6	46.0
Other comprehensive income										
Currency translation differences		–	–	(11.4)	–	–	–	(11.4)	–	(11.4)
Total other comprehensive income		**–**	**–**	**(11.4)**	**–**	**–**	**–**	**(11.4)**	**–**	**(11.4)**
Total comprehensive income for the period		**–**	**–**	**(11.4)**	**–**	**45.4**	**–**	**34.0**	**0.6**	**34.6**
Transactions with owners										
Employee share award scheme	11	–	–	–	–	(0.8)	–	(0.8)	–	(0.8)
Deferred tax – employee share award scheme		–	–	–	–	–	–	–	–	–
Shares issued	32	–	0.2	–	–	–	–	0.2	–	0.2
Total transactions with owners		**–**	**0.2**	**–**	**–**	**(0.8)**	**–**	**(0.6)**	**–**	**(0.6)**
Balance at 25 April 2015		**4.0**	**147.5**	**(12.7)**	**(302.5)**	**456.0**	**0.7**	**293.0**	**2.2**	**295.2**

Financial Statements.

Statements of changes in equity.

Company	Note	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
Balance at 28 April 2013		4.0	140.1	226.9	371.0
Comprehensive income					
Loss for the period		–	–	(2.8)	(2.8)
Total comprehensive income for the period		–	–	(2.8)	(2.8)
Transactions with owners					
Employee share award schemes		–	–	1.1	1.1
Deferred tax credit		–	–	0.5	0.5
Shares issued	32	–	7.2	–	7.2
Total transactions with owners		–	7.2	1.6	8.8
Balance at 26 April 2014		4.0	147.3	225.7	377.0
Comprehensive income					
Loss for the period		–	–	(2.5)	(2.5)
Total comprehensive income for the period		–	–	(2.5)	(2.5)
Transactions with owners					
Employee share award schemes		–	–	(0.8)	(0.8)
Shares issued	32	–	0.2	–	0.2
Total transactions with owners		–	0.2	(0.8)	(0.6)
Balance at 25 April 2015		4.0	147.5	222.4	373.9

The deferred tax credit to equity is in respect of employee share award schemes.

The notes on pages 104 to 146 inclusive are an integral part of the Group and Company financial statements.

Financial Statements.

Notes to the Group and Company Financial Statements.

1. Principal accounting policies

a) Basis of preparation

The financial statements of SuperGroup Plc (the "Company") and SuperGroup Plc and its subsidiary undertakings in the UK, Republic of Ireland, Belgium, France, Germany, Netherlands, Spain, Turkey, Scandinavia and United States as detailed in note 20 (the "Group") have been prepared on a going concern basis under the historical cost convention as modified by fair values, in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union, and in accordance with the Companies Act 2006 applicable to companies reporting under IFRS.

The current period ("2015") is for the 52 weeks ended 25 April 2015 (2014: 51 weeks and 6 days ended 26 April 2014 ("2014")).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Group's accounting policies (note 2).

The Group financial statements are presented in sterling and all values are rounded to the nearest hundred thousand except where indicated.

b) Basis of consolidation

The consolidation of the subsidiaries acquired in advance of the Initial Public Offering in March 2010 (C-Retail Limited, DKH Retail Limited, SuperGroup Concessions Limited, SuperGroup International Limited, SuperGroup Internet Limited and SuperGroup Retail Ireland Limited) into the financial statements of SuperGroup Plc has been prepared under the principles of predecessor accounting, whereby an acquirer is not required to be identified, and all entities are included at their pre-combination carrying amounts. This accounting treatment leads to differences on consolidation between consideration and fair value of the underlying net assets and this difference is included within equity as a merger reserve. All subsequent business combinations are accounted for using the acquisition method of accounting (note 1c).

Subsidiaries are those entities in which the Group has power to govern the financial and operating policies so as to obtain economic benefits. The existence and effect of potential voting rights that are presently exercisable or convertible are considered when assessing whether the Group controls another entity.

The results of subsidiaries acquired during the year are included in the Group statement of comprehensive income from the date on which control is transferred to the Group. Accounting policies of subsidiaries are changed when necessary to ensure consistency with the accounting policies adopted by the Group.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income with a corresponding adjustment to the carrying value amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit or loss of investment" in the statement of comprehensive income.

Intercompany transactions and balances are eliminated on consolidation.

Financial Statements.

1. Principal accounting policies (continued)

c) Business combinations

The Group uses the acquisition method of accounting to account for business combinations of entities not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

d) Foreign currencies

The consolidated financial information is presented in pounds sterling, which is the Company's functional and the Group's presentation currency.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the rates ruling at the balance sheet date. Resulting exchange gains and losses are recognised in the Group statement of comprehensive income.

Upon consolidation, the assets and liabilities of the Group's foreign operations are translated at the rate of exchange ruling at the balance sheet date. Income and expense items of foreign operations are translated at the actual rate or average rate if not materially different. Differences on translation are recognised in other comprehensive income.

e) Revenue recognition

Revenue is measured at the fair value of the consideration received, or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Standalone store revenue

Standalone store revenue from the provision of sale of goods is recognised at the point of sale of a product to the customer. Standalone store sales are settled in cash or by credit or payment card. It is the Group's policy to sell its products to the customer with a right to exchange within 28 days.

Concession revenue

Concession revenues from the provision of sale of goods are recognised gross at the point of sale of a product to the customer. Concession revenues are settled in cash, by the concession grantors net of commissions or other fees payable. It is the concessions' policy to sell its products with a right to exchange within 28 days and a cash refund within 14 days. Provisions are made for concession returns based on the expected level of returns, which in turn is based upon the historical rate of returns.

Financial Statements.

Notes to the Group and Company Financial Statements.

1. Principal accounting policies (continued)

Internet revenue

Revenue from the provision of the sale of goods on the internet is recognised at the point that the risks and rewards of the inventory have passed to the customer, which is the point of delivery. Transactions are settled by credit card, payment card or PayPal. Provisions are made for internet credit notes based on the expected level of returns, which in turn is based upon the historical rate of returns.

Wholesale revenue

Wholesale revenues from the sale of goods are recognised at the point that the risks and rewards of the inventory have passed to the customer, which depends on the specific terms and conditions of sales transactions and which are typically upon either dispatch or delivery. Revenues are settled in cash, net of discounts.

Provisions are made for Wholesale credit notes based on the expected level of returns, which in turn is based upon the historical rate of returns.

f) Other income

Other income primarily relates to proceeds from legal claims and royalty income. Royalty income is recognised on an accruals basis in accordance with the substance of the Wholesale royalty agreements.

g) Finance income

Finance income comprises interest receivable on funds invested. Finance income is recognised in the Group statement of comprehensive income using the effective interest method.

h) Finance expenses

Finance expenses comprise interest payable on interest-bearing loans and borrowings. Finance expenses are recognised in the Group statement of comprehensive income using the effective interest method.

i) Leasing and similar commitments

Leases are accounted for as operating leases as the risks and rewards of ownership are retained by the lessor and the rental charges are charged to the Group statement of comprehensive income on a straight-line basis over the life of the lease.

Lease incentives are received in the form of cash contributions and rent-free periods and are considered financing activities for the purposes of the cash flow statement, as they are the same as financing from landlords to fund store fit-outs.

Cash contributions

Cash contributions from landlords for store fit-outs are initially recognised as a deferred income liability in the balance sheet at the point the recognition criteria in the lease are met, and credited to selling, general and administrative expenses in the Group statement of comprehensive income on a straight-line basis over the term of the lease commencing from opening date. Cash contributions are not discounted.

Rent-free periods

A deferred income liability is built up on the balance sheet during the rent-free period, which is then credited to the Group statement of comprehensive income over the life of the lease. The effect is to recognise a reduction in selling, general and administrative expenses on a straight-line basis over the longer of the term of the lease, or from property access date to the end of the lease. Rent-free periods are not discounted.

Financial Statements.

1. Principal accounting policies (continued)

Lease premiums

Lease premiums paid to landlords are initially recognised as a prepayment, and lease premiums paid to previous tenants are initially recognised as an intangible asset, in the balance sheet, at the point the recognition criteria in the lease are met, and debited to selling, general and administrative expenses in the Group statement of comprehensive income on a straight-line basis over the term of the lease commencing from opening date.

j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Cost includes the original purchase price and the costs attributable to bringing the asset into its working condition but excludes interest. Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount and are recognised in the Group statement of comprehensive income.

Depreciation is provided at rates calculated to write down the cost of the assets, less their estimated residual values, over their remaining useful economic lives as follows:

Freehold buildings	–	50 years on a straight-line basis
Leasehold improvements	–	5 – 10 years on a straight-line basis
Furniture, fixtures and fittings	–	5 – 10 years on a straight-line basis
Computer equipment	–	3 – 5 years on a straight-line basis

Land is not depreciated. Residual values and useful economic lives are reviewed annually and adjusted if appropriate.

k) Impairment

The carrying values of non-financial assets are tested annually to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Where the asset does not generate cash flows which are independent from other assets, the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs is estimated.

The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell, and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

An impairment loss is recognised in the Group statement of comprehensive income whenever the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss in a subsidiary consolidated under predecessor accounting (note 1b) is recognised as a movement in the merger reserve and retained earnings in addition to recognising a loss on the statement of comprehensive income.

Financial Statements.

Notes to the Group and Company Financial Statements.

1. Principal accounting policies (continued)

l) Intangible assets
Intangible assets acquired separately from a business are recognised initially at cost. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses. Intangible assets with a finite life have no residual value and are amortised on a straight-line basis over their expected useful lives as follows:

Trademarks	–	10 years
Website and software	–	5 years
Lease premiums	–	Over the life of the lease on a straight-line basis
Distribution agreements	–	6 to 23 years

Trademark costs comprise the external cost of registration and associated legal costs. Website and software costs consist primarily of externally incurred development costs. Lease premiums comprise the amount paid to the previous tenant to acquire the lease. Distribution agreements comprise the fair value, at date of acquisition, of distribution agreements acquired as part of a business combination. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in "intangible assets". Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

m) Investments
Investments in subsidiaries are recorded at historical cost, less any provision for impairment.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recorded at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associate includes goodwill identified on acquisition.

n) Derivative financial instruments and hedging activities
Derivative financial instruments are recognised initially at their fair value and re-measured at fair value at each period end. Derivative financial instruments are categorised as held for trading. The gain or loss on re-measurement to fair value is recognised immediately in the Group statement of comprehensive income. The Group has not applied hedge accounting.

Foreign forward exchange derivative gains and losses are recognised in other gains and losses (net).

o) Inventories
Inventories are valued at the lower of cost or net realisable value. Cost comprises costs associated with the purchase and bringing of inventories to the distribution centres and is based on the weighted average principle. Provisions are made for obsolescence, mark-downs and shrinkage.

p) Trade receivables
Trade receivables are recognised at original invoice amount less impairment losses. A provision for the impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms. Significant financial difficulties of the customer, probability that the customer will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The movement in the provision is recognised in the Group statement of comprehensive income.

q) Other financial assets
Other financial current assets are cash investments with a maturity date of greater than three months and are measured at cost.

Financial Statements.

1. Principal accounting policies (continued)

r) Cash and cash equivalents

Cash and short-term deposits comprise cash at bank and in hand and short-term deposits with an original maturity date of three months or less. Bank overdrafts are offset against cash when a right of offset exists and the Group intends to use this right of offset. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits, less overdrafts, which are repayable on demand.

s) Borrowings

Borrowings are initially recorded at fair value net of transaction costs, including facility fees incurred, and subsequently measured at amortised cost using the effective interest method. Where a loan is obtained at interest rates different from market rates, the loan is re-measured at origination to its fair value, which is calculated as future interest payments and principal repayments discounted at market interest rates for similar loans. Subsequently, the carrying amount of the borrowings is adjusted for amortisation of the origination gain or loss, and the amortisation is recorded as finance income/cost using the effective interest yield method on the asset/liability.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

t) Provisions and contingent liabilities

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the obligation can be estimated reliably. Provisions are discounted if the impact on the provision is deemed to be material.

u) Employee benefit obligations

The Group operates a defined contribution pension scheme for the benefit of its employees. The Group pays contributions into an independently administered fund via a salary sacrifice arrangement. The costs to the Group of providing these benefits are recognised in the Group statement of comprehensive income and comprise the amount of contributions payable to the scheme in respect of the year.

Payroll expense and related contributions

Wages, salaries, payroll tax, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

v) Share based payments

The Group operates an equity settled share based compensation plan. The fair value of the shares under such plans is recognised as an expense in the Group statement of comprehensive income. Fair value is determined using the Black–Scholes Option Pricing Model. The amount to be expensed over the vesting period is determined by reference to the fair value of share incentives excluding the impact of any non-market vesting conditions. Non-market vesting conditions are considered as part of the assumptions about the number of share incentives that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of share incentives that are expected to vest. The impact of the revision on original estimates, if any, is recognised in the Group statement of comprehensive income, with a corresponding adjustment to equity over the remaining vesting period.

w) Trade and other payables

Trade and other payables, excluding lease incentives (see note 1i), are non-interest bearing and are initially recognised at their fair value which approximates book value. Trade and other payables are derecognised when the contractual obligations to the cash flows from the liability expire or are transferred.

Financial Statements.

Notes to the Group and Company Financial Statements.

1. Principal accounting policies (continued)

x) Taxation

The policy for current and deferred income tax, when relevant, is as follows:

- tax on the profit or loss for the period will comprise current and deferred income tax;
- current income tax expense is calculated using the tax rates which have been enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years;
- deferred income tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes;
- the amount of deferred income tax provided is based on the expected realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the balance sheet date;
- a deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred income tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised; and
- deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

y) Dividends

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they have been approved before or on the balance sheet date. Dividends are disclosed when they have been proposed before the balance sheet date or proposed or declared after the balance sheet date but before the financial statements are approved for issue by the directors.

z) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity, as a deduction, net of tax, from the proceeds.

aa) Retained earnings

The retained earnings reflect the accumulated profits and losses of the Group.

ab) Merger reserve, non-controlling interests and other reserves

The merger reserve arose on the Group restructuring in March 2010 and represents the differences on consolidation arising on the adoption of predecessor accounting. This comprises the difference between consideration paid and the book value of net assets acquired in the transaction less any impairment. Non-controlling interests relate to business arrangements in which SuperGroup has less than a 100% share. Other reserves arose on the business combination occurring in Germany regarding former KuH stores. The translation reserve arises on the movement of closing exchange rates between each balance sheet date.

ac) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Board.

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1. Principal accounting policies (continued)

ad) Cost of sales

Cost of sales comprises movements between opening and closing inventories, purchases, carriage in, commissions payable, and other related expenses.

ae) Exceptional items

Items that are both material in size and unusual or infrequent in nature, are disclosed separately as exceptional items in the Group statement of comprehensive income.

The separate reporting of exceptional items, which are presented as exceptional within the relevant category in the Group statement of comprehensive income, helps to provide an indication of the Group's underlying business performance. The principal items which may be included as exceptional items are:

- significant profit/(loss) on the disposal of non-current assets;
- impairment of property, plant and equipment;
- impairment of intangible assets;
- impact on deferred income tax for changes in tax rates; and
- the costs and benefits associated with significant corporate, financial or operational restructuring, including acquisitions.

2. Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

a) Acquisition accounting

In accounting for business combinations, the identifiable assets, liabilities and contingent liabilities acquired have to be measured at their fair values. In particular, some judgement is required in estimating the fair value of inventory with reference to current selling prices and costs to sell, and judgement in estimating the valuation of intangible assets and pre-existing relationships with reference to forecast future sales under the pre-existing contract. Details concerning acquisitions and business combinations are outlined in note 33.

b) Exceptional items

Judgements are required as to whether items that are both material in size and unusual or infrequent in nature should be disclosed as exceptional. Details of these items categorised as exceptional are outlined in note 13.

c) Reallocation of goodwill

The Group has reallocated goodwill across the cash generating units which requires judgement on the allocation basis.

Further details of the key assumptions are included in more detail in note 19.

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Notes to the Group and Company Financial Statements.

2. Critical accounting estimates and judgements in applying accounting policies (continued)

d) Provisions

The Group has recognised provisions for impairment of inventories, impairment of trade receivables, post year end credit notes and returns in respect of revenue, employee bonuses, dilapidations, onerous leases and income tax in its financial statements which requires management to make judgements. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

3. New accounting pronouncements

The following new or recent standards, interpretations and amendments to standards have been adopted by the Group where appropriate or applicable to the Group for the financial year beginning 27 April 2014:

- There were no new standards, interpretations or amendments to standards that are effective to the Group for the financial year beginning 27 April 2014 that have a material impact.
- IAS 36 (Amended), 'Impairment of assets' removed certain disclosures of the recoverable amount of CGUs which had been included by the issue of IFRS 13.

New standards and interpretations issued but not yet effective:

At the balance sheet date there are a number of new standards and amendments to existing standards in issue but not yet effective including IFRS 15 'Revenue from contracts with customers' which is effective for periods beginning on or after 1 January 2017 and IFRS 9 'Financial Instruments', which is effective for periods beginning on or after 1 January 2018. The Group has not early adopted any of these new standards or amendments to existing standards. The Group is currently assessing the impact of IFRS 9 and IFRS 15. There are no other new standards, amendments to existing standards or interpretations that are not yet effective that would be expected to have a material impact on the Group.

4. Segment information

The Group's operating segments under IFRS 8 have been determined based on the reports reviewed by the Group's Chief Operating Decision-Maker (Executive Committee members: "the CODM"). The CODM assesses the performance of the operating segments based on profit before income tax, before inter-segment royalties. The CODM considers the business from a customer perspective only, being Retail and Wholesale. The CODM reviews the balance sheet at a Group level. No separate balance sheet measures are provided between the Retail and Wholesale segments.

The CODM receives information, reviews the performance of the business, allocates resources and approves budgets for two operating segments, and therefore information is disclosed in respect of the following two segments:

- Retail – principal activities comprise the operation of UK, Republic of Ireland, European and USA stores, concessions and all internet sites. Revenue is derived from the sale to individual consumers of own brand and third party clothing, footwear and accessories.
- Wholesale – principal activities comprise the ownership of brands, wholesale distribution of own brand products (clothing, footwear and accessories) worldwide and trade sales.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group reports and manages central functions separately to the Retail and Wholesale operations, which includes design, finance, HR, IT, legal, marketing, merchandising, property, sourcing and the goodwill and intangibles arising on consolidation.

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4. Segment information (continued)

The revenue from external parties reported to the Board is measured in a manner consistent with that of the IFRS financial statements.

Inter-segment royalties, transfers or transactions entered into under a cost plus pricing structure are not reflected in the performance of each business segment.

Segmental information for the business segments of the Group for April 2015 and April 2014 is set out below:

	Retail 2015 £m	Wholesale 2015 £m	Central costs 2015 £m	Group 2015 £m
Total segment revenue	344.4	163.9	–	508.3
Less: inter-segment revenue	(10.3)	(11.4)	–	(21.7)
Revenue from external customers	334.1	152.5	–	486.6
Finance income	–	–	0.4	0.4
Finance expense	–	–	(0.6)	(0.6)
Profit/(loss) before income tax	62.6	44.8	(47.9)	59.5

The following additional information is considered useful to the reader:

	Underlying 2015 £m	Re-measurements £m	Exceptional costs £m	Reported 2015 £m
Revenue				
Retail	334.1	–	–	334.1
Wholesale	152.5	–	–	152.5
Total revenue	486.6	–	–	486.6
Gross profit	296.2	–	–	296.2
Operating profit				
Retail	62.4	3.6	(3.4)	62.6
Wholesale	47.5	9.8	(12.5)	44.8
Central costs	(46.0)	–	(1.2)	(47.2)
Total operating profit/(loss)	63.9	13.4	(17.1)	60.2
Net finance expense – Central costs	(0.2)	–	–	(0.2)
Share of loss of investment – Central costs	(0.5)	–	–	(0.5)
Profit/(loss) before income tax				
Retail	62.4	3.6	(3.4)	62.6
Wholesale	47.5	9.8	(12.5)	44.8
Central costs	(46.7)	–	(1.2)	(47.9)
Total profit/(loss) before income tax	63.2	13.4	(17.1)	59.5

Underlying is defined as reported results adjusted to reflect the impact of the gain/loss recognised on re-measurements (being the fair valuation of deferred contingent share consideration and financial derivatives), exceptional items and, when appropriate, the related income tax. The directors believe that the underlying results provide additional guidance to statutory measures to help understand the performance of the Group. Further details of the adjustments are included in note 13. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

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Notes to the Group and Company Financial Statements.

4. Segment information (continued)

	Retail 2014 £m	Wholesale 2014 £m	Central costs 2014 £m	Group 2014 £m
Total segment revenue	295.4	165.3	–	460.7
Less: inter-segment revenue	(9.9)	(19.9)	–	(29.8)
Revenue from external customers	285.5	145.4	–	430.9
Finance income	–	–	0.6	0.6
Profit/(loss) before income tax	49.2	41.0	(45.0)	45.2

The following additional information is considered useful to the reader:

	Underlying 2014 £m	Re-measurements £m	Exceptional costs £m	Reported 2014 £m
Revenue				
Retail	285.5	–	–	285.5
Wholesale	145.4	–	–	145.4
Total revenue	430.9	–	–	430.9
Gross profit	257.3	–	–	257.3
Operating profit				
Retail	54.8	(2.0)	(3.6)	49.2
Wholesale	47.8	(1.7)	(5.1)	41.0
Central costs	(41.1)	(4.0)	(0.4)	(45.5)
Total operating profit/(loss)	61.5	(7.7)	(9.1)	44.7
Net finance income – Central costs	0.6	–	–	0.6
Profit/(loss) before income tax				
Retail	54.8	(2.0)	(3.6)	49.2
Wholesale	47.8	(1.7)	(5.1)	41.0
Central costs	(40.6)	(4.0)	(0.4)	(45.0)
Total profit/(loss) before income tax	62.0	(7.7)	(9.1)	45.2

The Group has subsidiaries which are incorporated and resident in the UK and overseas. Revenue from external customers in the UK and the total revenue from external customers from other countries are:

		Group
	2015 £m	2014 £m
External revenue – UK	**285.0**	254.8
External revenue – Europe	**167.0**	150.7
External revenue – Rest of world	**34.6**	25.4
Total external revenue	**486.6**	430.9

Included within external revenue overseas is revenue of £77.5m (2014: £45.2m) generated by our overseas subsidiaries.

The total of non-current assets, other than deferred income tax assets, located in the UK is £70.8m (2014: £71.2m), and the total of non-current assets located in other countries is £55.0m (2014: £46.1m).

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5. Balances and transactions with related parties

Directors' emoluments

Directors' remuneration is set out in the audited section of the Directors' Remuneration Report on pages 64 to 84.

Transactions with directors

Other than in respect of arrangements set out below and in relation to the employment of directors, details of which are provided in the Directors' Remuneration Report on pages 64 to 84, there is no material indebtedness owed to or by the Company or the Group to any employee or any other person or entity considered to be a related party.

During the reporting period, the Company has spent £0.3m (2014: £0.2m) on travel and subsidence through companies in which Julian Dunkerton has a personal investment. The balance outstanding at 25 April 2015 was £0.1m (2014: £0.1m). This expenditure includes the provision of corporate travel and hotel services supplied on an arm's length basis. These interests have been disclosed and authorised by the Board.

In addition, as disclosed in prior years, the Group occupies two properties owned by J M Dunkerton SIPP pension fund whose beneficiary and member trustee is Julian Dunkerton. The properties are rented to the Group on an arm's length basis. The rent charge in the Group statement of comprehensive income is £0.1m (2014: £0.1m).

Company transactions with subsidiaries

The Company has made management charges and has intercompany receivable balances included within trade and other receivables as follows:

	Management charges		Intercompany receivable	
	2015 £m	2014 £m	**Balance sheet 26 April 2015 £m**	Balance sheet 26 April 2014 £m
C-Retail Limited	**10.2**	6.3	**20.4**	8.5
Basset BVBA	**0.3**	0.1	**0.3**	–
DKH Retail Limited	**7.8**	11.6	**–**	17.0
SMAC	**0.3**	–	**0.3**	–
Snow & Surf BVBA	**0.3**	0.1	**0.3**	–
Superdry France SARL	**0.1**	–	**0.1**	–
Superdry Germany GmbH	**0.7**	0.3	**1.3**	0.6
SuperGroup Concessions Limited	**0.6**	0.1	**1.0**	0.1
SuperGroup Internet Limited	**3.6**	0.2	**–**	2.2
SuperGroup Retail Ireland Limited	**0.4**	0.1	**0.4**	0.1
SuperGroup Retail Spain S.L.U.	**0.1**	–	**0.3**	0.2
SuperGroup Europe BVBA	**0.4**	–	**7.7**	7.3
SuperGroup USA Inc	**0.1**	–	**1.4**	–
Fragrances 55 Limited	**–**	–	**0.1**	–

Investments of £0.7m were made to an investment accounted for using equity method accounting (note 20). There have been no further transactions in the period.

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Notes to the Group and Company Financial Statements.

6. Operating profit

Group operating profit is stated after charging/(crediting):

	2015 £m	Group 2014 £m
Depreciation on tangible assets – owned	**21.3**	19.1
Amortisation of intangible assets	**5.5**	3.2
Operating lease rentals for leasehold properties	**38.9**	34.7
Net foreign exchange (gains)/losses	**(2.0)**	1.0
Loss on disposal of property, plant and equipment	**0.2**	1.7
Re-measurements and exceptional items (note 13)	**3.7**	16.8

The total costs in relation to write-offs of property, plant and equipment is £nil m.

7. Selling, general and administrative expenses

	2015 £m	Group 2014 £m
Staff costs (note 10)	**67.0**	64.4
Operating lease payments	**38.9**	34.7
Depreciation and amortisation	**26.8**	22.3
Other (including rates, service charges and professional fees)	**122.7**	92.2
Total selling, general and administrative expenses	**255.4**	213.6

8. Other gains and losses (net)

	2015 £m	Group 2014 £m
Unrealised fair value gain/(loss) on foreign exchange forward contracts	**13.4**	(3.7)
Other income (including royalty income)	**6.0**	4.7
Total other gains and losses	**19.4**	1.0

The unrealised fair value gain of £13.4m (2014: £3.7m loss) has been treated as a remeasurement, see note 13.

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9. Auditors' remuneration

During the period, the Group obtained the following services from the Company's auditors as detailed below:

		Group
	2015 £m	2014 £m
Audit services		
Fees payable to the Company's auditors for the audit of the Company and the consolidated financial statements	**0.1**	0.1
The audit of the Company's subsidiaries pursuant to legislation	**0.2**	0.2
Total audit fees payable to the Company's auditors and its associates	**0.3**	0.3
Fees payable to the Company's auditors and its associates for other services:		
Tax compliance	**–**	0.1
Tax advisory	**0.1**	0.2
All other services	**0.1**	0.1
Total fees payable to the Company's auditors and its associates for other services	**0.2**	0.4
Total auditors' remuneration	**0.5**	0.7

10. Employee benefit expense

		Group
	2015 £m	2014 £m
Wages and salaries	**60.6**	57.9
Social security costs	**6.3**	4.8
Share awards (credit)/charge	**(0.8)**	1.1
Pension costs – defined contribution scheme	**0.9**	0.6
Total employee benefit expense	**67.0**	64.4

Details of the share based compensation plans are detailed under note 11.

The average monthly number of employees, including directors on a service contract, are as follows:

		Group
	2015 No.	2014 No.
Administration	**462**	514
Warehouse	**46**	53
Retail	**1,844**	1,661
Total average headcount	**2,352**	2,228

Directors' remuneration is detailed in the Directors' Remuneration Report on pages 64 to 84.

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Notes to the Group and Company Financial Statements.

10. Employee benefit expense (continued)

Remuneration of key members of management, who are the executive directors, sales and marketing director, director of HR and head of merchandising, recorded in the Group statement of comprehensive income, is as follows:

	Group 2015 £m	 2014 £m
Short-term employee benefits	3.0	3.9
Post-employment benefits	0.1	0.2
Share based payments	–	0.8
Total remuneration of key members of management	3.1	4.9

11. Share based Long-Term Incentive Plans ("LTIP")

Equity settled awards are granted to employees in the form of share awards. No consideration is payable by the employees when share awards vest. The vesting period is two or three years. Share awards will also expire if the employee leaves the Group prior to the exercise or vesting date subject to the discretionary powers of the Remuneration Committee.

Performance Share Plan

The award of shares is made under the SuperGroup Performance Share Plan ("PSP"). Shares have no value to the participant at the grant date, but subject to the satisfaction of earnings per share, share price and total shareholder return performance targets can convert and give participants the right to be granted nil-cost shares at the end of the performance period.

The movement in the number of share awards outstanding is as follows:

	Group & Company 2015 No.	 2014 No.
At start of the period	967,725	820,930
Granted	433,974	285,854
Exercised	–	(45,489)
Forfeited	(297,154)	(93,570)
Total number of outstanding share awards	1,104,545	967,725

None of the share awards were exercisable at the period end date (2014: nil).

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11. Share based Long-Term Incentive Plans ("LTIP") (continued)

The terms and conditions of the award of shares granted under the PSP during the year are as follows:

			Group & Company
Grant date	Type of award	Number of shares	Vesting period
August 2014	Share awards	299,858	3 years
October 2014	Share awards	206,608	3 years

The fair value of the shares awarded at the grant date during the year is £5.2m (2014: £3.3m). The total fair value of all outstanding share awards, taking into consideration management's estimate of the share awards meeting the vesting conditions and achieving the performance targets, totals £2.1m.

A credit of £0.8m (2014: charge of £1.1m) has been recorded in the Group statement of comprehensive income during the year.

Save As You Earn

A Save As You Earn scheme is operated by the Group. No further disclosures are considered necessary as the impact of the scheme is currently not material to the Group.

12. Finance income and costs

		Group
	2015 £m	2014 £m
Bank interest	**0.4**	0.6
Total finance income	**0.4**	0.6
Interest on taxation	**0.6**	–
Total finance expense	**0.6**	–

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13. Re-measurements and exceptional adjustments

Non-underlying adjustments constitute the fair value re-measurement of foreign exchange contracts and deferred contingent share consideration, and exceptional items. Exceptional items are defined as being items that are material in size, unusual or infrequent in nature, and are disclosed separately as exceptional items in the Group statement of comprehensive income.

		Group
	2015 £m	2014 £m
Re-measurements:		
Deferred contingent share consideration	–	(4.0)
Gain/(loss) on financial derivatives	13.4	(3.7)
Exceptional items:		
Gain arising on US business combination	1.0	–
Buy out of Spanish and UK agents	0.8	–
	1.8	–
Exceptional gains		
Buy-out of USA licence and business combination costs:		
- loss on pre-existing relationship with US	(12.4)	–
- onerous lease provision costs	(1.8)	–
- impairment of store assets acquired	(1.1)	–
- costs incurred in the buy out and business combination	(0.6)	–
Restructuring costs	(2.7)	–
Acquisition of distributor	(0.3)	–
Set-up costs regarding the retail distribution centre	–	(3.4)
Buy out of Spanish and UK agents	–	(3.3)
Buy-out of German agent and business combination costs	–	(2.4)
Exceptional costs	(18.9)	(9.1)
Re-measurements and exceptional items	(3.7)	(16.8)
Taxation:		
Tax impact of non-underlying adjustments	0.7	1.8
Deferred income tax – exceptional (note 14)	0.6	(4.3)
Taxation on non-underlying adjustments	1.3	(2.5)
Total non-underlying adjustments	(2.4)	(19.3)
Re-measurements and exceptional items are included within:		
Selling, general and administrative expenses	(17.1)	(13.1)
Other gains and losses	13.4	(3.7)
Re-measurements and exceptional items	(3.7)	(16.8)

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13. Re-measurements and exceptional adjustments (continued)

Re-measurements

a) Fair value re-measurement of deferred share consideration

The SuperGroup Europe BVBA acquisition in February 2011 included two tranches of deferred contingent share consideration to be issued on the second and third anniversaries of the acquisition. The consideration was payable in shares, and the shares were issued in proportion to the percentage completion of certain sales and store number targets. The fair value of these shares at the acquisition date was £10.3m.

IFRS 3 (revised) requires deferred contingent share consideration to be re-measured at each period end to reflect the estimated percentage completion of the targets and change in share price. The share price movement from £7.36 at April 2013 to £16.10 in February 2014, the date the shares were issued on the third anniversary of the acquisition, increased the liability by £4.0m.

b) Unrealised loss/gain on financial derivatives

Unrealised loss/gain on derivatives is recognised as a re-measurement.

Exceptional items

aa) Buy-out of USA licence and business combination costs

On 25 March 2015 the Group completed a business combination (see note 33) in the USA including the acquisition of trade and assets of 15 Superdry branded stores. As part of the business combination a payment was made to terminate the license rights to distribute the Superdry products in North America for £12.4m. The consideration paid for assets acquired was lower than the assumed provisional fair value of those assets resulting in a £1.0m gain. A post-acquisition review of the current and forecast trading performance, and assets of the stores resulted in an onerous lease provision charge of £1.8m, an impairment of assets of £1.1m. In addition £0.6m of other related costs, including professional fees, were incurred prior to acquisition.

ab) Buy-out of Spanish and UK agents

£0.8m of the deferred contingent consideration and accrued costs for the buy-out of the Spanish and UK agents in 2014 has been released as the amount is no longer deemed payable given that the contingent criteria were not met.

ac) Restructuring

During the period restructuring and redundancy costs totalled £2.7m (2014: £nil). These costs relate to a strategic realignment of management responsibilities.

ad) Acquisition of SMAC

On 27 June 2014 the Group completed a business combination (see note 33) and acquisition costs of £0.3m were incurred.

ae) Set-up costs regarding the Retail distribution centre

On 15 April 2013 the Group announced that the Gloucester retail and e-commerce distribution centres would close and the activities be moved to a site in Burton-upon-Trent. In 2014 £3.4m of set-up and dual running costs and write-off of assets was recognised.

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14. Income tax expense

The income tax expense comprises:

	2015 £m	Group 2014 £m
Current income tax		
– UK corporation tax charge for the period	**11.0**	11.7
– Adjustment in respect of prior periods	**(0.5)**	(0.2)
Overseas tax	**1.5**	2.1
Total current income tax	**12.0**	13.6
Deferred income tax		
– Origination and reversal of temporary differences	**2.3**	(0.6)
– Adjustment in respect of prior periods	**(0.2)**	0.1
Exceptional income tax expense	**(0.6)**	4.3
Total deferred income tax	**1.5**	3.8
Total income tax expense	**13.5**	17.4

The income tax expense on underlying profit is £14.8m (2014: £14.9m). The income tax credit on non-underlying and exceptional items is £0.7m (2014: £1.8m credit) and the exceptional income tax credit is £0.6m (2014: £4.3m expense), so the net position being disclosed as an exceptional tax credit in the period is £1.3m.

Factors affecting the tax expense for the period are as follows:

	2015 £m	Group 2014 £m
Profit before income tax	**59.5**	45.2
Profit multiplied by the standard rate in the UK – 20.9% (2014: 22.8%)	**12.4**	10.3
Expenses not deductible for tax purposes	**2.5**	1.1
Fair value movement of deferred contingent share consideration	**–**	0.9
Overseas tax differentials	**(0.7)**	–
Non-qualifying additions	**0.4**	1.0
Adjustment in respect of prior years	**(0.5)**	(0.2)
Total income tax expense excluding exceptional items	**14.1**	13.1
Exceptional income tax expense	**(0.6)**	4.3
Total income tax expense including exceptional items	**13.5**	17.4

In addition to the above tax charged to the income statement, there was a tax credit to equity of £nil (2014: £0.5m) in respect of deferred tax relating to employee share schemes.

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14. Income tax expense (continued)

Net deferred income tax movement is as follows:

	Group 2015 £m	2014 £m
Opening net deferred income tax	**(28.8)**	(32.0)
Charged to the statement of comprehensive income		
– Accelerated capital allowances	**(1.1)**	(1.0)
– Movement on goodwill and intangibles – change in corporation tax rate	**1.7**	3.7
– Movement on goodwill and intangibles – other	**–**	2.8
– Other temporary differences	**(1.4)**	(1.0)
– Revaluation of derivatives and forward exchange contracts	**2.7**	(0.8)
– Employee share award scheme included in equity	**–**	(0.5)
Closing net deferred income tax (note 21)	**(26.9)**	(28.8)

Included within note 13 is an exceptional tax credit of £0.6m (2014: £4.3m), of which £0.1m (2014: £3.7m) relates to the impact of the tax rate change on goodwill and intangibles and a tax credit of £0.8m (2014 £nil) relates to the recognition of a deferred tax asset following agreement with the Irish Revenue on the relief for Intellectual Property created as part of the March 2010 reorganisation. The remainder of £0.1m tax charge (2014: £0.6m) is included within other movements such as accelerated capital allowances and temporary differences.

The Group's income tax expense on underlying profit of £14.8m represents an effective tax rate of 23.4% for the period ended 25 April 2015. The Group's underlying effective tax rate of 23.4% is higher than the statutory rate of 20.9%, primarily due to depreciation of non-qualifying assets and non-allowable expenses.

15. Loss attributable to SuperGroup Plc

The after tax loss for the 52 weeks ended 25 April 2015 for the Company was £2.5m (51 weeks and 6 days ended 26 April 2014: loss of £2.8m). There was a debit to equity reserves of £0.8m (2014: £1.1m credit) in respect of employee share schemes, and a credit to equity reserves of £nil m (2014: £0.5m) in respect of deferred tax. The directors have approved the statement of comprehensive income for the Company.

16. Dividends

No dividends were paid in the year, and no dividends will be proposed at the Annual General Meeting on 9 September 2015 (2014: £nil).

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17. Earnings per share

	Group 2015 £m	2014 £m
Earnings		
Profit for the period attributable to owners of the Company	**45.4**	27.4
	No.	No.
Number of shares at year end	**80,984,973**	80,961,378
Weighted average number of ordinary shares – basic	**80,972,376**	80,580,959
Effect of dilutive options and contingent shares	**398,588**	1,072,360
Weighted average number of ordinary shares – diluted	**81,370,944**	81,653,319
Basic earnings per share (pence)	**56.1**	34.0
Diluted earnings per share (pence)	**55.8**	33.6

Underlying basic earnings per share:

	Group 2015 £m	2014 £m
Earnings		
Underlying profit for the period attributable to the owners of the Company	**47.8**	46.7
	No.	No.
Weighted average number of ordinary shares – basic	**80,972,376**	80,580,959
Weighted average number of ordinary shares – diluted	**81,370,944**	81,653,319
Underlying basic earnings per share (pence)	**59.1**	58.0
Underlying diluted earnings per share (pence)	**58.8**	57.2

There were no share-related events after the balance sheet date that may affect earnings per share.

Underlying is defined as reported results adjusted to reflect the impact of the gain/loss recognised on re-measurements (being the fair valuation of deferred contingent share consideration and financial derivatives), exceptional items and, when appropriate, the related income tax. The directors believe that the underlying results provide additional guidance to statutory measures to help understand the performance of the Group. Further details of the adjustments are included in note 13. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

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18. Property, plant and equipment

Movements in the carrying amount of property, plant and equipment were as follows:

Group

	Land and buildings £m	Leasehold improvements £m	Furniture, fixtures and fittings £m	Computer equipment £m	Total £m
52 weeks ended 25 April 2015					
Cost					
At 26 April 2014	0.3	97.6	20.1	11.5	129.5
Exchange differences	–	(2.6)	(0.3)	(0.1)	(3.0)
Acquisitions (note 33)	–	4.4	0.3	0.2	4.9
Additions	1.1	13.0	5.1	2.9	22.1
Disposals	–	(0.8)	(0.1)	–	(0.9)
At 25 April 2015	1.4	111.6	25.1	14.5	152.6
Accumulated depreciation and impairments					
At 26 April 2014	–	41.5	9.7	8.0	59.2
Exchange differences	–	(0.7)	–	(0.1)	(0.8)
Impairments	–	1.0	0.1	–	1.1
Disposals	–	(0.5)	–	–	(0.5)
Depreciation charge	–	13.9	4.0	3.4	21.3
At 25 April 2015	–	55.2	13.8	11.3	80.3
Net balance sheet amount at 25 April 2015	1.4	56.4	11.3	3.2	72.3

Group

	Land and buildings £m	Leasehold improvements £m	Furniture, fixtures and fittings £m	Computer equipment £m	Total £m
51 weeks and 6 days ended 26 April 2014					
Cost					
At 29 April 2013	0.3	77.4	18.8	9.1	105.6
Exchange differences					
Acquisitions (note 33)	–	–	1.2	–	1.2
Additions	–	21.8	2.7	2.4	26.9
Disposals	–	(1.6)	(2.6)	–	(4.2)
At 26 April 2014	0.3	97.6	20.1	11.5	129.5
Accumulated depreciation					
At 29 April 2013	–	29.3	7.1	5.5	41.9
Disposals	–	(0.3)	(1.4)	(0.1)	(1.8)
Depreciation charge	–	12.5	4.0	2.6	19.1
At 26 April 2014	–	41.5	9.7	8.0	59.2
Net balance sheet amount at 26 April 2014	0.3	56.1	10.4	3.5	70.3

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18. Property, plant and equipment (continued)

	Leasehold improvements £m	Computer equipment £m	Company Total £m
52 weeks ended 25 April 2015			
Cost			
At 26 April 2014	–	7.3	7.3
Additions	0.5	2.0	2.5
At 25 April 2015	0.5	9.3	9.8
Accumulated depreciation			
At 26 April 2014	–	4.4	4.4
Depreciation charge	–	2.7	2.7
At 25 April 2015	–	7.1	7.1
Net balance sheet amount at 25 April 2015	0.5	2.2	2.7

	Computer equipment £m	Company Total £m
51 weeks and 6 days ended 26 April 2014		
Cost		
At 28 April 2013	5.4	5.4
Additions	1.9	1.9
At 26 April 2014	7.3	7.3
Accumulated depreciation		
At 28 April 2013	2.6	2.6
Depreciation charge	1.8	1.8
At 26 April 2014	4.4	4.4
Net balance sheet amount at 26 April 2014	2.9	2.9

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19. Intangible assets

	Trademarks £m	Website and software £m	Lease premiums £m	Distribution agreements £m	Goodwill £m	Group Total £m
52 weeks ended 25 April 2015						
Cost						
At 26 April 2014	2.4	9.7	15.2	9.6	18.9	55.8
Exchange differences	–	–	–	(1.4)	(2.4)	(3.8)
Acquisitions	–	–	–	7.3	1.5	8.8
Additions	0.6	4.7	–	–	–	5.3
At 25 April 2015	3.0	14.4	15.2	15.5	18.0	66.1
Accumulated amortisation						
At 26 April 2014	0.8	1.3	2.6	4.4	–	9.1
Exchange differences	–	–	–	(0.6)	–	(0.6)
Amortisation charge	0.3	2.1	1.0	2.1	–	5.5
At 25 April 2015	1.1	3.4	3.6	5.9	–	14.0
Net balance sheet amount at 25 April 2015	1.9	11.0	11.6	9.6	18.0	52.1

	Trademarks £m	Website and software £m	Lease premiums £m	Distribution agreements £m	Goodwill £m	Group Total £m
51 weeks and 6 days ended 26 April 2014						
Cost						
At 28 April 2013	1.9	3.5	15.0	8.5	18.5	47.4
Exchange differences	–	–	–	(0.1)	(0.3)	(0.4)
Acquisitions	–	–	–	1.2	0.7	1.9
Additions	0.5	6.2	0.2	–	–	6.9
At 26 April 2014	2.4	9.7	15.2	9.6	18.9	55.8
Accumulated amortisation						
At 28 April 2013	0.6	0.9	1.5	2.9	–	5.9
Amortisation charge	0.2	0.4	1.1	1.5	–	3.2
At 26 April 2014	0.8	1.3	2.6	4.4	–	9.1
Net balance sheet amount at 26 April 2014	1.6	8.4	12.6	5.2	18.9	46.7

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19. Intangible assets (continued)

	Company	
	Website and software £m	Total £m
52 weeks ended 25 April 2015		
Cost		
At 26 April 2014	**9.1**	**9.1**
Additions	**4.3**	**4.3**
At 25 April 2015	**13.4**	**13.4**
Accumulated amortisation		
At 26 April 2014	**1.0**	**1.0**
Amortisation charge	**2.0**	**2.0**
At 25 April 2015	**3.0**	**3.0**
Net balance sheet amount at 25 April 2015	**10.4**	**10.4**

	Company	
	Website and software £m	Total £m
51 weeks and 6 days ended 26 April 2014		
Cost		
At 28 April 2013	3.0	3.0
Additions	6.1	6.1
At 26 April 2014	9.1	9.1
Accumulated amortisation		
At 28 April 2013	0.6	0.6
Amortisation charge	0.4	0.4
At 26 April 2014	1.0	1.0
Net balance sheet amount at 26 April 2014	8.1	8.1

Impairment

An impairment test is a comparison of the carrying value of assets of a business or cash-generating unit (CGU) to their recoverable amount. The Group has defined its CGUs as Retail and Wholesale. Where the recoverable amount is less than the carrying value, an impairment results. During the year, the goodwill on the acquisition of SuperGroup Europe BVBA; SMAC (SMAC A/S, SMAC Norge A/S and SMAC Retail A/S); and German business combination was tested for impairment, with no impairment charges resulting.

Following a change in the Group's management and financial reporting structure, the Group changed its method of allocation of goodwill, and goodwill of £20.0m was allocated between the Group's CGUs, Retail and Wholesale, based on the last 3 years' actual sales achieved by each CGU. This led to an allocation of £15m and £5m of goodwill to the retail and wholesale CGUs respectively. The recoverable amounts in 2015 were measured based on post tax value in use (2014: based on post tax value in use). This methodology is considered reasonable given the significant levels of headroom noted from this assessment. Detailed forecasts for the next five years have been used which are based on approved annual budgets and strategic projections representing the best estimate of future performance.

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19. Intangible assets (continued)

Key assumptions

In determining the recoverable amount it is necessary to make a series of assumptions to estimate the present value of future cash flows. In each case, these key assumptions have been made by management reflecting past experience and are consistent with relevant external sources of information.

Discount rates

Discount rates are derived from the Group's post tax weighted average cost of capital of 10.5%. The pre-tax weighted cost of capital is 13.6%.

Operating cash flows

The main assumptions, which are derived from past experience and external information, within the forecast operating cash flows include the achievement of future sales prices, volumes, raw material input costs and the level of ongoing capital expenditure.

Long-term growth rates

To forecast beyond the five years, a long-term average growth rate of 2% has been used; this is not greater than the average long-term retail growth rate for each CGU.

Goodwill sensitivity analysis

The results of the Group's impairment tests are dependent on estimates and judgements made by management, particularly in relation to the key assumptions described above. A sensitivity analysis as to potential changes in key assumptions has therefore been performed.

The present values of the future cashflows of the Retail and Wholesale CGUs are significant and are insensitive to any changes to potential changes to key assumptions.

20. Investments

	Company	
	25 April 2015 £m	26 April 2014 £m
Investments at beginning of period – net book value	**366.0**	363.9
Additions in the period	**14.6**	2.1
Investments at end of period – net book value	**380.6**	366.0

The total cost of investments is £419.7m (2014: £405.1m). An investment of £10.1m was made for the US acquisitions as detailed in note 33. An investment of £3.8m was made to acquire the entire share capital of SMAC A/S (renamed to SuperGroup Nordic and Baltics A/S), SMAC Norge A/S (renamed to Superdry Norway A/S) and SMAC Retail A/S (renamed Superdry Retail Denmark), former Scandanavian distributors, also detailed in note 33. A further net increase in investment of £0.7m (2014: £0.4m) in Anatwine Limited was made during the year and more detail on this is presented further below in this note.

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20. Investments (continued)

Subsidiaries

All of the subsidiaries have been included in the consolidated financial statements. A list of the subsidiaries held during the year is set out below:

Subsidiary	Principal activity	Country of incorporation	2015 % shares
Basset BVBA	Clothing retailer in Belgium	Belgium	100
C-Retail Limited[2]	Clothing retailer in UK	UK	100
DKH Retail Limited[2]	Worldwide wholesale distribution	UK	100
Fragrances 55 Limited[2]	Holds fragrances licence	UK	100
Snow & Surf BVBA	Clothing retailer in Belgium	Belgium	100
SuperGroup Belgium NV[2]	Holds the investment in SuperGroup Netherlands BV	Belgium	100
SuperGroup Belgium Finance NV[2]	Provides finance to the Group	Belgium	100
SuperGroup Concessions Limited[2]	Clothing retailer in concessions	UK	100
SuperGroup Europe BVBA	Wholesale distribution in Benelux	Belgium	100
Superdry France SARL[2]	Clothing retailer in France	France	100
Superdry Germany GmbH[2]	Clothing retailer in Germany	Germany	70
SuperGroup France SARL	Clothing retailer in France	France	100
SuperGroup International Limited[2]	Contracting of overseas personnel	UK	100
SuperGroup Internet Limited[2]	Clothing retailer via the Internet	UK	100
SuperGroup Internet North America Limited[4]	Dormant	UK	51
SuperGroup Netherlands BV	Holds the investment in SuperGroup Europe BVBA	Netherlands	100
SuperGroup Netherlands Retail BV	Clothing retailer in the Netherlands	Netherlands	100
SuperGroup Retail Spain S.L.U.[1,2,3]	Clothing retailer in Spain	Spain	100
SuperGroup Retail Ireland Limited[2]	Clothing retailer in the Republic of Ireland	ROI	100
SuperGroup Mumessillik Hizmet ve Ticaret Limited Sirketi[2]	Manages supplier relationships in Turkey	Turkey	100
Superdry Retail Sweden AB	Clothing retailer in Sweden	Sweden	100
Superdry Norway A/S	Norway wholesale distribution	Norway	100
Superdry Retail Denmark	Clothing retailer in Denmark	Denmark	100
SuperGroup Nordic and Baltics A/S	Denmark wholesale distribution	Denmark	100
SD 1 Aps	Clothing retailer in Denmark	Denmark	100
SD 2 Aps	Clothing retailer in Denmark	Denmark	100
Superdry Retail LLC	Clothing retailer in USA	USA	100
Superdry Wholesale LLC	USA wholesale distribution	USA	100
SuperGroup USA Inc	Holds investment in USA	USA	100
Tokyo Retail Limited[4]	Dormant	ROI	100

1 Incorporated in the year and not material.
2 Directly owned by the Company.
3 Holds the investment in the Portuguese branch which is not material.
4 Exempt from statutory audit.

All shares held by the Company are ordinary equity shares.

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20. Investments (continued)

Investments accounted for under the equity method

Set out below is the associate of the Group as at 25 April 2015, which, in the opinion of the directors, is not material to the Group. The associate as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation is also their principal place of business.

Name of entity	Year end	Country of incorporation	Ownership interest % shares	Measurement method
Anatwine Limited	30 June	UK	20	Equity

Anatwine Limited is a UK registered entity, which earned no revenues in the period but has incurred costs, funded by investments in share capital.

During the year SuperGroup Plc invested £0.7m (2014: £0.4m) in Anatwine Limited. This, together with various other capital transactions undertaken by Anatwine resulted in the Group's effective shareholding falling from 35% at the start of the year to 20% at the year ended 25 April 2015. There were no other significant transactions with Anatwine during the year.

As at 25 April 2015, the fair value of the Group's interest in Anatwine Limited was £0.7m (2014: £0.3m) and the carrying amount of the Group's interest was £0.7m (2014: £0.3m). SuperGroup has recognised 20% (2014: 35%) share of the loss for the period to 25 April 2015, being £0.5m (2014: loss of £0.1m).

Anatwine Limited is a private company and there is no quoted market price available for its shares.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates:

	2015 £m	2014 £m
Opening net assets	0.3	–
Investment in associates	0.7	0.4
Gain on dilution	0.2	–
Loss for the period	(0.5)	(0.1)
Closing net assets	0.7	0.3

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Notes to the Group and Company Financial Statements.

21. Deferred income tax assets/(liability)

	Group		Company	
	2015 £m	2014 £m	2015 £m	2014 £m
Asset				
Accelerated capital allowances	0.5	(0.6)	–	–
Temporary differences	2.5	1.8	1.1	1.3
Recognition of lease incentives	3.8	3.1	–	–
Goodwill and other intangibles arising in subsidiary entities	23.2	25.6	–	–
Revaluation of derivatives and forward exchange contracts to fair value	(2.2)	0.5	–	–
Total deferred income tax assets	27.8	30.4	1.1	1.3
Liability				
Other intangibles	(0.9)	(1.6)	–	–
Total deferred income tax liability	(0.9)	(1.6)	–	–
Total net deferred income tax	26.9	28.8	1.1	1.3

Recognition of deferred income tax assets is based upon the expected generation of future taxable profits.

There are no unrecognised deferred income tax assets.

22. Inventories

	Group		Company	
	2015 £m	2014 £m	2015 £m	2014 £m
Finished goods	107.9	77.8	–	–
Net inventories	107.9	77.8	–	–

The cost of inventories recognised as an expense and included in cost of sales amounted to £182.4m (2014: £162.7m).

Inventory write-downs for each period are as follows:

	Group		Company	
	2015 £m	2014 £m	2015 £m	2014 £m
At start of period	2.6	2.6	–	–
Write-downs	1.6	1.9	–	–
Utilised in period	(1.0)	(1.8)	–	–
Unused amounts reversed	–	(0.1)	–	–
Closing provision	3.2	2.6	–	–

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23. Trade and other receivables

	Group 2015 £m	Group 2014 £m	Company 2015 £m	Company 2014 £m
Trade receivables	**42.2**	33.3	**–**	–
Less: provision for impairment of trade receivables	**(2.2)**	(0.8)	**–**	–
Net trade receivables	**40.0**	32.5	**–**	–
Other amounts due from related parties	**–**	–	**46.0**	36.0
Taxation and social security	**0.9**	–	**–**	1.3
Other receivables	**8.9**	1.4	**0.3**	0.1
Prepayments	**20.5**	20.4	**0.9**	1.0
Total trade and other receivables	**70.3**	54.3	**47.2**	38.4

Other receivables for the Group include £2.2m (2014: £0.4m) of cash contributions receivable from landlords.

Prepayments for the Group include £17.5m (2014: £15.4m) of prepaid rent and rates.

The other classes within trade and other receivables do not contain impaired assets.

The fair values of trade and other receivables are equal to their book value.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. Trade and other receivables are not provided as security. The Group has a total exposure at the balance sheet date to trade debts from a customer operating within Greece of £2.8m, of which £1.4m is secured by guarantees provided by a Greek bank.

The Group's trade receivables are summarised as follows:

	Group 2015 £m	Group 2014 £m	Company 2015 £m	Company 2014 £m
Not past due or impaired	**26.3**	23.8	**–**	–
Past due but not impaired	**12.8**	8.4	**–**	–
Impaired	**3.1**	1.1	**–**	–
Total trade receivables	**42.2**	33.3	**–**	–

The credit quality of trade receivables that are neither past due nor impaired are all assessed to be fully recoverable (2014: fully recoverable). Our internal credit rating system is based upon historical information about counterparty default risks. The analysis of these trade receivables by reference to external credit ratings is not available. £9.8m out of the £26.3m trade receivables not past due nor impaired relate to 12 well-established key accounts (2014: £9.4m out of the £23.8m relate to 16 well-established key accounts) that the Group has traded with for at least one year. The remaining £16.5m (2014: £14.4m) consist of many individual balances, each below £0.4m.

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Notes to the Group and Company Financial Statements.

23. Trade and other receivables (continued)

The Group's trade receivables past due but not impaired are as follows:

	Group 2015 £m	Group 2014 £m	Company 2015 £m	Company 2014 £m
Overdue 1 – 30 days	7.5	6.0	–	–
Overdue 31 – 60 days	2.6	1.5	–	–
Overdue 60 days +	2.7	0.9	–	–
Total trade receivables past due but not impaired	**12.8**	8.4	–	–

Movements on the Group provision for impairment of trade receivables are as follows:

	Group 2015 £m	Group 2014 £m	Company 2015 £m	Company 2014 £m
At start of period	0.8	0.9	–	–
Provision for receivables impairment	1.5	0.5	–	–
Receivables written off during the year as uncollectable	(0.1)	(0.1)	–	–
Unused amounts reversed	–	(0.5)	–	–
At end of period	**2.2**	0.8	–	–

Trade receivables of £3.1m (2014: £1.1m) were partially impaired and a provision of £2.2m (2014: £0.8m) has been recognised against the impaired trade receivables.

The Group's impaired trade receivables are as follows:

	Group 2015 £m	Group 2014 £m	Company 2015 £m	Company 2014 £m
Current	0.3	–	–	–
Overdue 1 – 30 days	0.3	–	–	–
Overdue 31 – 60 days	0.3	0.1	–	–
Overdue 60 days +	2.2	1.0	–	–
Total trade receivables impaired	**3.1**	1.1	–	–

The individually impaired receivables relate wholly to the Wholesale segment. The other classes within trade and other receivables, for the Group and Company, do not contain impaired assets.

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24. Cash and cash equivalents, and other financial assets

	Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Cash at bank and in hand	**67.6**	86.2	**14.1**	43.3
Total cash and cash equivalents	**67.6**	86.2	**14.1**	43.3
Less: overdraft (note 25)	**–**	–	**(14.4)**	(78.7)
Total cash and cash equivalents net of overdraft	**67.6**	86.2	**(0.3)**	(35.4)

Cash and cash equivalents comprise cash at bank with major UK and European clearing banks and earn floating rates of interest based upon bank base rates. On 28 January 2015, the Group renewed the balance offset agreement with HSBC on the UK sterling, euro and US dollar accounts. At 25 April 2015, the Group had £9.5m (2014: £16.7m) deposited with HSBC Bank Plc, £13.5m (2014: £20.9m) deposited with Barclays Bank Plc, £20.0m (2014: £20.1m) deposited with Santander UK Plc, £12.0m (2014: £20.1m) deposited with Lloyds Bank Plc and £3.1m (2014: £1.9m) deposited with Ulster Bank Ireland Limited. The remainder of the cash is deposited in other bank accounts. The Moody's credit rating as at 8 July 2015 for HSBC Bank Plc is Aa2 (2014: Aa3), Barclays Bank Plc is A2 (2014: A2), Santander UK Plc is A1 (2014: A2), Lloyds Bank Plc is A1 (2014: A1) and Ulster Bank Ireland Limited is Baa3 (2014: Baa3).

The maximum exposure to credit risk at the reporting date is the carrying value of cash mentioned above.

The Group had no secured liabilities (bank and collateralised borrowings) as at 25 April 2015 (26 April 2014: £nil).

Financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements which nets a gross cash and cash equivalents balance of £82.0m with a gross overdraft balance of £14.4m.

Other financial assets

The Group and Company had a £10.0m money market fixed rate deposit with Lloyds Bank maturing in January 2016.

25. Borrowings

	Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Non-current				
Other loans	**–**	–	**–**	–
Total non-current borrowings	**–**	–	**–**	–
Current				
Bank overdraft	**–**	–	**14.4**	78.7
Other loans	**–**	0.1	**–**	–
Total current borrowings	**–**	0.1	**14.4**	78.7
Total borrowings	**–**	0.1	**14.4**	78.7

The Group had no secured liabilities (bank and collateralised borrowings) as at 25 April 2015 (26 April 2014: £nil).

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Notes to the Group and Company Financial Statements.

25. Borrowings (continued)

The bank overdraft for the Company is included within the balance offset agreement with HSBC. Interest is not paid on the overdraft when it can be fully offset against cash balances held within the Group.

The Group's borrowings mature as follows:

	Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Within 1 year	**–**	0.1	**14.4**	78.7
Between 2 and 5 years	**–**	–	**–**	–
Total borrowings	**–**	0.1	**14.4**	78.7

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

	Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m
6 – 12 months	**–**	0.1	**14.4**	78.7
1 – 5 years	**–**	–	**–**	–
Total borrowings	**–**	0.1	**14.4**	78.7

With the exception of the overdrawn bank accounts included within the offset arrangements, the Group has no borrowing facilities in place as at 25 April 2015. The Group has bank guarantee facilities in place with an £8.2m limit. The Group was compliant with all banking covenants during the year.

Borrowing rates during the year are shown in the table below:

			Group
		Floating interest rates	Fixed interest rates
	UK Sterling	**Euro/Dollar**	**Euro**
As at 25 April 2015			
Other loans	–	–	–
As at 26 April 2014			
Other loans	–	–	2.7% – 4.4%

	Carrying amounts as at				Fair value as at			
	Group		Company		Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m	**2015 £m**	2014 £m	**2015 £m**	2014 £m
Bank overdraft	**–**	–	**14.4**	78.7	**–**	–	**14.4**	78.7
Other loans	**–**	0.1	**–**	–	**–**	0.1	**–**	–
Total borrowings	**–**	0.1	**14.4**	78.7	**–**	0.1	**14.4**	78.7

The fair value of current borrowings approximates to their carrying amount, as the impact of discounting is not significant. The fair values of current and non-current borrowings are determined using discounted cash flows at the interest rate prevailing at the balance sheet date.

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26. Trade and other payables

	Group 2015 £m	Group 2014 £m	Company 2015 £m	Company 2014 £m
Non-current				
Deferred cash contributions and rent-free periods	28.0	28.9	–	–
Total non-current trade and other payables	28.0	28.9	–	–
Current				
Trade payables	51.2	42.4	2.6	1.9
Amounts due to related parties	–	–	71.0	–
Taxation and social security	–	1.6	0.4	–
Income tax payable	13.0	11.9	–	–
Other payables	1.3	0.8	–	–
Accruals and deferred income	20.4	8.3	3.9	2.4
Deferred cash contributions and rent-free periods	5.4	4.9	–	–
Deferred contingent cash and share consideration	1.5	0.9	–	–
Total current trade and other payables	92.8	70.8	77.9	4.3
Total trade and other payables	120.8	99.7	77.9	4.3

The maturity analysis of non-current deferred cash contributions and rent-free periods is as follows:

	Group 2015 £m	Group 2014 £m
1 – 2 years	5.4	4.9
2 – 5 years	14.8	14.2
Greater than 5 years	7.8	9.8
Non-current deferred cash contributions and rent-free periods	28.0	28.9

Laundry Athletics LLP, which transferred its trade to DKH Retail Limited, is currently involved in a dispute between two of its manufacturers in Turkey over the use of an export company (Gisad Dis Ticaret ("Gisad")). The manufacturers had used Gisad to reclaim Turkish VAT on its behalf. Gisad has a €100m loan facility with Morgan Stanley International (Morgan Stanley) with an Export Receivables Assignment Agreement as security. This loan was called in during January 2009. The Group has retained a liability for the disputed sums. The total in dispute is £1.9m which has been withheld and remains as a liability within trade payables in the Group balance sheet.

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Notes to the Group and Company Financial Statements.

27. Provision for other liabilities and charges

	Group 2015 £m	Group 2014 £m	Company 2015 £m	Company 2014 £m
Dilapidations and onerous lease provision at the start of the period	**1.1**	0.9	**–**	–
New provisions	**2.0**	–	**–**	–
Release/charge in period	**(0.2)**	0.2	**–**	–
Dilapidations and onerous lease provision at the end of the period	**2.9**	1.1	**–**	–

Dilapidations provisions will be utilised upon the exit or expiry of various property leases which are expected to be between 2015 and 2026. Onerous lease provisions are utilised over the remaining life of the lease.

28. Contingencies and commitments

Capital expenditure commitments

	Group 2015 £m	Group 2014 £m	Company 2015 £m	Company 2014 £m
Property, plant and equipment	**2.9**	2.4	**2.9**	–
Total capital expenditure commitments	**2.9**	2.4	**2.9**	–

The Group believes that future cash flows and funding will be sufficient to cover these commitments.

Contingent liability

The Company is party to an unlimited cross guarantee over all liabilities of the Group.

29. Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings			
	Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Due within 1 year	**51.9**	38.4	**–**	–
Due in more than 1 year, but no more than 5 years	**187.5**	152.0	**–**	–
Due in more than 5 years	**111.8**	103.5	**–**	–
Total operating lease commitments	**351.2**	293.9	**–**	–

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30. Net cash/(debt)

Analysis of net cash/(debt)

Group

	2014 £m	Cash flow £m	Non-cash changes £m	2015 £m
Cash and short-term deposits	86.2	(17.0)	(1.6)	**67.6**
Cash and cash equivalents net of overdraft	86.2	(17.0)	(1.6)	**67.6**
Other loans	(0.1)	0.1	–	**–**
Total net cash	86.1	(16.9)	(1.6)	**67.6**

Company

	2014 £m	Cash flow £m	Non-cash changes £m	2015 £m
Cash and short-term deposits	43.3	(29.2)	–	**14.1**
Overdrafts	(78.7)	64.3	–	**(14.4)**
Total net debt	(35.4)	35.1	–	**(0.3)**

Non-cash changes relates to exchange gains on cash and cash equivalents. The overdraft in the Company is part of an offset arrangement. No interest has been incurred.

31. Financial risk management

The Company and Group's activities expose it to a variety of financial risks including: market risk (including foreign currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain foreign exchange exposures.

Credit risk

Credit risk is managed on a Group basis except for credit risk relating to accounts receivable balances which each entity is responsible for managing. Credit risk arises from cash and cash equivalents, as well as credit exposures to Wholesale and to a lesser extent Retail customers, including outstanding receivables and committed transactions. For Wholesale customers, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Group mitigates risk on in certain markets or customers considered higher risk with payments in advance, accelerated and bank guarantees, as well as adopting credit insurance where appropriate. Sales to Retail customers are settled in cash, major credit cards or by PayPal. The Group regularly monitors its exposure to bad debts in order to minimise exposure. Credit risk from cash and cash equivalents is managed via banking with well-established banks with a strong credit rating.

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Notes to the Group and Company Financial Statements.

31. Financial risk management (continued)

Foreign currency risk

The Group's foreign currency exposure arises from:

- transactions (sales/purchases) denominated in foreign currencies;
- monetary items (mainly cash receivables and borrowings) denominated in foreign currencies; and
- investments in foreign operations, whose net assets are exposed to foreign currency translation.

The Group is mainly exposed to US dollar and euro currency risks. The exposure to foreign exchange risk within each company is monitored and managed at Group level. The Group's policy is to economic hedge a portion of foreign exchange risk associated with forecast overseas transactions, and transactions and monetary items denominated in foreign currencies.

The Group's policy is to hedge the risk of changes in the relevant spot exchange rate. The Group uses forward contracts to hedge foreign exchange risk. As at 25 April 2015 and 26 April 2014, the Group had entered into a number of foreign exchange forward contracts to hedge part of the aforementioned translation risk. Any remaining amount remains unhedged.

Forward exchange contracts have not been formally designated as hedges and consequently no hedge accounting has been applied. Forward exchange contracts are carried at fair value. Currency exposure arising from the net assets of the Group's foreign operations are not hedged.

At 25 April 2015 if the currency had weakened/strengthened by 10% against both the US dollar and Euro with all other variables held constant, profit for the period would have been £2.7m (2014: £2.0m) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar/euro trade receivables, cash and cash equivalents, and trade payables. The figure of 10% used for sensitivity analysis has been chosen because it represents a range of reasonably probable fluctuations in exchange rates.

The Group's foreign currency exposure is as follows:

				Group
		2015		2014
	US Dollar £m	**Euro £m**	US Dollar £m	Euro £m
Financial assets				
Trade receivables	**–**	**24.1**	0.1	17.5
Cash and cash equivalents	**13.8**	**–**	1.4	12.5
Financial assets	**13.8**	**24.1**	1.5	30.0
Financial liabilities				
Trade payables	**(2.5)**	**(4.7)**	(1.1)	(10.2)
Cash and cash equivalents	**–**	**(1.1)**	–	–
Financial liabilities	**(2.5)**	**(5.8)**	(1.1)	(10.2)
Net exposure	**11.3**	**18.3**	0.4	19.8

The US dollar and euro overdrafts form part of an offset arrangement and as such each currency is netted off against other cash balances in the same currency and is not recognised as an overdraft in its own right.

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31. Financial risk management (continued)

Cash flow interest rate risk

The Group has financial assets and liabilities which are exposed to changes in market interest rates. Changes in interest rates impact primarily on deposits, loans and borrowings by changing their future cash flows (variable rate). Management does not currently have a formal policy of determining how much of the Group's exposure should be at fixed or variable rates and the Group does not use hedging instruments to minimise its exposure. However, at the time of taking new loans or borrowings, management uses its judgement to determine whether it believes that a fixed or variable rate would be more favourable for the Group over the expected period until maturity. Sensitivity analysis has not been provided due to the low level of loans and borrowings within the Group. The Group's significant interest-bearing assets and liabilities are disclosed in notes 24 and 25.

Liquidity risk

Cash flow forecasting is performed on a Group basis by the monitoring of rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs. The maturity profile of the Group's liabilities is analysed in notes 25 and 26.

Valuation hierarchy

The table below shows the financial instruments carried at fair value by valuation method:

	Level 1 £m	Level 2 £m	Level 3 2015 £m	Level 1 £m	Level 2 £m	Group Level 3 2014 £m
Assets						
Derivative financial instruments						
– forward foreign exchange contracts	–	11.1	–	–	–	–
Liabilities						
Derivative financial instruments						
– forward foreign exchange contracts	–	–	–	–	2.3	–

The level 2 forward foreign exchange valuations are derived from mark-to-market valuations based on observable market data as at the close of business on 25 April 2015.

Fair value gains of £13.4m (2014: losses of £3.7m) relating to the movement on open forward foreign exchange contracts have been recognised in other gains and losses.

The notional principal amount of the outstanding forward foreign exchange contracts at 25 April 2015 was £141.1m (2014: £122.8m).

Fair value movements show:

(a) the amount of change, during the period and cumulatively, in the fair value of the financial liability/asset that is attributable to changes in the credit risk of that liability;

(b) the difference between the financial liability's/asset's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation;

(c) the methods used to arrive at the above amounts; and

(d) if the entity believes that the disclosure given to comply with the above does not faithfully represent the change in the fair value of the financial liability attributable to changes in its credit risk, should disclosed the reasons for reaching this conclusion and the factors is believes are relevant.

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31. Financial risk management (continued)

Derivative financial instruments

The table below analyses the Group's and Company's derivative financial instruments which will be settled on a gross basis. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Forward foreign exchange contracts				
– held for trading				
Outflow	**(55.2)**	(73.7)	**–**	–
Inflow	**85.9**	49.1	**–**	–
Net derivative exposure	**(30.7)**	(24.6)	**–**	–

All cash flows will occur within 18 months. All derivative financial instruments are carried at fair value as assets when the fair value is positive and as liabilities when the fair value is negative.

The table below analyses the Group's and Company's derivative financial instruments. The amounts disclosed in the table are the carrying balances of the assets and liabilities as at the balance sheet date.

	Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Forward foreign exchange contracts – current	**10.4**	–	**–**	–
Forward foreign exchange contracts – non-current	**0.7**	–	**–**	–
Total derivative financial assets	**–**	–	**–**	–
Forward foreign exchange contracts – current	**–**	2.2	**–**	–
Forward foreign exchange contracts – non-current	**–**	0.1	**–**	–
Total derivative financial liabilities	**11.1**	2.3	**–**	–

All financial derivative instruments are due within 18 months.

The full fair value of a derivative is classified as a non-current asset or liability where the remaining maturity of the derivative is more than 12 months and as a current asset or liability, if the maturity of the derivative is less than 12 months.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders, and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital employed is calculated as "equity" as shown in the consolidated balance sheet plus net debt. The Group is in a net cash position at 25 April 2015.

The directors have concluded that the Company is best served by retaining current cash reserves to support growth. Consequentially, a recommendation will be made to the AGM that no dividend is payable for 2015 (2014: £nil).

The Directors recently announced the intention to commence the payment of ordinary dividends with an interim dividend payment in FY16. The Directors will also consider one-off returns to shareholders where excess capital has not been deployed.

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31. Financial risk management (continued)

Financial instruments by category

Group

	Assets at fair value through profit and loss 2015 £m	Loans and receivables 2015 £m	Total 2015	Assets at fair value through profit and loss 2014 £m	Loans and receivables 2014 £m	Total 2014
Trade and other receivables excluding prepayments	–	49.8	49.8	–	33.9	33.9
Derivative financial instruments	11.1	–	11.1	–	–	–
Investments	–	10.0	10.0	–	–	–
Cash and cash equivalents	–	67.6	67.6	–	86.2	86.2
Financial instruments – assets	11.1	127.4	138.5	–	120.1	120.1

Group

	Liabilities at fair value through profit and loss 2015 £m	Other financial liabilities at amortised cost 2015 £m	Total 2015 £m	Liabilities at fair value through profit and loss 2014 £m	Other financial liabilities at amortised cost 2014 £m	Total 2014 £m
Borrowings	–	–	–	–	0.1	0.1
Derivative financial instruments	–	–	–	2.3	–	2.3
Trade and other payables excluding non-financial liabilities	–	107.8	107.8	–	86.2	86.2
Financial instruments – liabilities	–	107.8	107.8	2.3	86.3	88.6

Company

	Loans and receivables 2015 £m	Loans and receivables 2014 £m
Trade and other receivables excluding prepayments	46.3	37.4
Cash and cash equivalents	14.1	43.3
Financial instruments – assets	60.4	80.7

32. Share capital

Allotted and fully paid 5p shares:

Group and Company	Number of shares	Value of shares (£m)
25 April 2015	**80,984,973**	**4.0**
26 April 2014	80,961,378	4.0

19,818 ordinary shares of 5p each were authorised, allotted and issued in October 2014. The shares issued related to the first tranche of consideration shares due to KUH Retail GmbH (“KuH”) following the buy-put of the German agency and franchise agreement in October 2013.

3,777 ordinary shares of 5p each were authorised, allotted and issued in the period under the SuperGroup Share Plans.

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33. Business combinations

SMAC

On 27 June 2014 the Group acquired the share capital of its long-term distributor, the SMAC A/S, SMAC Norge A/S and SMAC Retail A/S former distributors in Denmark, Finland and Norway. As part of the transaction the pre-existing distributor agreement between the Group and SMAC A/S was terminated in order that the Group would take back control of these territories.

The transaction will allow the Group to benefit from improved wholesale margins, accelerate the roll-out of stores by investing its own capital, and retain the local operational and management expertise.

Supergroup paid a total of £3.8m in consideration by cash funding. Cash paid by SuperGroup Plc on acquisition was £3.0m and deferred consideration payable within one year was £0.8m which remains unpaid as at 25 April 2015.

The provisional fair value of assets acquired and liabilities assumed was as follows:

	SMAC (£m)
Intangible assets	2.0
Property, plant and equipment	0.5
Inventories	1.1
Trade and other receivables	1.4
Trade and other payables	(1.5)
Provision for deferred tax	(0.5)
Total fair value of assets acquired and liabilities assumed	**3.0**
Goodwill/(non-distributable reserve) arising on acquisition	0.8
Total consideration	**3.8**

Intangible assets relate to the reacquired rights to the territories in Denmark, Finland, and Norway. Goodwill represents expected synergies and is expected to be tax deductible.

The amounts included in the consolidated statement of comprehensive income since 27 June 2014 included revenue of £9.1m and there was a profit of £0.6m over the same period. Had the transaction occurred on the first day of the financial year, then estimated contribution to Group revenues would have been £9.6m and net profits £0.5m.

USA

On 25 March 2015, SuperGroup Plc has acquired the exclusive rights to distribute Superdry products in North America, by terminating the 30 year licence granted to SDUSA LLC, the Group's US licence partner, in 2008. The Group has also acquired from SDUSA LLC the trade and assets of 15 Superdry branded stores in the USA.

This transaction provides a strategic opportunity to enhance the brand presence in North America and significantly build the long-term value of the business through investing its own capital and retaining the local operational and management expertise.

SuperGroup Plc paid a total of £10.1m in consideration by cash funding. Cash paid by SuperGroup Plc on acquisition was £8.1m and £2.0m was withheld to allow for any indemnity claims arising during the 12 month period following completion. The £2.0m remained unpaid as at 25th April 2015 and will be released, less the value of any claims made by the Group to SDUSA LLC, in four equal instalments.

Financial Statements.

33. Business combinations (continued)

The provisional fair value of assets acquired and liabilities assumed was as follows:

	USA (£m)
Intangible assets	5.3
Property, plant and equipment	4.4
Inventories	5.5
Trade and other payables	(4.1)
Total fair value of assets acquired and liabilities assumed	**11.1**
Gain arising on acquisition	(1.0)
Total consideration	**10.1**

Intangible assets of £5.3m relate to reacquired rights to the North American territory and was valued using a multi period excess earnings methodology.

Fair value adjustments under IFRS 3 (revised) were made to property, plant and equipment, and inventories. The value of property, plant and equipment was adjusted for an impairment of £1.2m for the assets at one of the acquired stores as there is uncertainty over the lease assignment. Inventories were valued at sales price less costs to sell which increased the value of inventory by £2.4m.

Total consideration paid of £10.1m was £1.0m more than the total fair value of assets acquired and liabilities assumed and resulted in a gain credited to exceptional items (see note 13).

The impact of deferred tax has been considered and deemed to be nil.

Also included within exceptional items is the cash termination fee of the license rights in North America of £12.4m and £0.6m of professional fees paid including legal, due diligence and other costs. A post-acquisition review of the current and forecast trading performance, and assets of the stores resulted in an onerous lease provision charge of £1.8m, a write down of store assets of £0.8m, and asset impairment of £0.3m.

The amounts included in the consolidated statement of comprehensive income since 25 March 2015 included revenue of £1.8m and there was a profit of £0.4m over the same period. Had the transaction occurred on the first day of the financial year, then estimated contribution to Group revenues would have been £23.9m and net losses of £5.3m.

Germany

In October 2013 a 70% subsidiary of SuperGroup Plc, Superdry Germany GmbH ("Superdry Germany") completed a business combination with KuH, a former distributor and former agent in Germany for the Group. The provisional fair values of the assets and liabilities were reviewed within 12 months of acquisition and an adjustment of £0.7m was made to increase goodwill from £0.7m to £1.4m.

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Notes to the Group and Company Financial Statements.

34. Non-controlling interests and other reserves

Movements in non-controlling interests during the year are disclosed in the statement of changes in equity.

	Group	
	Non-controlling interest 2015 £m	Other reserves 2015 £m
Brought forward as at 26 April 2014	1.6	0.7
Share of result for the year	0.6	–
Carried forward at 25 April 2015	2.2	0.7

35. Events after the reporting period

On 20 May 2015 the Group sold 50% of its investment in Anatwine to Zalando SE for a consideration of £1.5m. The carrying value of the investment on disposal was £0.7m resulting in a gain on disposal of £1.2m.

On 2 July 2015 the Group signed an agreement to purchase the remaining 30% of shareholding for £1.7m in Superdry Germany from Ranft Soller Holdings GmbH ("RSH") and the closing date will be 17 July 2015. Due to the proximity of the acquisition date to the release of the annual report valuations of assets and liabilities acquired along with the disclosures required by IFRS 3 (Revised) have not been able to be prepared. Disclosure will be made in future annual financial statements.

On 8 July 2015 the Group signed an agreement to enter into a joint venture with Trendy International Group in China to provide a platform for significant long-term growth in this important market.

Shareholder Information.

Company website

A full copy of this Annual Report and other information required by section 311A of the Companies Act 2006 can be found on the SuperGroup Plc website at www.supergroup.co.uk.

Annual General Meeting

The Annual General Meeting will be held at 11.30am on Wednesday 9 September 2015 at Cheltenham Ladies' College, Bayshill Road, Cheltenham, Gloucestershire, GL50 3EP. The notice of the meeting is available on our website, and sets out the business to be transacted.

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Shareholder Notes.

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