SuperGroup Plc

Annual Report

for the year ended 29 April 2017

Welcome to our 2017 Annual Report.

SuperGroup Plc ("*SuperGroup*", "*Group*" or the "*Company*") is the owner of the *Superdry* brand, founded in Britain. In this report we outline the progress made over the past year towards our ambition to create a global lifestyle brand.

We offer our customers around the world innovative, premium, affordable quality clothing and accessories with a focus on design detail. The *Superdry* customer is loyal, comes from all walks of life and is not defined by age but rather by their attitude.

We hope you enjoy reading our report which reflects our commitment to providing transparent and consistent reporting. We would, as always, welcome your feedback at investor.relations@supergroup.co.uk.

Read more on our Brand:

▶ **EMBED** see page 18

Strategic Report

Our Governance

Financial Statements

The SuperGroup investment case.

1. In *Superdry* we have a strong established brand and our research shows that the awareness and perception of the brand continues to strengthen.
2. We appeal to a broadening customer base, over a wide range of age groups, appreciative of the style, quality and attention to detail integral to the *Superdry* brand.
3. We constantly use customer research and insight to innovate within our existing product ranges and extend the brand into adjacent categories, meaning that we are well positioned to capture market share.
4. Our growth strategy is executed through different routes to market which we adapt to local market needs. Alongside ongoing expansion of our owned retail store operations in Europe, USA and China we continue to grow through the Group's low capital routes to market, in E-commerce, Wholesale and franchise stores.
5. We are increasingly diversifying our business model, geographically, by channel and by category, reducing our reliance on any single market, route to the customer or product range.
6. We continue to invest in our business, enabling further growth and delivering strong returns on invested capital.
7. We plan to make significant efficiency gains as we improve our Design to Customer process and refine our Wholesale model.
8. We are a highly cash generative business with a progressive dividend policy and are committed to returning excess capital to shareholders.
9. We have a strong, collaborative leadership team working alongside the founders which delivers creativity and innovation combined with high quality and consistent execution.

Chairman's Welcome.

" Over the last year SuperGroup has continued its progress towards becoming a global lifestyle brand. Consistent and positive financial results have been delivered through a broadening geographic footprint and growth in all channels – Retail, E-commerce and Wholesale – while further investments have been made in systems, logistics and people. We have delivered on the four pillar strategy outlined at the Capital Markets Day in 2015. "

Peter Bamford
Chairman
6 July 2017

We are building a structured and professional organisation in which the culture of creativity and innovation established by Julian Dunkerton will thrive. Our aim is high quality execution on a consistent and cost-effective basis.

Over the last year SuperGroup has continued its progress towards becoming a global lifestyle brand. Consistent and positive financial results have been delivered through a broadening geographic footprint and growth in all channels – Retail, E-commerce and Wholesale – while further investments have been made in systems, logistics and people. We have delivered on the four pillar strategy outlined at the Capital Markets Day in 2015.

The economic environment has been tough and the political backdrop uncertain. The Brexit vote and fluctuating exchange rates have had the most significant direct impact. The *Superdry* brand has proved resilient while the increased exposure of the business to different countries, markets and currencies has been important in providing some insulation from that impact. 72% of our total sales volume is now from outside the UK, while 98% of our new Retail square footage opened in the last year was overseas. Our Wholesale business grew by 43% and 89% of this revenue was outside the UK.

Under Euan Sutherland's leadership we have continued to build the breadth and depth of the leadership team in order to ensure that we have the capability to deliver both growth and operational leverage in the future. We are building a structured and professional organisation in which the culture of creativity and innovation established by Julian Dunkerton will thrive. Our aim is high quality execution on a consistent and cost-effective basis.

As a Board we have focused our time in a balanced way across our strategic priorities and governance processes. Our Board evaluation this year indicated that the Board was functioning well. A number of areas of improvement in Board administration were noted, together with the importance of spending sufficient time on the development of our brand and culture over the next year, and in developing knowledge of the Group's markets outside the Europe and the USA. Steve Sunnucks and Beatrice Lafon are not standing for re-election at the AGM and I would like to thank them for their contributions to SuperGroup and wish them well for the future. Whilst the Board remains of sufficient size and balance for our business in the near term, we will be looking carefully at the composition in the coming year and putting in place a plan for further appointments which will take into account the current public policy debates around potential reform of corporate governance, the evolving needs of SuperGroup and planning for successors to me as Chairman and Keith Edelman as Senior Independent Director. In respect of the last point we have taken the first step with the appointment of Penny Hughes to succeed Keith as Chairman of the Remuneration Committee with effect from the conclusion of the AGM.

SuperGroup has continued to mature while sustaining strong growth. This has been reflected in our Sustainability Programme and our approach to risk management. In the case of the former we have now established three ambitious long-term goals and will develop implementation plans over the next year. SuperGroup faces a variety of risks and the Board reviews the risk register regularly. We continue to be vigilant with respect to Cyber Security and have also spent time considering the implications of Brexit on the Group.

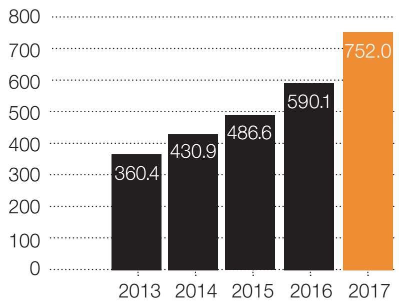
The Company remains cash generative and this, together with its strong underlying cash position, has enabled us to deliver on our progressive dividend policy while continuing to produce growth and make investments in infrastructure. These characteristics also underpin our Viability Statement by enabling the business to withstand the significant scenarios we have modelled.

As ever, our success is enabled by the passion and commitment of the people who work for SuperGroup. Our Company is a global family where the unique contribution of every colleague is highly valued. I would like to thank everyone for their hard work over the last year.

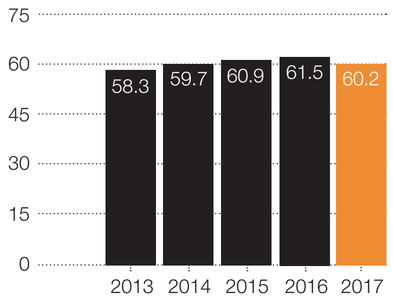
Peter Bamford
Chairman
6 July 2017

Highlights.

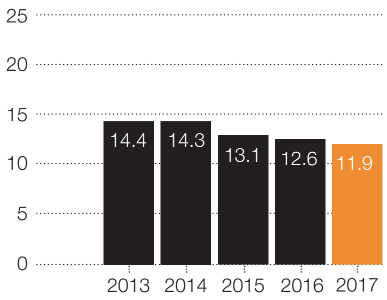
Group revenue
£752.0 million +27.4% year-on-year*



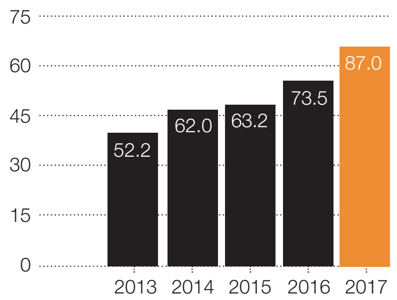
Underlying[1] Group gross profit margin
60.2% -130bps year-on-year*



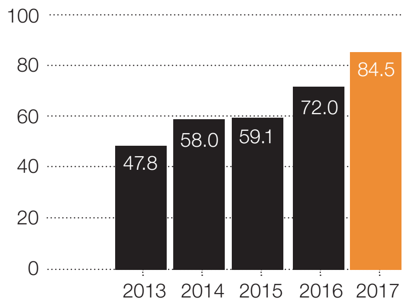
Underlying[1] Group operating profit margin
11.9% -70bps change*



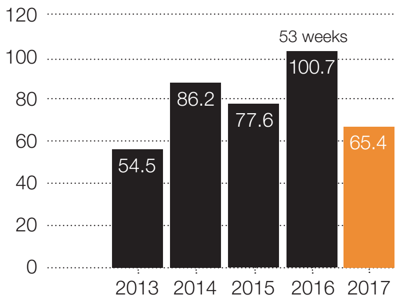
Underlying[1] Group profit before income tax
£87.0 million +18.4% year-on-year*



Underlying[1] basic Earnings Per Share (“*EPS*”)
84.5 pence +17.4% change*



Year-end net cash
£65.4 million -35.1% year-on-year



Opened 154,000 square feet of new retail space
17.4% average space growth

E-commerce participation
25.9% of total Retail sales +280bps*

Successful infrastructure development including the operationalisation of new regional distribution centres in the USA and Continental Europe

* Based on 52-week 2016 comparative

Our financial results[1] reflect our continued progress since the launch of our strategy in March 2015 in establishing *Superdry* as a global lifestyle brand.

On a comparable 2016 52-week basis:

- Revenue up 27.4% to £752.0m
- Underlying gross margin down 130 basis points (“***bps***”) to 60.2%
- Underlying operating margin 11.9% (2016: 12.6%),
- Underlying profit before income tax up 18.4% to £87.0m
- Underlying basic EPS up 17.4% to 84.5p (2016: 72.0p)
- Full year ordinary dividend 28.0p per share representing a 3.0x cover

On a 2016 53-week basis:

- Revenue up 25.9% from £597.5m
- Underlying gross margin down 140bps from 61.6%
- Underlying operating margin down 30bps from 12.2%
- Underlying profit before income tax up 20.2% from £72.4m
- Profit before income tax £84.8m up 53.1%
- Underlying basic EPS up 19.2% from 70.9p
- Basic EPS 81.2p up 60.2%
- Net cash generated from underlying operating activities £62.3m down 20.9%
- Year-end net cash position down 35.1% from £100.7m

1. Underlying is defined as reported results adjusted to reflect the impact of the (loss)/gain recognised on re-measurements (being the fair valuation of 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 6 to the Financial Statements. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

▶ Read more on **Our Performance** on pages 36 to 44

▶ Read more on **Key Performance Indicators** on pages 46 to 47

Our Brand.

Superdry: a global lifestyle brand

The *Superdry* brand was launched in 2003 by our founders, Julian Dunkerton and James Holder, and is a lifestyle brand designed for attitude, not age. Our brand has democratic appeal, offering affordable, premium-quality clothing, accessories and footwear complemented by other lifestyle categories such as Sport and Snow.

As we develop the breadth and nature of our product range, we are widening our appeal to a broader, aspirational customer group; those who want to feel amazing in what they wear and appreciate style, quality and attention to detail at market leading value for money. Through our obsession with quality, our focus on design detail and our continued innovation we create high-quality, contemporary products that fuse vintage Americana and Japanese-inspired graphics with a British style, characterised by:

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

Brand strategy

In 2015 we set out a clear vision to build a global lifestyle brand, encompassing all aspects of our product, brand and retail experience. This strategy will broaden and strengthen the appeal of the iconic *Superdry* brand building *Superdry* into a brand with longevity that will appeal to customers through all life stages and be a part of their lives beyond any individual product.

Our brand strategy is based on a clear definition of the brand purpose focused on helping our customers feel amazing and has three key elements:

1. **Drive awareness of the breadth of the *Superdry* range** – There is a clear opportunity to ensure our existing and potential customers are aware of and buy into the breadth of both our heritage product range and recent and future innovations. This opportunity is particularly relevant for women and will allow us to increase consideration and purchase across a broader customer spectrum.
2. **Build a broad cross-channel relationship with customers** – Making it easy for our customers to interact with the *Superdry* brand across all our channels. We recognise that customers interact with us in different ways with some preferring our E-commerce offering, others preferring to shop in store and the most engaged looking to interact through multiple channels. We will let our customers determine how they want to best interact with us in whichever way suits them best and will always seek to provide them with a market leading experience whatever that choice.
3. **Deliver a consistent global brand proposition** – We will achieve consistency by applying best practice in each market and channel leveraging our global capability in merchandising and range selection together with a clear understanding of how we optimise retail space.

As an additional refinement to our brand strategy we categorise each territory by the stage it has reached in developing the brand:

Market Strategy	Evolve	Grow	Build	Target
Brand Status	Established	Engaged	Emerging	Expected
Territories	UK, Belgium	Western Europe, Australia	Scandinavia, Middle East, Asia, South Africa, USA, and China	Eastern Europe, Canada, South America
Brand Development	Reaffirm and refresh our current brand position	Bring clarity to the brand to enhance growth in the market	Position and build the brand in new territories	Understand how the brand should be positioned and developed before entry

Our Strategy.

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

In the table below we detail a description of each element in our four pillar strategy together with what we have achieved against each of the components. The achievements reflect a considerable investment in people, systems and infrastructure which has established a strong platform to support the future growth of the business. While investment will continue in the medium-term to underpin long-term sustainable growth, our global distribution infrastructure and Design to Customer process are now sufficiently developed to allow a number of targeted efficiencies to crystallise.

Embed.

Our brand values for long-term sustainable growth

▶ Read more on page 18

Description

- Our founding principles and brand values that bring our brand to life and is directly linked to the success of our business. We will embed these principles and values 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.
- An extensive understanding of our customers into everything we do to ensure that they feel valued and are loyal to *Superdry*.
- The strong link between our brand values and our four product attributes, which are: design detail; quality obsession; end-to-end innovation; and affordability.
- The knowledge, skills, drive, passion and enthusiasm of our colleagues, wherever they are in the world.

Achievement

- Growing brand awareness and shopping frequency benefiting from established brand hierarchy.
- Insight led, based on customer research in key markets for core categories.
- Social media marketing campaigns resonating with key customer groups.
- Next Generation concept stores performing well, roll-out programme established.
- Colleague engagement measured and growing.

Enable.

Future growth through investment in people, systems and infrastructure

▶ Read more on page 20

Description

- 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.
- The entrepreneurial and innovative culture we inherited from our founders to remain at the heart of our way of working, allowing colleagues to flourish and fulfil their potential through working in a creative environment.
- The optimisation of our Design to Customer process including the ongoing investment in our IT systems, including our transactional and internal business systems, and our infrastructure.

Achievement

- Single integrated Retail stock pool delivered, materially increasing on-line availability.
- Global logistics infrastructure established via two additional distribution centres.
- Future Design to Customer processes defined, with good initial traction, leading towards a single product range across all channels.
- Leadership cadre significantly strengthened through four key recruits to the Executive Committee.
- Wholesale go to market approach upgraded to deliver strong sales uplifts.

Extend.

Our key categories to achieve our brand growth potential

▶ Read more on page 22

Description

- Our product opportunities by constant innovation both within our core mainline offer, particularly in womenswear, premium and denim, but also in adjacent categories including active sportswear, ski and footwear.
- Our category management and Design to Customer process to offer newness more frequently as we go through the seasons.

Achievement

- Heritage range innovation continues:
  - Handwriting, shape and fabric development.
  - Bombers, Rookies and Fuji established as iconic ranges.
- Womenswear consistently strongest growing category.
- *Superdry* Sport and Premium established as new growth categories.
- SuperDesign Lab provides dedicated, skilled capability to fuel innovation pipeline.

Execute.

Growth opportunities in new and existing markets and on-line

▶ Read more on page 24

Description

- Opportunities to expand *Superdry's* points of sale globally based upon a disciplined territory–by–territory approach.
- The significant opportunity for new retail space in both our existing key markets in mainland Europe and new markets.
- A multi-channel relationship with our customers that enables them to order anywhere, on any device, using any payment method, and have their order delivered to wherever they choose.
- Increasing e-commerce penetration across the world including developing our partner programme, where we offer our product for sale on third party retailer sites.
- The growth and development of our Wholesale division.

Achievement

- Country route to market plans established to optimise financial returns. *Superdry* product is sold in 863 global retail locations (financial year 2015: 573).
- EU store footprint increased from 66 stores to 101 stores (53%), across ten countries. Strong return on capital maintained.
- Franchise portfolio of 319 stores in 49 countries, nine new countries 2015 to 2017.
- Market leading e-commerce proposition established extending brand reach to 148 countries. Revenue growth of 113% (financial year 2015 to financial year 2017).
- North America turnaround executed: break-even achieved, store roll-out commenced, e-commerce provides brand reach.
- China presence established: strong partner in place, brand landed well, franchise roll-out commenced.

Financial Progress.

Long-term sustainable growth in revenue and earnings

Description

- Deliver long-term sustainable growth in revenue and earnings.
- Strong capital discipline.
- Progressive dividend policy.

Achievement

- Revenue:
  - Consistent like-for-like sales growth in key territories and channels.
  - Total revenue growth of 54.5% (financial year 2015 to financial year 2017).
- Growth in underlying Profit Before Income Tax of 37.7% (financial year 2015 to financial year 2017):
  - Gross margin increase of 10bps before channel mix impact.
  - On track to deliver operating cost leverage in financial year 2018.
- Capital investment of £114.1m over the two-year period.
- Strong operating cash generation funds organic growth opportunities and capital policy:
  - Ordinary and Special Dividends of £41.5m.


Pit Stop

Our Customers.

Our target customers are characterised by attitude not age.

Our ongoing qualitative and quantitative customer research provides us with a deep and contemporary understanding of, and insight into, our customer demographics, their perception of *Superdry* and their buying behaviour. This investment is key to understanding our customers' perception of the brand and awareness, enabling us to better meet their needs through our product and a multi-channel shopping experience, as we become a global lifestyle brand.

From this research we know our customers are characterised by attitude, not age, attracted to *Superdry* because it is seen as accessible and democratic and:

- comes from a broad spectrum;
- is aspirational;
- is appreciative of style, quality and attention to detail; and
- is focused on value for money.

Customer insight

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 known for high-quality products and iconic styles often associated with big logos, but have also developed to produce clothing with more subtle branding. These insights have highlighted that the brand is still perceived as being rather masculine and that Womenswear has a narrower appeal to younger customers.

The progress we have made in developing our Womenswear offer, through a more feminine approach to both design and customer engagement, accesses this significant opportunity and will be a key focus over the coming year.

Customer led innovation to deliver amazing product

We continue to embed research into our design process and range planning, as well as into our customer communication. Last year we introduced Sports and Premium categories which our customers had indicated as being complementary to their existing *Superdry* wardrobe. The initial launch of the Sport offering into Womenswear was a reflection of the strength of customer research towards this development; our customer response has been positive with strong sales performances since the respective launches.

Recognising that each of the ranges has only been launched for a year, the further development and enhancement of the Sport and Premium categories remains our priority. We are confident that further range extensions will flow through from the ongoing customer research and innovations delivered by the SuperDesign Lab.

Building a strong customer proposition

We continue to build a broad cross-channel relationship with our customers to make their experience compelling and easier to facilitate. During the year we launched our Next Generation store re-fit programme which has a number of benefits, including the ability to showcase both the breadth of the range and our core category strength, such as jackets or graphic t-shirts and improve the customer shopping experience through flexible fixtures that offer more choice while increasing circulation space.

Our online objective remains to make it inspiring and easy for people across the planet to buy *Superdry* products, and deliver an amazing end-to-end experience. Our customers should be able to order anywhere, from any device, with any payment method and have it delivered anywhere.

We have also extended our social media activity to increase awareness and increase customer engagement with the Superdry brand, including: a Jackets campaign that communicated the breadth and technical benefits of the range and the launch of "This is my *Superdry*", *#mysuperdry*, which provides our customers with the opportunity to share their wearing Superdry experience on www.superdry.com.

Our Market.

The *Superdry* brand competes with all clothing and accessory retailers on an indirect basis and occupies a niche position within the branded fashion market defined by our unique product range and the design detail we are famous for.

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 to our customers through stores and 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 and continually enhance our customers' experience on-line to provide a sector leading multi-channel proposition. For more information on our E-commerce strategy, please refer to page 25.

Superdry started its international expansion early on in its development and is now sold in 49 countries with 72% of total sales volume generated outside of the UK (based on "retail selling price"). Of the 555 *Superdry* branded stores globally 82% are outside of the UK.

The development of our global E-commerce and Wholesale businesses with further expansion into Continental Europe all provide sustained growth opportunities whilst we build our businesses in North America and China, which each represent a further significant growth opportunity in the longer term. We will continue to adopt a tailored approach to our customer offering in each of these markets allowing our customers to interact with *Superdry* in the way that suits them. Please refer to page 12.


NO ENTRY

Our Routes to Our Customers.

We continue to focus on expanding the *Superdry* business globally. Our multi-channel business is categorised by the following routes to customer:

1. Retail

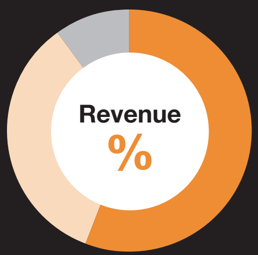
Our **Retail** channel comprises the entire owned store portfolio in the UK, Europe and North America together with our e-commerce websites.

Owned store portfolio

There are 220 owned stores, with total space of 1,054,000 square feet. The portfolio consists of smaller boutique stores (mostly historic ex-franchise stores situated in Continental Europe), our optimal medium-sized stores of around 5,000 to 7,000 square feet (principally in the UK and increasingly so in Continental Europe), and larger stores, such as our flagship stores in London, Berlin and New York.

Superdry outlet stores are an important element of the business model, complementing full-price stores. While adapted to meet the different positioning of outlet locations in different geographical markets, they serve an important and growing route to our customers and optimise the value generated from excess stock whilst protecting the brand integrity of our non-outlet stores.

There are 101 stores in Europe, 99 stores in the UK and Eire and 20 in the USA.



UK & ROI	56%
Europe	34%
Rest of World	10%

2. E-commerce

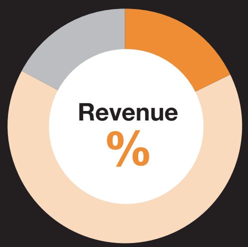
E-commerce consists of 27 international websites across 18 countries covering 12 different languages. E-commerce connects our Wholesale and Retail channels and includes our programme with partners including Zalando, La Redoute and The Iconic. We use eBay as another sales channel to sell our end of line or discounted products whilst maintaining our brand integrity and retaining gross margin.

3. Wholesale

Our **Wholesale** channel introduces *Superdry* complementary points of sale, tailored to each market, including:

Independent retailers and international distribution partners

Our partners are responsible for supplying the independent retail markets in their respective territories. This is the largest of our Wholesale routes to market accounting for 40% of total Wholesale revenue.



UK & ROI	18%
Europe	65%
Rest of World	17%

International franchise and licence partners

Our franchise estate now stands at 319 *Superdry* branded stores which includes 97 in France, 33 in Spain and 17 in India.

We have 16 *Superdry* branded stores operating under licence in Australia. Sales made by the licensee are included in the royalties earned from sales in “other gains and losses” in the Group Statement of Comprehensive Income.

Our approach to each market is considered and seeks to optimise returns and minimise risk by tailoring the channel and marketing strategy to each country and its stage of development. In delivering this strategy we benefit from deep experience and established capability in the following routes to the customer:

- owned stores in primary catchments;
- franchise stores in secondary catchments and developing markets;
- *Superdry* branded websites;
- partner websites that build brand awareness and access a different customer base;
- department stores; and
- multi-brand independents.

Key Wholesale accounts.

Our Evolving Operating Model.

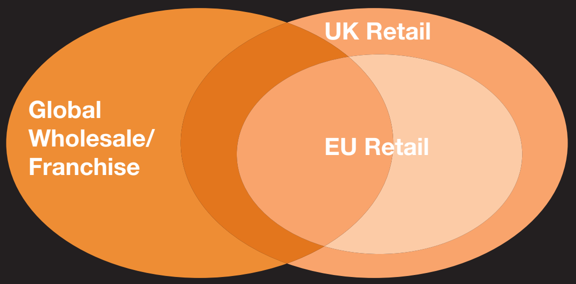
We are currently transforming our category management approach, buying model and stock management process to harmonise the customer proposition, increase efficiency and lower operating costs while providing a fast track development route to improve speed to market. Within a multi-year programme, referred to internally as Design to Customer, we will continue to invest in our systems and processes to deliver greater efficiencies.

The key process changes within this are:

- 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 our customers and, in turn, drives purchasing economies and enhances sell-through;
- increasing our direct sourcing and better phasing of purchasing patterns to ensure newness for our customers, improve stock management, product availability, and stock levels; and
- ensuring our range development strategies are informed by a deep understanding of our customers and reflects the insight gleaned from our extensive customer research programme.

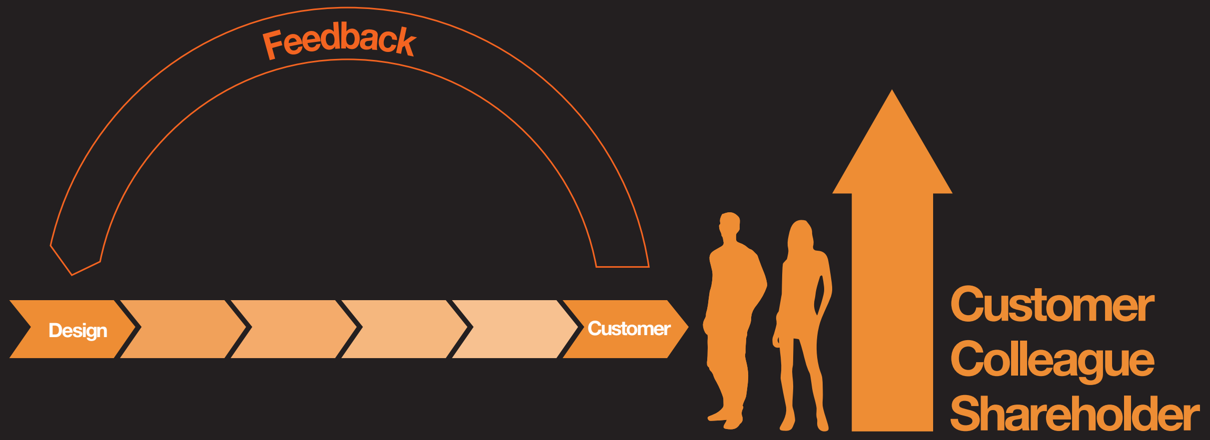
These process changes will be accompanied by physical and systemic changes to our supply chain. These developments include bringing our distribution centres closer to market, providing zonal fulfilment across all routes to our customers and, after the successful creation of a consolidated retail stock pool in 2015, merging Wholesale and Retail inventory into a single pool to fully maximise availability.

Previous stock buying model



New stock buying model

Future business model



▶ Read more about **Our Customers** on page 9

▶ Read more about **Our Colleagues** on page 21

▶ Read more about **Our Governance** on pages 56 to 95

Chief Executive's Review.

"The brand innovation through launching the *Superdry* Sport collection has been received positively by our customers and delivered immediate incremental sales, with extensive opportunities for the future. Insight tells us that sportswear and 'ath-leisure' fits perfectly with our brand image and is a future worldwide growth market for both the men's and women's sectors."

Euan Sutherland
Chief Executive Officer
6 July 2017

Our success in financial year 2017 has been achieved by the continual improvement of our core product ranges and introducing new categories to excite, inspire and enhance the brand's relevance.

Financial year 2017 summary

The articulation of a clear four pillar strategy in March 2015 enabled an organisation-wide focus on the consistent delivery of the key long-term opportunities that will establish *Superdry* as a global lifestyle brand. We have made significant progress in the past two years with some of our key achievements summarised on pages 6 to 7. SuperGroup remains an opportunity rich organisation and we are confident in the continued delivery of sustainable revenue and profit growth supported by continued investment in people, processes and infrastructure.

Our success in financial year 2017 has been achieved by the continual improvement of our core product ranges and introducing new categories to excite, inspire and enhance the brand's relevance. The consistency of our revenue performance has been pleasing with similar levels of growth achieved in each half-year and positive like-for-like growth achieved in all channels: Retail, E-commerce, which continues to deliver market leading growth, and Wholesale.

The Wholesale division delivered growth of 43% fuelled by material growth in the brand's franchise network, range enhancements and the final elements of the process improvements commenced in the previous financial year.

Our development markets in North America and China continue to progress in line with their respective plans. The break-even position delivered in the Group's North American operations was achieved in our second year of ownership in line with our acquisition plan.

Underlying profit growth of 18% reflects continued investment in those two development markets and growth infrastructure together with one-off migration costs incurred as part of the set-up of our two new distribution centres. Our growth plan across geographies, channels and categories will further reduce our reliance on any single operating segment and during the next two years we anticipate that we will leverage our investments as we continue to grow our revenues and deliver improvements to our Design to Customer process.

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 iconic products

Progression
Stay grounded and innovate like mad

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

Innovative, British, premium lifestyle brand with global appeal.

Embedding our brand values is a key element to realising our ambition to become a global lifestyle brand. The *Superdry* brand purpose defines the reason for being, creates a clear and concise brand story and a brand strategy that is relevant and actionable. Group-wide communication ensures that all colleagues become brand ambassadors through a real understanding, appreciation and awareness for what *Superdry* stands for.

A key element of the learning and development focus in the year has been the roll-out to 1,700 store based colleagues of a Sales and Service training programme. This programme serves to combine our colleagues' passion for *Superdry* with detailed product knowledge in order to improve customer experience and drive sales.

Colleague engagement levels are measured annually and we continue to see positive year-on-year progress in both response levels and the key measures of Trust and Engagement. We continue to invest in a number of initiatives targeted to address the specific points raised by colleagues. These include wider employment and progression opportunities through our participation in the National Apprenticeship scheme and ways to share in the Group's success through Save As You Earn ("***SAYE***") and Buy As You Earn ("***BAYE***") share schemes.

From a product perspective, collecting customer and market data is key in enabling us to improve the customer experience by embedding customer insight into our ongoing range and category development processes.

We are committed to providing a compelling multi-channel experience for our customers and firmly believe that the brand's potential will be optimised through a combination of shopping channels, including stores. Recognising the need to continually develop the brand experience in-store, during the year we opened two trial stores that were designed to introduce a number of new concepts to the store: to project better the wider product offer, convey authority in our core ranges such as graphic t-shirts, increase range intensity while increasing circulation space, and improve the use of technology.

Commercially the updated new store format targets improvements to sales density while also reducing the capital and operating costs of new and refurbished stores. The first two trial stores located in Manchester's Arndale centre and White City in London were of differing sizes; and tested varying levels of re-fit expenditure. The trading performances in both stores remain strong with uplifts in like-for-like sales of 20% and 10% respectively and have provided us with the confidence to undertake a roll-out refurbishment programme, starting with ten stores in the UK in financial year 2018. The concepts developed in the trial stores are also being introduced into all new store openings.

Enable.

Future growth through investment in people, systems and infrastructure.

Strategic Report
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As we optimise the Design to Customer process, we will improve our speed to market, eliminate wastage and reduce our operating costs.

Strengthening our teams

Our investment in people over the last three years has developed greater capability within core functions including design, merchandising, e-commerce and category management and introduced a strong and experienced leadership team.

During the year, in addition to restructuring executive responsibilities to better fit our future Design to Customer process, the leadership team was further strengthened by the appointment of Hugo Adams to lead the Group's marketing and business development functions, Simon Callander as Group General Counsel and Company Secretary and David Hennessey, who joined us in June as our new Chief Information Officer.

Optimising the Design to Customer process

As we optimise the Design to Customer process, we will improve our speed to market, eliminate wastage and reduce our operating costs. Consistent with our approach to any significant change, we will adopt a measured stance, introducing initiatives and working practices progressively so as not to create undue risk to the underlying business. We are confident that the changes we are planning are well proven, best practice in the retail sector and suitably adapted to our business model.

Early progress has been encouraging aided by establishing a single global merchandising function consolidating the previous retail and wholesale teams. Global range planning disciplines are now well established leading to measurable improvements in the key value creating metrics including crossover between Wholesale and Retail ranges, joint buying and overall option count reduction.

Direct sourcing

Our established in-market sourcing operations in India and Turkey continue to drive efficiencies through increasing the level of product that is direct sourced. A Chinese sourcing office, located in Shenzhen, will open later in 2017 enabling the percentage of direct sourced purchases to increase from c.65% towards our medium term goal of 80%.

Infrastructure development

Investment in infrastructure to support the growth and development of the business will continue over the medium-term. This will focus on a continued improvement approach and enhancement to information technology applications introduced over the past four years and enhancements to physical infrastructure to benefit the Group. In order to protect the quality of execution, only one significant change will be executed each year.

Our primary goals are to establish in-territory multi-channel distribution centres close to each of our markets, delivering better service and accelerated fulfilment at a lower cost, harmonising inventory through the creation of a single stock pool and the systems and processes necessary to support the Design to Customer process. We will also progressively invest in warehouse automation to improve efficiency and service.

As the first step in delivering this ambition we successfully implemented two new regional distribution centres in the year in Grobbendonk, Belgium and Pennsylvania, USA. These operated successfully through peak trading, each serving a single channel only and their operation will be extended in financial year 2018 to fully serve each market on a multi-channel basis, including the planned integration of the currently outsourced USA Wholesale logistics operations into the Group's network.

People

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

Extend.

Our key categories to achieve our brand growth potential.

Significant opportunities exist for *Superdry* as we look to extend into naturally adjacent product categories.

Our product opportunities

Continual range development is a core business capability introducing newness, in the form of shape, fabric, design or branding, to each successive season. This opportunity is therefore equally relevant for heritage or new categories.

We believe there is a clear opportunity for us to more broadly and confidently communicate our "ownership" of certain key categories, such as jackets or graphic t-shirts. Our Jackets campaign in autumn 2016 combined range development and social media based communication of the breadth and technical benefits of our range. While the consistent market trend of 'the padded jacket' plays perfectly to our brand heritage we believe we have extended the iconic status clearly associated with the Windcheater to other ranges including Fuji, Bombers and Rookies. The success of the campaign provided valuable insight that will support future seasonal campaigns.

The opportunities to extend *Superdry* into adjacent product categories and ranges that are natural extensions for the brand are equally significant. In the year we have further developed our Sport, Premium, Snow and footwear ranges which continued to gain traction with our customers and tactically introduced a widened range of gifts to support the key peak trading period. Our premium ranges, both *Superdry* branded and those branded in collaboration with Idris Elba, provide a natural range and price hierarchy extension and have developed each season following the insight gained from our customers.

Our most significant opportunities remain in Sport and Womenswear.

Focusing on the opportunity in Sport and Womenswear

Superdry Sport remains a natural evolution for the brand and has shown significant growth in all markets. The "ath-leisure" element of our range provides the natural entry point for customers before widening their buying to more technical products, where options are expanding and building range credibility. Looking forward we intend to introduce a number of dedicated Sport "shop-in-shops" in a number of our larger stores, enhance the technical capability of our range including improved moisture wicking, weather tolerance and higher visibility and further develop our footwear offer to participate in this key part of the market.

The long-term strategy to grow our Womenswear category to the same value as *Superdry* Menswear continues to gain traction, with Womenswear again growing marginally faster than Menswear driving an improvement in participation to 36.5%.

This brand strategy targets a more feminine approach to both our product and customer experience. Our in-house category and design teams have broadened our core ranges to better match and appeal to our identified customer profiles and introduced more regular injections of new ranges to encourage repeat purchase. Within store, the merchandising developments delivered within the Next Generation store re-fit programme provides the inspirational story that women are looking for at the point of purchase.

SuperDesign Lab provides dedicated innovation capability

Having developed the capacity and capability of our design team, the business is now well placed to continue its planned programme of core product development. This programme will be complemented by the SuperDesign Lab which, led by James Holder, will focus on the creation of further extensions of the *Superdry* brand into adjacent lifestyle categories and providing a fast route to market where commercial opportunities are identified.

Passion

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

Execute.

Growth opportunities in new and existing markets and online.

Our e-commerce objective is to make it inspiring and easy for people across the planet to buy *Superdry* products and deliver an amazing end-to-end experience centred on a sector leading delivery proposition.

Progression

Stay grounded and innovate like mad

We believe we will optimise our customers' brand experience and the ultimate scale of the brand by combining an e-commerce proposition with a physical store presence, achieved via owned and franchised stores and wholesale partners. Specifically, our research has shown that multi-channel customers are more valuable to us than single channel customers as they spend more often and have greater brand loyalty.

Superdry stores

A key driver of our growth strategy is the expansion of the store portfolio balancing owned stores of between 4,000 to 6,000 square feet in major city locations or prime locations in shopping malls with franchised stores operating in smaller catchments. At the end of financial year 2017 the brand operated from 555 stores across 49 countries with 220 owned, 319 franchised and 16 licensed stores.

Our focus for owned stores continues to be Continental Europe, where we remain under-represented and deliver strong returns on capital with, on average, a 25-month post-tax payback against a target of 30 months. In financial year 2017 we opened 124,000 square feet of new space in Continental Europe through 14 net new stores. Germany continues to be a priority market for the brand and we are pleased with the overall performance of the store portfolio which has grown to 31 owned stores and 14 franchises, since our market entry in 2012.

Continental European owned stores at the year-end comprised 405,000 square feet of trading space, an increase of 44% during the year, and represents 38% of our total retail estate.

Cognisant of consumer trends towards e-commerce our approach to new stores remains cautious, being capital disciplined and demanding lease flexibility in all cases. While considerable opportunity for new owned and operated space exists, looking forward we anticipate opening c.75,000 square feet of owned store space in Continental Europe each year.

A net 59 franchise and three licence stores were added to the estate through the financial year representing an additional 95,000 square feet of *Superdry* sales space. These openings included market entry into Croatia, Israel, Romania, Russia, Slovakia, and Slovenia. We have also commenced a programme of franchise store re-fits to continue to modernise and strengthen our third party store estate alongside the Next Generation store re-fit programme in our own store estate.

Increasing e-commerce penetration

Our e-commerce objective is to make it inspiring and easy for people across the planet to buy *Superdry* products and deliver an amazing end-to-end experience centred on a sector leading delivery proposition. As in recent years, online remains the fastest growing route to our customers with year-on-year sales increasing by c.35% and e-commerce participation up to 25.9% of total Retail sales.

This growth reflects the benefit of small incremental improvements to the customer on-line experience and includes: image based search on search engines such as Google; use of social media to increase awareness and keep customers engaged, for example, the introduction of *#mysuperdry* to the www.superdry.com website; changes in creative style of the product imagery and fully responsive technology implemented throughout the site. Our plans for financial year 2018 include integration of a new order management system into our operations that will facilitate the launch of regional fulfilment capability in our new Belgian warehouse allowing us to service Continental Europe from that location.

Our partner programme, where we offer our product for sale on third party retailer sites, drives incremental growth by accessing a new customer base whilst controlling the brand experience. We have seven partner sites currently, including Zalando, La Redoute, and The Iconic. The partner programme has seen good growth during the year and now represents 14% of our E-commerce business.

Customer interaction with each of our 26 fully localised websites continues to be led by mobile use; 67% of visits originated from either a mobile or tablet during the period, with visits from mobiles having grown by 34% year-on-year.

Improving our Wholesale operation

The Wholesale division has shown substantial growth throughout financial year 2017, with a consistent delivery of over 40% year-on-year growth in each half of the financial year, and continues to increase its significance within our income and operations. This year has seen the crystallisation of process improvements made in prior years, expansion of European Wholesale sales teams and showrooms, and investment in best-in-class trade shows and exhibitions.

Execute.

The Wholesale division has shown substantial growth throughout financial year 2017, with a consistent delivery of over 40% year-on-year growth in each half of the financial year, and continues to increase its significance within our income and operations.

Overall financial performance continues in line with our initial plan, with the Group's North American operations breaking even in our second year of ownership.

Financial year 2017 saw double-digit growth in our forward order books and was supplemented by increased in-season sales growth facilitated by enhanced inventory availability. Continental Europe continues to be the key growth driver with more than 30% growth in revenue reaching more than €190m. While some of the sales increases achieved in the year are one-off in nature as we step changed our operating processes, we anticipate that the Wholesale division will deliver sustained double digit revenue growth in the medium-term.

Looking forward we also anticipate advances in aligning our Wholesale and Retail operations, offering both economies of scale to the Group as well as increased choice and flexibility to customers. This long-term strategy will continue into financial year 2018 and beyond as we move forward with our Design to Customer initiatives and improvements.

Developing new markets

Looking long-term we have continued our development of two markets that represent significant future growth opportunities.

North America

Establishing a successful presence in North America is an important and natural step to realising our global ambition. North America provides us with the opportunity to enhance our brand and build significantly the long-term value of our business. Progress has been made in resetting the USA business and through remedial actions taken we have seen a positive customer response during the year from our Retail and Wholesale channels that we acquired in 2015. Store trading improvements, represented by a strong like-for-like performance, reflect the introduction of a broader product range, better price architecture and more capable store colleagues.

During financial year 2017 we opened seven stores as part of a trial which enabled us to experiment with different store formats in different types of location. These stores were predominantly located in the North-East of the USA and reflect a full *Superdry* offer, representative of that seen in Continental Europe. We are confident that we have secured good locations at appropriate rents and performance in these stores to date is encouraging. We will use the learning to develop a new store opening programme that will lead to the opening of up to ten new stores in financial year 2018, mainly located in clusters within major cities such as Boston and Washington DC. We also plan to open a flagship location on the West coast in Los Angeles during the coming year.

Overall financial performance continues in line with our initial plan, with the Group's North American operations breaking even in our second year of ownership.

China

China is an exciting market and is forecast to overtake the USA 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. We have a ten-year minimum 50:50 joint venture agreement with Trendy International Group ("***Trendy***").

During the year, we have worked with Trendy to establish an experienced joint venture team who manage the Chinese business with our involvement focused on strategic direction, product and brand support and supporting store opening and marketing activities. Trendy provide logistical, financial processing and IT support in addition to people development and market knowledge.

During financial year 2017 we opened five trial stores with a sixth opened in May 2017 and three franchises. If the operation of the trial stores is successful we plan to undertake a measured roll-out programme using a combination of owned and franchised stores.

Conclusion

We have made good progress against our four strategic objectives, delivering developments targeted in each of the two years since we launched the strategy at the Capital Markets day in March 2015. Through our strategy we will build both international scale, through opening new stores, wholesale expansion and further global e-commerce growth, while also improving efficiency across the business. We will continue to invest in our infrastructure, product, processes and colleagues to deliver long-term, sustainable growth as we establish *Superdry* as a global lifestyle brand.

Sustainability.

As a brand, we produce high-quality, contemporary products with a key focus on design detail, quality standards, end-to-end innovation and value for money. Our products are strongly linked to our brand values, of which sustainability is one.

Our Sustainability Programme has made significant progress... and we expect this to accelerate in the coming year.

Introduction

As a brand, we produce high-quality, contemporary products with a key focus on design detail, quality standards, end-to-end innovation and value for money. Our products are strongly linked to our brand values, of which sustainability is one.

We are committed to ensuring that sustainability is at the heart of what we do. We have established three strategic goals which form the basis for activities across the Group. The three strategic goals are to:

Significant focus has been placed on establishing our framework, understanding our current position and in developing an implementation plan to 2020.

To support development of our implementation plan to 2020, our sustainability function works with departments across the business to identify opportunities to operate in a more sustainable manner, as well as establishing targets and the means to monitor our ongoing progress.

The Executive Committee and the Board are appraised fully on the progress we are making; the issues we encounter are considered and reviewed in accordance with our risk management protocols.

Product

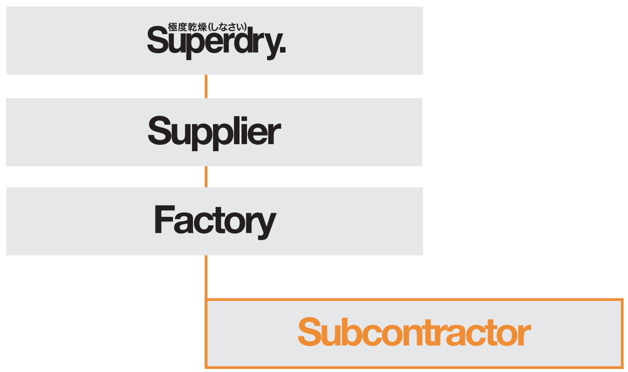
Our products are strongly linked to our brand values; prior to setting our targets and developing our implementation plan this year, we sought to obtain a greater understanding of our sustainability footprint, from the extended supply chain that manufactures finished product, to understanding our raw materials footprint and identifying opportunities for sustainable sources.

Our supply chain

We manufacture the majority of our clothing and accessories in partnership with third party suppliers in Turkey, India, and China. Our factory base comprises 186 Tier 1 factories that manufacture our products, and additional Tier 2 factories that provide specialist value added services including embroidery, printing and washing to our Tier 1 factories.

We are members of the Ethical Trading Initiative ("ETI") and have adopted the ETI Base Code as our Ethical Trading Code across our supply base which in turn is based on international standards including the Universal Declaration of Human Rights and the International Labour Organisation's Core Conventions on Labour Standards.

During financial year 2017, we have identified and started to monitor Tier 2 factories. These activities have been established in addition to our well-established Tier 1 factory monitoring programme. We have established global ethical approval and monitoring protocols managed by our ethical trading team, who work closely with our suppliers to monitor compliance on an ongoing basis. Rolling out this programme to all Tier 2 factories is planned by the end of financial year 2018.



Sustainability.

Innovations

At SuperGroup, we are proud to work with suppliers who continue to seek innovative and sustainable solutions which is an active part of our supplier selection process. For example, our nominated wash plant in Sri Lanka has made significant investment in equipment to support lower impacts in water and energy usage by 2020. One machines uses bubbles to apply garment softeners which reduces water usage by up to 90%.

Raw materials

This year we evaluated our raw materials footprint, identifying key raw material categories for our business and where we can have the greatest sustainability impact. During the financial year 2018, a detailed implementation plan will focus on improving the sustainable impacts in these key areas:

Cotton

Cotton represents the largest single raw material used across our product ranges and as a business we acknowledge the importance in securing sustainable sources. We have mapped one cotton supply chain this year on a trial basis to better understand our impact and guide development of our future targets and initiatives. We are actively developing cotton supply chain improvements in the upcoming year, working with internationally recognised and local experts, farming communities and suppliers.

Animal welfare

We believe it is never acceptable to harm animals in the manufacturing or testing of any of our products. We have a very strict policy in place on animal welfare and we work closely with our suppliers to ensure it is fully enforced. In the last year we have:

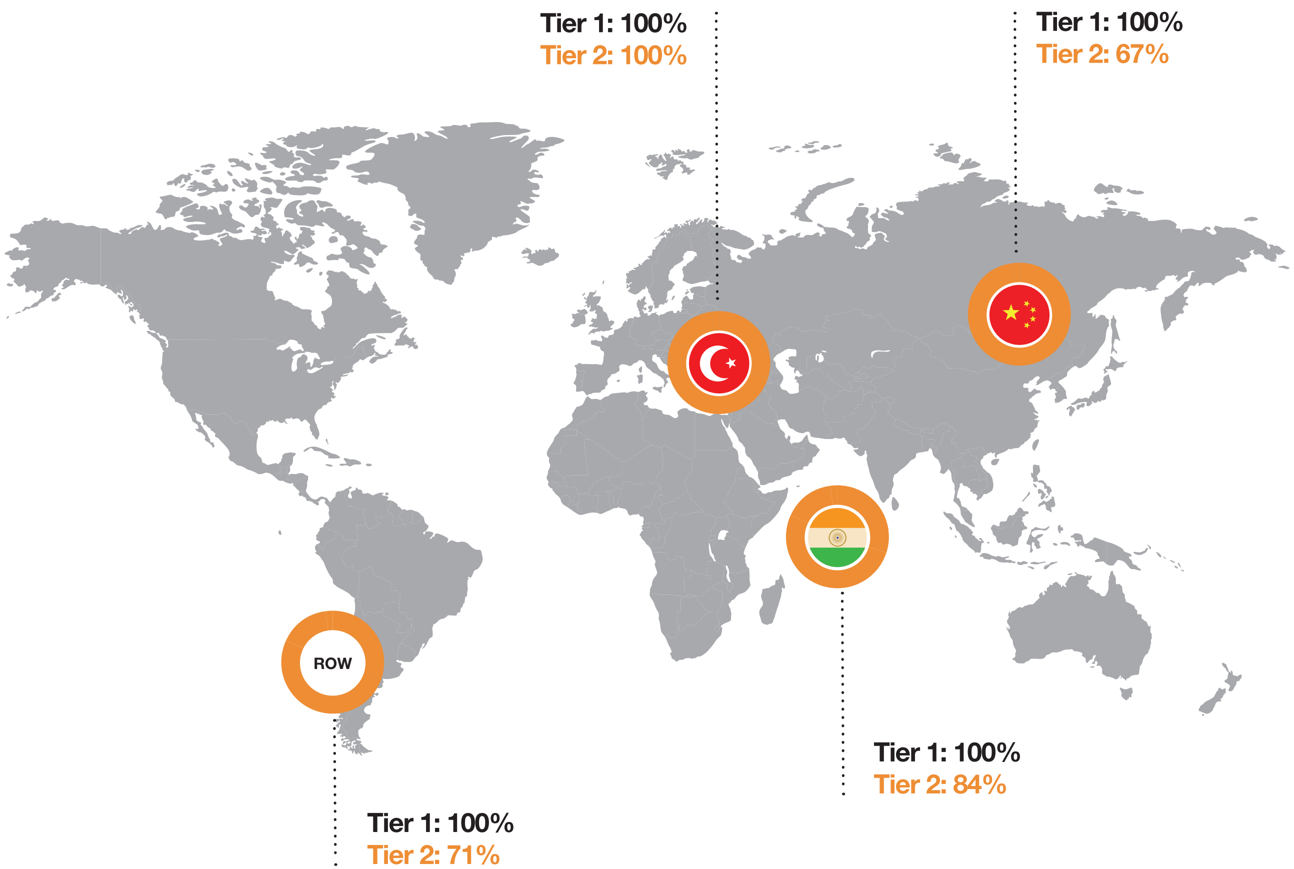
- achieved Responsible Down Standard ("***RDS***") certification from Control Union, which means 100% of down outerwear will be RDS certified from the Autumn/Winter 2017 season onwards. RDS Certification safeguards the welfare of ducks and geese that provide down; and
- reviewed and further reinforced our testing procedures to ensure our ban on fur is respected throughout our supply base.

Factory locations:

The factories shown on the following map are registered in line with our Tier 1 and Tier 2 factory approval processes and are monitored in line with our Ethical Trading Code.

During financial year 2017, our ethical approval and monitoring processes covered Tier 1 factories supplying 100% and Tier 2 factories supplying 83% of volume by number of units delivered.

% Volume (number of units delivered) covered by our ethical approval and monitoring process



People and Community

Our people, our suppliers' people and our communities are critical to the continued success of our brand. Supporting our people and extending our values to our suppliers' people and our communities' people means:

- providing a great place to work for our colleagues;
- working closely with our suppliers to maintain transparent relationships – honouring our role in supporting fair and safe working conditions in our supply base in line with our Ethical Trading Code and extending best practice where possible; and
- supporting our local communities, youth well-being and employment.

Our people

The unique entrepreneurial and innovative culture which defines our heritage continues to be at the heart of our ways of working. Our colleagues bring our brand to life and the success of the Group is a direct result of their knowledge, skills, drive, passion and enthusiasm, wherever they are in the world. We have consistently created and maintained an environment where colleagues can flourish and fulfil their potential.

We now employ approximately 5,000 people (including part-time colleagues) across the UK, Europe, USA and Asia. Colleague numbers will continue to grow in the coming year as we continue our growth strategy.

Our SuperSay Group-wide engagement survey is in its third year and colleagues again reinforced our view that SuperGroup is a very attractive place to work, with 75% of colleagues believing that it is the place "where they want to work". This year we launched a Sales and Service programme in our Retail stores. Through this programme our teams report being reinvigorated in the *Superdry* brand and a significant deepening of their product knowledge.

Sharing in our success is something that we value highly and for the sixth year colleagues in the UK will have the opportunity to join the SAYE and BAYE share schemes.

Our demand for future talent continues to grow, driving a need to both attract new people to the business and develop those already in-post. Our suite of tools and learning opportunities to equip colleagues with the agility and skills to drive the Group forward and offer them rewarding careers has been further enhanced this year. The ongoing review of talent across the business has enabled us to identify colleagues rich in our brand DNA and experience with the skills to support business development in new territories. This review is conducted bi-annually giving us real line-of-sight of our future talent demands, existing pipeline of supply, as well as planning future succession.

Looking ahead our people focus will continue to be on how we recruit and retain the right talent, together with a strategy to develop our colleagues ahead of our growth curve.

Diversity

Equality and diversity are fundamental values to us and our SuperSay engagement survey scores are world class in this category. We have an equal opportunities policy and take our responsibilities under that policy seriously. In addition, we give full and fair consideration to applications for employment by disabled people. In the event of an employee becoming disabled, every effort would be made to ensure that their employment with us continues and that appropriate training is arranged as necessary.

We believe in respecting individuals and their rights in the workplace. With this in mind, specific policies are in place covering harassment and bullying, whistleblowing and equal opportunities. Our colleagues represent a wide and diverse workforce from all backgrounds, sexual orientations, nationalities and ethnic and religious groups. With continued overseas expansion, the workforce is becoming even more diverse. We respect cultural differences and actively seek to learn about them in each territory in which we operate.

We recognise the benefits of encouraging diversity across all areas of the Group and believe that this contributes 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 and ethnic diversity on the Board and at the senior managers level. As illustrated in the table below, more than half of our total colleagues are female:

	Male		Female		Total
Role	Number	%	Number	%	Number
Group Board Directors	7	78	2	22	9
Executive Committee	6	75	2	25	8
Senior Employees	91	61	57	39	148
Other Employees	1,985	42	2,722	58	4,707
Total Employees	**2,089**	**43**	**2,783**	**57**	**4,872**

Data as at 29 April 2017. Further information on our Board composition and policy on diversity can be found on page 71.

Sustainability.

Our suppliers' people

Our supplier partners and Tier 1 factories provide jobs to over 94,000 people globally.

Our ethical trading team works closely with our suppliers and factories to support access to fair and safe working conditions across our supply base in line with our Ethical Trading Code.

We monitor conditions within our supply base, and support sustainable improvement through:

1. Maintained 100% audit coverage for Tier 1 factories.

   Working alongside our third party preferred audit provider, we require, as a minimum, audits to be completed on a semi-announced basis.

   We then use these audits to prioritise the level of support and frequency of follow-up visits.

2. Growing our ethical trading team in key source countries.

   Local teams are established in key source countries to provide practical and sustainable action plans and ongoing monitoring of conditions on an unannounced basis between audits. The teams support a local approach and knowledge in:

   a) pre-approval assessments to ensure we select the best possible factories to work with prior to orders being placed;

   b) quick response to critical breaches of our Ethical Trading Code within 48 hours;

   c) implementation of our mapping and monitoring protocols for Tier 2 factories, including auditing these factories on an unannounced basis; and

   d) training for our suppliers and factories to build capacity to manage fair and safe conditions within their own factories and Tier 2 factories.

Global Capacity Building Programme

We have extended our capacity building programme to over 19 factories globally, which are visited monthly and undertake targeted training and action planning to support improvement with the help of local Non-Governmental Organisations and organisations as needed.

Globally this has resulted in the establishment of stronger management systems to support the sustainable remediation of endemic issues identified in audits.

Core training modules include: Health and Safety Management Systems; Occupational Health and Safety; Supporting the accurate keeping of working hours and wage records.

Our ethical trading team remains an integral component of the sourcing team. This enables us to link ethical trading strategy with our sourcing priorities for example in relation to our capacity building programme which is co-ordinated from our head office in Cheltenham. Independence is maintained through regular reporting to the Transformation Director, Executive Committee and the Board.

Our communities

Youth well-being and employment are important social issues in the UK and in many other countries in which we operate. The investment in our careers website, work experience and apprenticeship programmes has received overwhelmingly positive feedback from schools and careers advisers.

Local education

Through '*Superdry* School Days' we work with local schools to provide opportunities for students to experience working for *Superdry* through engagement in focus groups, job shadowing and discussing career journeys with *Superdry* colleagues. This initiative has led to a number of students gaining valuable work experience and has led to full-time apprenticeships being offered in some instances. We provide a best-in-class work experience programme with placements for at least two students every month across the business.

University partnership

We are in the third year of our partnership with the University of Gloucestershire where we work closely with undergraduates studying for degrees in Fashion, Graphic Design and Photography setting projects, providing work placements, judging final coursework and providing materials and support to their respective programmes. We have placed a number of undergraduates within the business as part of the requirements to complete their degree courses.

The Prince's Trust

We are building a strong and significant partnership with The Prince's Trust. As both a large employer of young people and with a youth customer base, the work of the Trust and SuperGroup has real alignment. Our colleagues have been inspired to both volunteer and raise funds on behalf of the Trust. During this financial year we have continued to offer a "get into work" course for young people via the 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.

Charitable activity

*Superdry*360, our charity and community support programme, continues to grow and is a platform for charitable projects supporting the local, national and international communities in which we operate. This financial year we raised or donated approximately £367,000, an increase of £167,000 on the previous year.

In order to maximise the breadth of our charitable impact we also match funds raised by our colleagues to benefit various valuable causes across the globe. During financial year 2017 we matched £6,817 of our colleagues' activities in support of their chosen charitable causes.

Newlife Charity Partnership (“*Newlife*”)

From 2016 all damaged product is collected by our partners Newlife the Charity for Disabled Children. The garments are de-branded and sold; so far garments with a resale value of approximately £250,000 have been donated for the great work that Newlife undertakes.

This approach eliminates any need for landfill and extends the life of these garments — making maximum use of the embedded energy and water consumed during the manufacturing process.

Modern slavery

We take our global responsibility seriously to eliminate risks of modern slavery and human trafficking in our business and supply chains. We disclose how we comply with the Modern Slavery Act 2015 and California Transparency in Supply Chains Act 2010 on www.supergroup.co.uk.

Planet

We understand that using resources sustainably minimises our impact on the natural environment as well as providing a clear opportunity to reduce costs.

We remain committed to reducing greenhouse gas emissions, energy consumption and waste and to achieve this, our environmental function is integrated into our core business operations. We have clear environmental, energy and waste policies to meet these goals.

Energy efficiency

Electricity is responsible for over 90% of direct Group carbon emissions in a typical year and has a significant financial cost. Therefore, improving efficiency in this area remains a key environmental focus. Our target is to improve electricity efficiency of our Retail estate by 35% by 2020 compared to a 2014 baseline (measured on a kilowatt hour per square metre per year basis). To date efficiency improvement stands at 23%. This has resulted in a saving of 2,870 tonnes of emissions in the past financial year.

We install the most energy efficient LED lighting as well as smart metering and building management systems as standard to ensure that the minimum amount of energy is used in store operations. We continue with a rolling programme to upgrade legacy stores to the latest energy efficiency standards. Several stores, including our London flagship store, have been refitted with our second generation, more efficient LED lighting over the past year. The evolution of lighting, heating, ventilation and air conditioning and building controls are closely monitored to ensure promising technologies are identified and brought to trial in-store.

Renewable energy

We continue to procure renewable energy and have set a target of sourcing 100% renewable electricity for the global Retail estate by 2020. Renewable energy represented approximately 70% of the Group’s electricity consumption in the past financial year; with the majority coming from wind, hydro and solar power.

Reducing the impact of waste

Both our UK head office and distribution centre have been officially certified ‘zero waste to landfill’ by environmental compliance firm Valpak. This means all non-recyclable waste generated on site is moved up the waste hierarchy through use in the creation of energy rather than being buried. Recycling rates at these locations have also increased as a result.

Sustainability.

Global greenhouse gas ("GHG") emissions (tonnes of CO2 equivalent)

	1 May 2016 to 30 April 2017	1 May 2015 to 30 April 2016
Emissions:		
Scope 1: Combustion of fuel and operation of facilities	**369**	500
Scope 2: Electricity, heat, steam and cooling purchased for own use – location based method	**9,598**	9,575
Emissions per £m of revenue	**13.28**	17.09

	1 May 2016 to 30 April 2017
Scope 3: Indirect emissions	
Energy used in operation of distribution centres	**2,242**
Third party logistics:	
Factory to distribute centre	**52,998**
Distribution centre to store/customer	**18,055**
Total Scope 3	**73,295**

	1 May 2016–30 April 2017	
	Location based method	Market based method
Emission comparison		
Scope 2: Electricity, heat, steam and cooling purchased for own use	**9,598**	3,112

We have measured our operational carbon footprint, which has provided insight into where the largest climate impacts are and enabled us to better prioritise resources. Emissions are stated in tonnes of CO2 equivalent and data has been verified to AA1000 Assurance Standard. Emissions per £ million of revenue declined by 22% over the past 12 months reflecting the increase in energy efficiency in our stores. In addition, the guidance on the reporting of 'Scope 2' emissions allows us to demonstrate the reduced environmental impact of purchasing renewable energy. This 'market based method' shows the emissions created using the precise mix of generating technologies used to supply our estate rather than simply taking a 'grid average' of all generating technologies as is the case under the location based method.

For the first time this year we have published Scope 3 emissions from our distribution centres and logistics operations.

GHG emission methodology

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. We report our emissions data using a financial control approach meaning we include emissions from all parts of the business where we have the ability to direct financial and operating policies — this includes our owned and operated Retail stores and office space. Data has been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (revised edition), WRI/WBCSD GHG Protocol Scope 2 Guidance 2015 and emission factors from the DECC/DEFRA GHG Conversion Factors for Company Reporting 2016.

Although we strive to ensure that our emission figures are accurate, access to the relevant data is not always possible and, therefore, some estimation is necessary. 14% of our emissions this year are based on estimated data.


SUPER DRY
Superdry
Superdry
Superdry

Our Performance.

The Group's continued strong financial development mirrors the progress delivered across each element of the business strategy launched two years ago. Our focus remains on the development of a global lifestyle brand and the delivery of long-term sustainable growth in revenue and earnings.

Nick Wharton
Chief Financial Officer
6 July 2017

Total sales growth of 27.4% over financial year 2017 reflected ongoing space growth, increasing by an average 17.4%, and positive like-for-like growth in each sales channel, including stores.

Basis of commentary

The financial year 2017 represents trading for the 52 weeks to 29 April 2017. The comparative 2016 period represented trading for the 53 weeks to 30 April 2016. In order to provide comparability of performance across the two years the trading commentary below focuses on the 52-week period to 23 April 2016 as the comparative while also referencing the 2016 year in full. In summary the 53rd week in 2016, which was characterised by a low seasonal sales profile in each of our channels, represented £7.4m of revenue and an operating loss of £1.1m.

Introduction

We have made good progress again this year with strong performance against each of our key financial metrics. Total sales growth of 27.4% over financial year 2017 reflected ongoing space growth, increasing by an average 17.4%, and positive like-for-like growth in each sales channel, including stores. Reflecting the strength of our on-line proposition, E-commerce revenue increased by 35% year-on-year increasing the participation within Retail sales by 280bps to 25.9%.

We remain committed to investing in our business to support future growth. Capital investment totalled £60.9m (2016: £53.2m) reflecting the increased scale of our new Retail space programme, leading to store related investment of £42.3m (2016: £30.7m) and the continued development of our Group infrastructure. Capital investment to enhance our distribution capability centred on the successful introduction during the year of regional distribution centres in Continental Europe and North America. Ongoing investments to improve core systems were matched by investment in central headcount to increase our overall capability.

Within our operating performance are the one-off costs of £2.1m associated with the set-up of the Group's new distribution facilities together with the continuing investment in our two development markets, North America and China. In line with our development plan, the North America operation was break-even in financial year 2017 (2016: loss of £2.8m) and the initial trading loss in China was £2.2m (2016: loss of £0.6m). Excluding these factors, underlying profit before income tax for the 52-week comparable trading period was 18.7% above the prior year comparable period.

Our key performance indicators ("KPIs") that have been adopted for reporting are shown on pages 46 to 47.

- 18.4% increase in underlying profit before income tax*
- 17.4% increase in average Retail space*
- 70bps decrease in underlying operating margin*

* 2016 is treated as a 52-week comparable period for these measures.

Our Performance.

Group Statement of Comprehensive Income

The Group has a growing natural hedge through foreign currency denominated revenues and has financial hedges in place that extend over an 18-month period to provide a level of certainty for future transactions. Since the European referendum vote in June 2016 Sterling exchange rates have weakened against the US Dollar and Euro. While mitigated by the hedges referred to above, the impact of the currency movement has been to increase the Sterling value of both revenues and costs while remaining materially neutral at the profit before income tax level.

Underlying £m	52 weeks
Revenue	752.0
Gross profit	453.0
Gross profit %	60.2%
Operating costs	(363.6)
Operating profit	89.4
Profit before income tax	87.0

Group revenue for the year rose by 27.4% to £752.0m (2016: £590.1m) when compared to the 52 week period in 2016. Within this, the currency translation benefit of the Group's international operations was 8.7%, and revenue from newly opened and maturing retail space contributed 15.9% of this growth.

The Group gross margin fell 130bps to 60.2% (2016: 61.5%) with approximately 70% of this movement reflecting the structural mix impact of the relative strength of Wholesale revenue growth at a lower margin.

Sales and distribution costs (which include costs associated with operating stores, depreciation and transporting products) totalled £308.7m (2016: £242.4m), an increase of 27.4%. In the year these costs include one-off costs associated with the set-up of the two new distribution facilities totalling £2.1m. On an ongoing basis these costs are primarily driven by our continuing store opening programme, where average retail space increased by 17.4% during the year, together with the impact of foreign exchange movements and the continued impact of the higher unit variable cost to serve our fast growing e-commerce business.

Central costs (which include the costs of operating our global operations teams and support functions, marketing costs and related depreciation) were £66.7m (2016: £54.8m), an increase of 21.7%. Growth in Central costs reflects continued investment, linked to the introduction of the Design to Customer process, in key personnel concentrated within the merchandising and design teams and more scalable and functional IT platforms.

Group underlying operating margin declined by 70bps on last year to 11.9% (2016: 12.6%). In addition to the one-off distribution facility costs, this reduction primarily reflects the dilutive impact of both foreign exchange across the Group's global operations and the performance of our North American development market.

Underlying profit before income tax increased by 18.4% on the prior year to £87.0m (2016: £73.5m).

	Underlying 2017 £m	Re-measurements £m	Total 52-week 2017 £m
Revenue:			
Retail	502.5	–	502.5
Wholesale	249.5	–	249.5
Group revenue	752.0	–	752.0
Operating profit:			
Retail	68.9	(0.3)	68.6
Wholesale	84.8	(1.9)	82.9
Central costs	(64.3)	–	(64.3)
Total operating profit/(loss)	89.4	(2.2)	87.2
Net finance income – Central costs	0.2	–	0.2
Share of loss of investment – Central costs	(2.6)	–	(2.6)
Profit/(loss) before income tax:			
Retail	68.9	(0.3)	68.6
Wholesale	84.8	(1.9)	82.9
Central	(66.7)	–	(66.7)
Total profit/(loss) before income tax	87.0	(2.2)	84.8

There were no exceptional costs in the year.

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 financial year 2017 those items relate to the unrealised loss on financial derivatives of £2.2m (note 6 to the Financial Statements).

Our Performance.

Our Retail division (including E-commerce)

Reflecting the continued expansion of owned stores across Continental Europe and now in North America, together with positive Group Retail like-for-like growth in the year of +12.7% (2016: +11.3%), our Retail division delivered revenue of £502.5m (2016: £415.9m), up 20.8% on the year. The Retail division represents 67% of total Group revenue (2016: 70%). An additional 154,000 square feet of space was added in the year through a net 18 new store openings in nine countries, including a further seven in Germany, reflecting the strategic emphasis on this market.

Group Retail like-for-like sales were particularly fuelled by a strong e-commerce performance that benefited from incremental enhancements to the on-site customer journey and improved availability following the combination of Retail and E-commerce inventory into a single inventory pool in October 2015.

The Retail division's operating profit in financial year 2017 was £68.6m (2016: £62.6m). Underlying operating profit was £68.9m (2016: £67.7m), up 1.8% on the prior year, and underlying operating profit margin was 13.7% (2016: 16.3%).

While we continue to deliver scale-led efficiencies within our distribution, the operating margin decline reflects the net impact of the higher unit variable cost to serve of our fast growing e-commerce business together with investments made to both exit legacy stock-holding and protect service to customers during the period of set-up of the new distribution centres within the year.

Retail division	**2017 £m**	2016* £m	Growth
External revenues	**502.5**	415.9	20.8%
Underlying operating profit	**68.9**	67.7	1.8%
Underlying operating margin (%)	**13.7%**	16.3%	(260)bps
Re-measurements	**(0.3)**	(1.9)	
Exceptional items	**–**	(3.2)	
Retail operating profit	68.6	62.6	9.6%

* 2016 is treated as a 52-week comparable period for these measures.

Our Wholesale division

Our Wholesale division delivered revenue of £249.5m, up 43.2% (2016: £174.2m), representing 33% of total Group revenue (2016: 30%). At the end of the year the Group had Wholesale operations in 55 countries through direct sale relationships with major and independent accounts, 319 (2016: 260) *Superdry* branded franchise stores and 16 (2016: 13) licensed stores.

Revenue growth in Wholesale was achieved across all territories. Our most significant sales increase was generated in our Continental European operations benefiting from a concentration of new franchise openings and the favourable results from our initial efforts to reposition our Wholesale offering. This focus led to significant increases in in-season sales, sales of innovation ranges such as Sport and Premium to new and existing customers, and order fill levels materially higher than in recent years. Clearance sales have been higher this year due to the focused clearance activity prior to the migration to our new distribution centres.

Wholesale revenue by territory	**2017 £m**	2016* £m	Growth
UK and Republic of Ireland	**37.1**	32.5	14.2%
Europe	**161.4**	105.5	53.0%
Rest of World	**43.4**	32.8	32.3%
Clearance and other	**7.6**	3.4	123.5%
Total Wholesale revenue	**249.5**	174.2	43.2%

Operating profit was £82.9m (2016: £48.6m), whilst underlying operating profit was £84.8m (2016: £60.5m). Underlying operating margin at 34.0% (2016: 34.7%) decreased by 70bps year on year primarily reflecting the dilutive mix impact of higher clearance sales during the year.

Wholesale division	**2017 £m**	2016* £m	Growth
External revenues	**249.5**	174.2	43.2%
Underlying operating profit	**84.8**	60.5	40.2%
Underlying operating profit margin %	**34.0%**	34.7%	(70) bps
Re-measurements	**(1.9)**	(11.9)	
Wholesale operating profit	**82.9**	48.6	70.6%

* 2016 is treated as a 52-week comparable period for these measures.

Our Performance.

The following sections relate to the 52-week comparative period in 2016 unless otherwise stated.

Re-measurements and exceptional items

Re-measurements in the year reflect a £2.2m charge in respect of financial derivatives (2016: £13.8m charge) which has been driven primarily by the devaluation of Sterling against the Euro and US Dollar, and its impact on forward currency contracts existing at the time of the UK's decision to leave the European Union in June 2016. There were no exceptional items during financial year 2017 (2016: £3.2m).

Taxation in the period

Our income tax expense on underlying profit of £18.3m (2016: £14.8m) represents an effective tax rate of 21.0% (2016: 20.4%). This is higher than the UK statutory rate of 19.9% (2016: 20.0%) primarily due to the depreciation and amortisation of non-qualifying assets, non-allowable expenses and the non-deductibility of the joint venture loss in the period. The applicable UK corporation tax rate has been further offset by the recognition of deferred tax assets in relation to overseas tax losses (at a higher taxable rate) recognised on the basis of expected recoverability against our future plans. In the medium term we anticipate that the substantial majority of the Group's earnings will be taxed in the UK.

During the year we paid £56m (2016: £44m) in UK taxes, which includes corporation tax, import duty, business rates, employer's national insurance and stamp duty.

Earnings per share (comparatives are based on 53 week figures)

Reflecting the increased profitability of the Group during the year, underlying basic EPS is 84.5p (2016: 70.9p), an increase of 19.2%.

The improved underlying performance of the business offset by the movement in re-measurements and exceptional adjustments outlined above leads to reported basic EPS of 81.2p (2016: 50.7p) based on a basic weighted average of 81,308,378 shares (2016: 81,148,918 shares). The increase in the basic weighted average number of shares is predominantly due to 103,457 5p ordinary shares being issued during the year in accordance with the vesting of certain tranches of the Performance Share Plan.

Underlying diluted EPS is 84.0p (2016: 70.7p) and diluted EPS is 80.7p (2016: 50.6p). These are based on a diluted weighted average of 81,751,539 (2016: 81,382,620) shares.

Dividends

The introduction in the prior year of a dividend policy reflected 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 recognised the significant range of investment opportunities available to us to grow shareholder value while providing flexibility for the organic and other opportunities that may require investment concentrated within a short time period.

The key parameters of our dividend policy remain as follows:

- a progressive dividend policy at a prudent earnings cover targeting 3.0x – 3.5x;
- 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.

An interim dividend of 7.8p per share was paid on 27 January 2017. In line with the dividend policy the Board has recommended a final ordinary dividend of 20.2p per share, taking the full-year ordinary dividend to 28.0p per share. If approved, the ordinary final dividend will represent a cash outflow of approximately £16.4m and will be paid on 22 September 2017 to all shareholders on the register at the close of business on 14 July 2017. The total ordinary dividend represents a dividend cover of 3.0x on a full-year basis.

Cash flow, balance sheet and investments

We remain financially strong and highly cash generative, with underlying operating cash generated before working capital movements of £118.7m (2016: £101.7m) and retaining net cash balances of £65.4m (2016: £100.7m) at the end of the year after funding continued investment across our business.

£m	2017 £m	2016 £m
Underlying operating cash flow before movements in working capital	**118.7**	101.7
Working capital movement	**(36.7)**	(3.4)
Net interest	**0.2**	(0.6)
Income taxes	**(19.9)**	(18.9)
Net cash generated from operations	**62.3**	78.8
PPE and intangible assets	**(56.3)**	(50.6)
Investments	**(6.5)**	(3.8)
Dividends	**(36.5)**	(5.0)
Other (including foreign currency movement)	**0.1**	10.3
Net (decrease)/increase in cash	**(36.9)**	29.7

Net cash generated from operations of £62.3m has decreased versus the prior year (2016: £78.8m) reflecting the increase in working capital consumption as the Group continues to grow.

Inventories, trade and similar receivables and trade and similar payables increased during the year to £148.1m (2016: £104.3m) and as a proportion of Group revenue was 19.7% (2016: 17.7%). Inventory levels increased by 28% on a constant currency basis and increased by 39.6% at a total level to £157.2m (2016: £112.6m), of which 11.2% is due to currency impacts. Underlying increases have been to secure inventory availability, due to the expanded store footprint in Continental Europe and the USA, and through the transition to the new distribution centres. Trade and similar payables were £109.0m (2016: £83.1m), an increase of 31.2% on the prior year. The slightly slower growth than that in inventory reflects the rebasing of the Group's payment profile in line with terms agreed with suppliers. Trade and similar receivables increased by 33.6% to £99.9m (2016: £74.8m) and were 13.3% (2016: 12.7%) of Group revenue. Relative to the Wholesale revenue increase of 43.2% in the year, this reflects an improvement in debtor recovery with 71% of year-end trade receivables within agreed payment terms.

We continue to review our supplier base in order to manage risk and meet growth expectations. During the year, the number of primary suppliers of goods for resale increased to 92 (2016: 74) 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 investment in property, plant and equipment and intangible assets of £60.9m (2016: £53.2m). This has been driven by expenditure incurred in opening 154,000 square feet of net new retail space, ongoing investment in information technology and in the new distribution centres and, recognising the importance of strengthening the central capability, the continued reconfiguration and expansion of our UK head office to centralise regional support functions.

As at 29 April 2017, the net book value of property, plant and equipment was £121.3m (2016: £95.4m).

Current assets		2017 £m	2016 £m	Growth %
Inventories		**157.2**	112.6	39.6
Trade and other receivables	Trade receivables	**59.0**	40.7	45.0
	Other receivables/derivatives	**56.3**	40.4	37.4
Subtotal receivables		**115.3**	81.1	41.2
Financial assets at fair value through profit and loss		**2.2**	0.7	214.3
Net cash		**65.4**	100.7	(35.1)
Total current assets		**340.1**	295.1	15.2
Trade and other payables	Trade payables	**(77.0)**	(56.6)	(36.0)
	Other payables/derivatives/borrowings	**(55.1)**	(47.3)	(16.5)
Total current liabilities		**(132.1)**	(103.9)	(27.1)
Net current assets		**208.0**	191.2	8.8
Working capital	Inventories	**157.2**	112.6	39.6
	Trade and similar receivables*	**99.9**	74.8	33.6
	Trade and similar payables†	**(109.0)**	(83.1)	(31.2)
Total working capital		**148.1**	104.3	42.0

* Trade and similar receivables exclude items not considered to be working capital being derivatives, cash contributions and rent deposits.
† Trade and similar payables exclude items not considered to be working capital being derivatives, lease incentives and other taxes payable.

Our Performance.

During the year, £53.3m (2016: £46.8m) of capital additions were made, of which £35.6m (2016: £28.6m) related to leasehold improvements across the Group in respect of 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 25 months. The remaining balance of capital additions includes land and buildings (£1.8m), furniture, fixtures and fittings (£12.6m) and computer equipment (£3.3m).

Intangible assets, comprising goodwill, lease premiums, distribution agreements, trademarks, the website and computer software, stood at £53.8m at the year-end (2016: £51.5m). Additions in the year were £7.6m (2016: £6.4m), being mainly website and software additions.

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. Further improvement to business processes and financial controls have been made during the year, aided by the further development of our core finance system and key transactional systems controlling merchandise management and sales order processing.

Outlook

The Group's continued strong financial development mirrors the progress delivered across each element of the business strategy launched two years ago. Our disciplined growth strategy, across geographies, channels and categories, has resulted in strong revenue growth on a constant currency basis with margins diluted primarily as a result of structural sales mix and foreign exchange. We continue to strengthen our business for the longer-term through investments in core infrastructure and the development of our operations in North America where, importantly, we achieved a financial break-even position in the year consistent with our business plan at acquisition, and China. The business remains strongly cash generative, well able to support the investments necessary to deliver our planned growth while providing cash returns to shareholders through a progressive ordinary dividend.

Our focus remains on the development of a global lifestyle brand and the delivery of long-term sustainable growth in revenue and earnings. Our international new store pipeline for both owned and franchised stores remains strong, which together with continued growth in our differentiated e-commerce business provides confidence in delivering further growth while reducing the Group's exposure to any single market. The forthcoming year will also see the initial crystallisation of the cost benefits from our ongoing Design to Customer process.

Measuring our Performance.

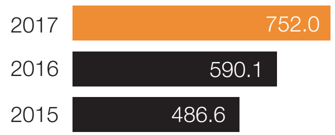
The following KPIs remain the metrics considered most appropriate to measure our performance.

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 on a post-tax basis;
- 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; and
- mobile traffic participation is the proportion of e-commerce traffic related to mobile devices.

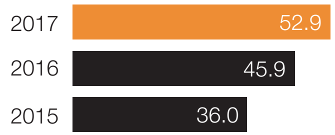
Growth KPIs

Group revenue (£m)
£752.0m +27.4% year-on-year*

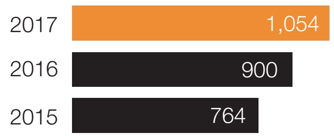


Payback on new store investments
25 months

Mobile traffic participation of total e-commerce traffic (%)
52.9% +700 bps year-on-year*



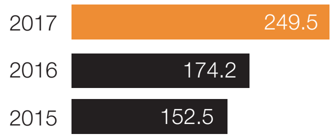
Total retail selling space ('000 square feet)
1,054,000 sq. ft +17.1% year-on-year



Like-for-like sales (%)
12.7% +140 bps year-on-year*

E-commerce participation of Retail revenue (%)
25.9% +280 bps year-on-year*

Wholesale sales (£m)
£249.5m +43.2% year-on-year*



* 2016 is treated as a 52-week comparable period for these measures.

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 Group revenue; and
- underlying operating profit is Group 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 6).

Operational KPIs

Underlying[1] Group gross margin (%)

60.2% -130 bps year-on-year*

Underlying[1] Group operating profit margin (%)

11.9% -70 bps year-on-year*

Financial

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

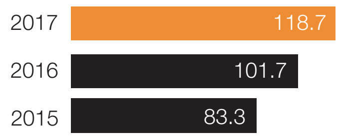
Financial KPIs

Underlying[1] Group profit before income tax (£m)

£87.0m +18.4% year-on-year*

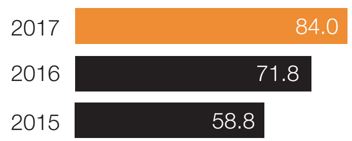
Underlying[1] operating cash flow before movements in working capital (£m)

£118.7m +16.7% year-on-year



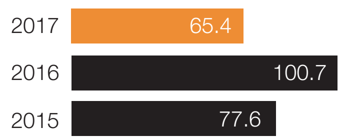
Underlying[1] fully diluted EPS (p)

84.0p +18.8% year-on-year*



Net cash position (£m)

£65.4m -35.1% year-on-year



1. Underlying is defined as reported results adjusted to reflect the impact of the (loss)/gain recognised on re-measurements (being the fair valuation of 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 6. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

* 2016 is treated as a 52-week comparable period for these measures.

How We Manage Our Risks.

We understand the need for a system of internal control and risk management. The identification and management of key risks for the Group is the responsibility of the Risk Committee which oversees a risk register that is reviewed formally and updated on a regular basis to ensure that it is focused on real, current and significant business risks, that mitigating actions are feasible and effective and that the resulting net risk is appropriate.

The Risk Committee is chaired by the Chief Financial Officer and includes the Global Retail Director, Director of IT, Risk & Assurance Manager, Head of Internal Audit, Group General Counsel, Group Financial Controller and Head of Business Transformation. The Committee, which reports to the Executive Committee with oversight provided by the Audit Committee, meets monthly to co-ordinate the risk management programme, and review the risk procedures and practices in place to ensure they reflect the growing scale, maturity and complexity of the Group.

Following the outcome of the UK referendum to leave the EU, there are a number of uncertainties regarding how the exit will be achieved. Accordingly, the extent to which our operations and financial performance may be affected in the longer term will only become clear as details are finalised. Our consideration of the potential consequences on our business has concluded that it does not raise any new principal risks; however it does have the potential to impact a number of our existing risks at an individual level, for example foreign exchange, regulatory and fiscal frameworks including tariffs and duties and economic uncertainty. We will continue to monitor the risks and uncertainties arising from Brexit within the Group's existing risk management and control process outlined below.

On an annual basis departmental heads are required to document and present their key risks to the Risk Committee as part of a programme of departmental risk reviews. These reviews serve to heighten awareness of risk and greater accountability for management of risk at all levels within the organisation and specifically, for each department, consider existing and emerging risks, current and planned mitigations, together with a wider consideration of business continuity risks.

Following a review of our risks, we have further assessed our key risks and uncertainties which are reviewed and challenged robustly by the Executive Committee and the Board twice a year. We consider the following matters, which include the addition of risks related to management of our global supply chain and maintaining an advantaged e-commerce customer experience, to be the principal risks and uncertainties affecting the Group. However, these may not be exhaustive and there might be additional unknown risks that could have an adverse effect on the Group.

Risk review process

Risk	Potential Impact	Mitigation	Change in risk 2016	Change in risk 2017	Link to Strategy
The Group's business may suffer if it is unable to predict or respond to fashion and design trends in a timely manner. This risk may become more significant as Womenswear grows as a proportion of Group revenues.	The Group may experience inventory shortages or excesses that could result in lower margins, lost revenue or customer goodwill.	• The combination of an enhanced programme of customer research and the brand understanding embedded in the organisation and particularly in our founders provides a strong understanding of and connection to the market and our customers. This combined understanding informs our range and product development. • We have continued to develop new product ranges including our Premium collection, in collaboration with Idris Elba, and *Superdry* Sport, each launched during the past year. The ongoing launch of new ranges is expected to further broaden and strengthen customer appeal. • We have implemented improved planning and stock management processes and systems which are enabling the business to make better decisions on initial stock quantities, allocation across sales channels and to respond more rapidly to inventory levels and opportunities. • We have established dedicated category management capability for all of our core product areas. These teams are experienced in leading the improved design direction, range planning and critical path processes being introduced through the Design to Customer process.	↔	↔	
Failure to achieve long-term business growth as a result of the lack of an effective strategy, the failure to successfully implement the strategy, an inappropriate business model in key markets or the failure to deliver critical infrastructure projects.	Failure to achieve planned growth targets could significantly impact on brand and investor sentiment.	• The four pillar strategy sets out how we will create a global lifestyle brand. The effective implementation of this strategy continues, as laid out in the Strategic Report section of this report, including planned store expansion within Europe, continued E-commerce and Wholesale growth, and embedding the process changes and creating key points of infrastructure necessary to support our planned growth. • Our Executive team, which has been further strengthened during the year, has broad retail and business experience with clearly defined ownership for each element of the strategic plan. • Our transformation function provides project management capability and discipline across all of our key business change projects, reporting progress, risks and dependencies to the Executive Committee and Board. This ensures that progress against our plans is monitored, issues are resolved and opportunities pursued in a timely manner. • Strategic reviews also consider the balance of current and estimated sales in each channel within a key territory to ensure it remains optimal and reflects changes to customer shopping behaviours. • We continue to be strongly cash generative and able to fund our ongoing investment programme.	↔	↔	

Key:
↑ Increasing ↔ Stable ↓ Reducing NEW New risk Embed Enable Extend Execute

How We Manage Our Risks.

Risk	Potential Impact	Mitigation	Change in risk 2016	Change in risk 2017	Link to Strategy
Failure to deliver on our growth aspirations in the Group's key future development markets.	Failure to successfully establish the Superdry brand and expand our operations in North America and China could result in financial losses and/or brand damage, which could undermine the strategy of becoming a global lifestyle brand.	• Each market entry was subject to extensive consumer, market and operational research, informing the optimal position for the brand in the local market and any necessary adaptation to the Group's existing business model to reflect local practices. In both China and North America, the brand is marketed through local social media and marketing activity, including celebrity endorsement, tailored to the specific market. Furthermore, reflecting local market dynamics, mitigation strategies have been established specific to each market as follows: North America • During the year we have significantly strengthened the North American team creating an effective balance of local and global capabilities having completed the integration of key functions, including merchandising and replenishment, to the Group's shared global infrastructure. • Having repositioned the customer offer in all customer channels in our first year of ownership, a series of test retail stores that better represent the brand proposition were introduced in 2016. These stores have performed well, delivering targeted levels of return on invested capital. While remaining cautious regarding this opportunity further new stores are planned to commence trading in financial year 2018. • A dedicated regional warehouse was established during financial year 2017 to support the physical store chain and will be further developed to support all sales channels. China • The brand operates in China via a joint venture with Trendy International Group ("***Trendy***"). Trendy have extensive retail experience and operational capability and were selected as a partner after a full due diligence process. • The Joint Venture Board includes two SuperGroup representatives including Euan Sutherland, Chief Executive Officer, ensuring regular market visits and governance of senior management. A full Board visit to China was completed in May 2017. • Future development will be concentrated on franchise expansion, limiting ongoing capital funding requirements.	↔	↔	

Risk	Potential Impact	Mitigation	Change in risk 2016	Change in risk 2017	Link to Strategy
Loss of key colleagues or the inability to attract and retain talent or preserve the *Superdry* culture.	Lack of appropriately skilled and experienced resource could result in a delay in achieving the Group's strategic goals.	• Euan Sutherland as Chief Executive Officer and Julian Dunkerton as Founder and Brand and Product Director provide the necessary leadership skills to drive our global strategic goals. In addition, the appointment of the Group Marketing, E-commerce and Business Development Director during the year has completed the Executive team and we now have a strong and highly experienced leadership team in place. • The founders each remain committed to the Group and the retention of James Holder's unique design and creative skills on an exclusive consultancy basis via the SuperDesign Lab, established in May 2016, is a further example of the measured development of our leadership team over time. • Our ongoing resourcing, talent review and succession planning processes are providing the executive team with the necessary data and tools to understand the future skills requirements of the business. This has led to the significant strengthening of key functions, particularly design and merchandising, during the year. This process is also helping to ensure that all colleagues can benefit from rewarding careers. • Our approach to Remuneration (see page 79) seeks to promote and reward long-term success within a suitable risk framework supporting recruitment, long-term retention and collaborative working of senior management. • Recognising the importance to the overall *Superdry* proposition of a service led customer experience, colleague retention and recruitment in stores is a priority. Retention levels have improved in recent years as we have enhanced our training and development programmes. • We recognise that retaining the *Superdry* culture is key and have undertaken a colleague survey to understand better the level and drivers of engagement. While this showed that our colleagues rate us as a 'really good' place to work, we are developing an action plan to drive this to 'great'.	↓	↓	

Key:
↑ Increasing ↔ Stable ↓ Reducing NEW New risk Embed Enable Extend Execute

How We Manage Our Risks.

Risk	Potential Impact	Mitigation	Change in risk 2016	Change in risk 2017	Link to Strategy
Economic and financial conditions or external world events result in challenging trading conditions or economic instability.	Our results can be affected by events or circumstances which impact consumer confidence and buying habits.	• Our increasingly diversified business model encompassing Retail (including E-commerce) and Wholesale along with our increasing global footprint, provides significant counter-economic protection. Increased category breadth provides further insulation. • 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 customers 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 or provide currency instruments. These 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 to the financial statements.	↔	↑	
Failure to protect the well-being of our customers and the colleagues who work for us or in support of our business.	There is a potential for SuperGroup to suffer negative customer and investor sentiment.	• Our health and safety policies are enforced through regular training and audit activities in all Group locations. 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 Ethical Trading Code. We assess the status of operating practices through a schedule of audits and visits and, where necessary, work with suppliers on improvement plans. We have upgraded our strategic supplier engagement programme during the year, which included holding our maiden global supplier conference.	↔	↓	
Key infrastructure or information technology systems may be unavailable due to operational problems or a major incident.	Should any of our information technology 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 information technology replacement programme continues to introduce systems with improved reliability and availability, including enhancements to our merchandise planning system capability. In addition, a major focus in the past year has been the transitioning of many of our international operations onto our global infrastructure and applications, which benefit from greater resilience than local infrastructure. • Our information technology disaster recovery capabilities have been further enhanced and we have now contracted for a business continuity capability to provide an alternative facility in the event of the loss of our head office. • We operate a strict change freeze during the Group's key trading period in order to minimise the risk of infrastructure disruption.	↔	↔	

Risk	Potential Impact	Mitigation	Change in risk 2016	Change in risk 2017	Link to Strategy
Brand damage may occur due to distribution through inappropriate channels 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 the equity within the brand may be damaged by distribution through lower perceived quality points of sale or the existence of counterfeit products with inferior quality and/or design.	• Our ongoing customer research insight programme continues to show that the *Superdry* brand has strong appeal in all of our major markets. The research has shown that our addressable customer market is broader than previously understood and more defined by attitude than age. The research programme will be extended further in the coming year to provide insight to all key operating markets. • New distribution channels are approved internally to ensure that they meet our brand guidelines. Our in-house brand protection team also 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 takedown procedures and issuing proceedings. We also monitor our supply chain to limit the risk of any supplier selling unauthorised product directly into the market.	↔	↔	Embed, Enable, Extend, Execute
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 in-house tax and 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. • The Group is well progressed in a programme to simplify its legal entity structure.	↔	↔	Enable, Execute
Risk of cyber, system or information security breach.	A failure to protect data adequately could lead to financial losses, prosecution and reputational damage to SuperGroup.	• We continue to invest in new information technology systems and infrastructure to enhance our security profile. Security controls, including regular audits and penetration tests, are in place to ensure that data is protected from corruption, unauthorised access or use through encryption. • A detailed external review of the Group's security maturity was completed during the year. A series of actions targeted to further enhance our security environment are being monitored via the Group's Risk Committee. • We are accredited, both in store and on-line, with the Payment Card Industry standards and do not hold any customer related payment information, even if encrypted, within our systems infrastructure. • A culture of information security awareness is critical and our global data protection training programme ensures that colleague responsibilities in this area and the specific requirements of data protection legislation are understood and built into operational processes.	↑	↔	Enable, Execute

Key:
↑ Increasing ↔ Stable ↓ Reducing NEW New risk Embed Enable Extend Execute

How We Manage Our Risks.

Risk	Potential Impact	Mitigation	Change in risk 2016	Change in risk 2017	Link to Strategy
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. While mitigating currency translation exposure, the Board consider that this risk has heightened following the European Referendum. This Group's policy on foreign currency risk is set out in note 31 to the financial statements.	↑	↑	
The Group is reliant upon a global supply chain and logistics infrastructure to maximise availability of products, on time and to specified quality	The Group may fail to maximise its revenues, limiting brand exposure and reducing customer goodwill	• Our sourcing strategy includes long-standing supplier relationships with a proven track record and includes dual sourcing where appropriate to facilitate continuous supply in the event of supplier failure. Our supply relationships are formalised with a supplier manual and regular global supplier conferences providing clear expectations and a framework within which our partners operate. • Through implementing a series multi-channel distribution centres capable of serving all channels in a specific geographic region the Group and with a common operating system has built in resilience in the event of the failure of a single regional centre. • We continue to develop our upstream inventory holding capability which allows inventory to be held closer to origin allowing for more flexible allocation to serve individual geographical markets. • In market hubs provide quality inspections to facilitate earlier identification and rectification of quality or compliance issues.		NEW	
Multi-channel revenue growth driven by attractive, functional and reliable websites, advantaged service proposition and effective marketing strategies is key to the ongoing development of the brand.	Poor relative multi-channel experience may lead to failure to achieve growth targets and reduce the attractiveness of the brand with our customers.	• We have a dynamic rolling programme of enhancements, each of which improves the customer experience and will typically deploy several improvements to the sites each week. • We have a comprehensive, multiple layered approach to our developments informed by both quantitative and qualitative customer evaluation of our on-site customer experience • We have a "fast follower" approach to digital marketing, leveraging new approaches, but not embarking on higher risk "untested" techniques. We constantly monitor customer response rates to activity to ensure that we remain relevant in what we do to our target audience. • We operate a Customer Scorecard which monitors overall customer experience including product feedback from customers and any failures to meet delivery service levels or Contact Centre responsiveness. This information is used to create action plans to rapidly address any issues that are impacting customers.		NEW	

Key:

↑ Increasing ⟷ Stable ↓ Reducing NEW New risk Embed Enable Extend Execute

Viability Statement.

Assessment of the Group's Prospects

The Directors have assessed the future prospects of the Group for the purposes of both the Going Concern and Viability Statements. The Directors have concluded that the Group is operationally and financially strong and has a track record of generating profits and cash.

This assessment is made by reference to the Group's historic activities, current financial position and prospects, and the Group's growth strategy, which considers factors likely to affect its future development and position and is set out in the Strategic Report on pages 5 to 14. Our Performance section on pages 36 to 44 demonstrate the strength of the current position. This assessment is closely linked to the principal risks facing the Group, and how they are identified and mitigated. These are outlined on pages 48 to 54.

Assessment of viability

In accordance with the requirements of the UK Corporate Governance Code, the Directors have assessed the viability of the Group over a four-year period. The Directors believe this time frame represents an appropriate duration over which to assess the viability and prospects of the Group and is consistent with the Group's long-term financial plan, which is used as a planning tool for strategic decisions and resource allocations. The Directors have relied on a number of existing processes in preparing the Viability Statement, including the annual budget and long-term financial plan, the current and projected financing needs of the Group, and ongoing cash and investment requirements.

To assist the Directors' assessment, the financial projections in the long-term business model were subject to severe but plausible scenarios in relation to the principal risks both individually and collectively with consideration taken of mitigating actions that might be undertaken. These scenarios include a protracted reduction in the Group's forecast like-for-like revenues due to the impact of brand damage in both current and key development markets, including the USA and China.

Whilst all the principal risks have the potential to affect future performance, the scenarios confirmed that none of them, either individually or collectively, would threaten the viability of the business over the four-year assessment period when mitigating actions are taken into account.

Viability Statement

Based on their assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the four-year period ending on 24 April 2021.

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 grows and develops we continually evolve and improve our governance framework in line with the maturity of the Company. Over the last year we have placed greater emphasis on our Sustainability Programme, made further enhancements to our risk management process, increased our focus on culture and values and the Board has made visits to the USA and (in May of this year) China to develop its understanding of those markets and the Company's investments."

Peter Bamford
Chairman
6 July 2017

Board of Directors.

Peter Bamford
Chairman

Appointed: 29 January 2010

Committee membership: N (Chairman)

Peter is Chairman of the Board and of the Nomination Committee. He is also Deputy Chairman and Senior Independent Director of Spire Healthcare Group plc. Previously Peter was Chairman of Six Degrees Holdings Limited from 2011 to 2015 and a Non-Executive Director of Rentokil Initial Plc from 2006 until 2016. He was also 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 held senior positions with WH Smith Plc, Tesco Plc and Kingfisher plc. Peter has served on the boards of public companies for over 20 years and has extensive experience in developing and growing businesses and brands internationally.

Euan Sutherland
Chief Executive Officer

Appointed: 1 December 2012

Euan was appointed as Chief Executive Officer in October 2014, having previously been an independent Non-Executive Director. He is also a Non-Executive Director of Britvic plc. Euan previously served as Group Chief Executive Officer of the Co-operative Group, Group Chief Operating Officer at Kingfisher plc and as a Non-Executive Director with the Co-operative Food Board. Prior to this he was Chief Executive of AS Watson UK, the owner of Superdrug. Euan has over 20 years' experience within the retail sector having held roles with Boots, Dixons, Coca-Cola, Matalan and Mars.

Julian Dunkerton
Founder, Product & Brand Director

Appointed: 3 February 2010

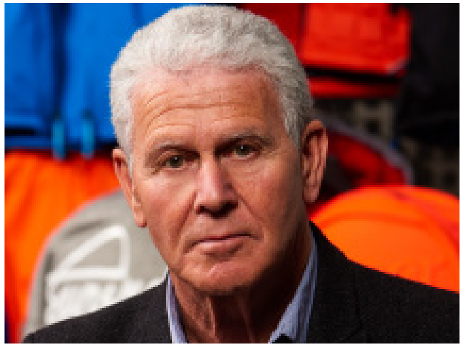
Julian has worked exclusively in the retail sector for over 30 years, co-founding the Cult retail chain from a market stall in Cheltenham and turning it into a successful retail chain. Together with James Holder, Julian established the *Superdry* clothing brand in 2003. Julian has a deep understanding 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".

Nick Wharton
Chief Financial Officer

Appointed: 24 June 2015

Nick was appointed Chief Financial Officer in June 2015. Previously he was Chief Executive Officer of Dunelm Group plc between 2010 and 2014 and before that he 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

Senior Independent Non-Executive Director

Appointed: 4 February 2010

Committee membership: N R (Chairman)

Keith is Chairman of the Remuneration Committee and a member of the Nomination Committee. He is also Non-Executive Chairman of Revolution Bars Group Plc, a Non-Executive Director at Pennpetro Energy Plc and the London Legacy Development Corporation. Keith was previously Non-Executive Chairman of Goal Soccer Centres Plc, Non-Executive Director of Safestore Holdings Plc, Chairman of Beale Plc, Managing Director of Arsenal Holdings Plc and Chief Executive of Storehouse Plc (encompassing BHS and Mothercare). Keith has extensive retail and international experience and has served on the boards of public companies for over 30 years across a wide range of businesses and markets.

Keith has been appointed to the Audit Committee from the conclusion of the AGM. Following Penny Hughes' appointment as Chairman of the Remuneration Committee, also from the conclusion of the AGM, Keith will remain Senior Independent Director and a member of the Remuneration Committee.

Penny Hughes

Independent Non-Executive Director

Appointed: 1 April 2015

Committee membership: A N R

Penny is a member of the Audit, Nomination and Remuneration Committees. She is also the Non-Executive Chairman of The Gym Group plc and a Non-Executive Director of The Royal Bank of Scotland Group plc, where she is Chairman of the Sustainable Banking Committee. Penny's previous Non-Executive Directorships include Wm Morrison Supermarkets Plc, 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.

Penny has been appointed Chairman of the Remuneration Committee, succeeding Keith Edelman, from the conclusion of the AGM.

Minnow Powell

Independent Non-Executive Director

Appointed: 1 December 2012

Committee membership: A (Chairman), R

Minnow is Chairman of the Audit Committee and a member of the Remuneration Committee. He is also a Non-Executive Director of Computacenter plc where he is Chairman of the Audit Committee. Minnow was a Non-Executive Director of TUI Travel Plc from 2011 prior to the merger with TUI AG, when he became a member of the Supervisory Board and Audit Committee of TUI AG until February 2016. Prior to that Minnow spent 35 years with Deloitte. 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.

Steve Sunnucks

Independent Non-Executive Director

Appointed: 1 March 2016

Committee membership: A R

Steve is a member of the Audit and Remuneration Committees. He is also Non-Executive Chairman of Helly Hansen. Steve has significant expertise in the apparel retail sector, having held senior executive and non-executive roles in the UK and USA. His experience includes nine years in leadership positions with NYSE-listed The Gap Inc., culminating in being appointed Global President Gap, and four years as Chief Executive Officer of New Look Plc. Steve's executive career also included senior roles at Burton Group Plc, J. Sainsbury Plc and Marks & Spencer Plc.

Steve is not standing for re-election and will retire from the conclusion of the AGM.

Beatrice Lafon

Independent Non-Executive Director

Appointed: 14 September 2016

Committee membership: A

Beatrice is a member of the Audit Committee. She is currently Chief Executive Officer of Kondor Limited and a Non-Executive Director of HappyChic and Oosterdam, which comprise the eight international fashion brands of AFM (Association Familiale Mulliez). Beatrice has significant expertise in international retailing including over 30 years' experience in senior roles in the UK, USA and Europe. Since 2000, Beatrice has operated at CEO levels across Europe and the USA. Beatrice was most recently CEO of USA based Claire's Accessories, having been previously President of Claire's European division. Prior to Claire's, she led the sale of TJ Hughes in the UK, and the repositioning and return to profitability of The Etam Group in The Netherlands. Beatrice's previous experience includes executive positions with retailers such as Marks & Spencer Plc, J Sainsbury Plc, BSkyB, Kingfisher plc, River Island, Tchibo and Animal.

Beatrice will not stand for election and will retire at the conclusion of the AGM.

Simon Callander

Group General Counsel and Company Secretary

Appointed: 2 May 2017

Simon was appointed Group General Counsel and Company Secretary in May 2017. Previously he had been General Counsel and Partnership Secretary at law firms Addleshaw Goddard and Olswang between 2010 and 2017. Prior to this Simon had held various positions with Watson Wyatt (now Willis Towers Watson) including General Counsel, Europe and Head of Business Services, Europe, and before that with Ernst & Young. Simon is a qualified solicitor and originally trained and practised with media and intellectual property law firm Dentons.

Committee Membership Key

- **N** Nomination Committee
- **A** Audit Committee
- **R** Remuneration Committee

Corporate Governance Report.

Code compliance

The Board supports the principles laid down in the UK Corporate Governance Code issued by the Financial Reporting Council in September 2014 which applies to financial years beginning on or after 1 October 2014 (the "***Code***"). The 2016 UK Corporate Governance Code will apply to financial year 2018.

The following, together with the Directors' biographies on pages 57 to 59, the Directors' Remuneration Report on pages 72 to 91, the Directors' Report on pages 92 to 94, the Nomination Committee Report on pages 70 to 71 and the Audit Committee Report on pages 65 to 69 provide an explanation of how the principles of the Code have been applied during the year.

The Board considers that it has been in compliance with the provisions of the Code throughout financial year 2017.

The Board is considered to be of a sufficient size and balance to meet the requirements of the business.

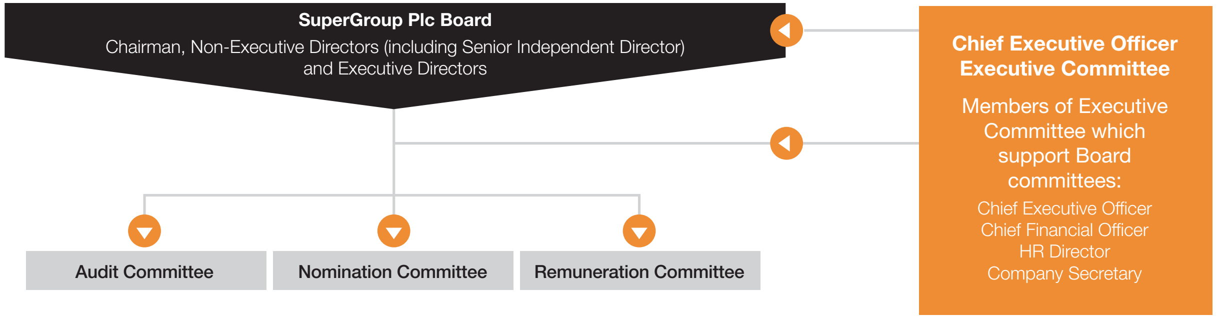
The Strategic Report includes the information needed for shareholders to assess our performance, business model and strategy and is incorporated into the Directors' Report by reference.

The Board and Governance framework

The Board had a coherent corporate governance framework with clearly defined responsibilities and accountabilities. For the Board to operate effectively and to give full consideration to key matters, Board Committees have been established as set out in the following diagram.

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 5 to 14. 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. The schedule of matters reserved for the Board which has been reviewed and approved by the Board in the current year is available on www.supergroup.co.uk.



Read more on page 65

Read more on page 70

Read more on page 72

The table below gives details of the Directors' attendance at scheduled Board and committee meetings during the year:

Membership and attendance	**Board meeting** Number of scheduled meetings attended/held	**Audit Committee** Number of scheduled meetings attended/held	**Nomination Committee** Number of scheduled meetings attended/held	**Remuneration Committee** Number of scheduled meetings attended/held
Peter Bamford	6 6	–	4 4	–
Euan Sutherland	6 6	–	–	–
Julian Dunkerton	6 6	–	–	–
James Holder (Resigned 1 June 2016)	0 1	–	–	–
Nick Wharton	6 6	–	–	–
Keith Edelman	6 6	–	4 4	6 6
Penny Hughes	6 6	5 5	4 4	0 0
Beatrice Lafon† (Appointed 14 September 2016)	4 4	3 3	–	–
Ken McCall (Resigned 13 July 2016)	2 2	1 1	–	2 2
Minnow Powell	6 6	5 5	–	6 6
Steve Sunnucks†	6 6	4 4	–	4 4

Actual number of meetings attended (orange) Maximum number of scheduled meetings which the Directors could have attended (black)

† Not standing for election or re-election, respectively, at the AGM.

The requirement for Board approval on these matters is understood by our Executive Committee and senior managers and is built into our control framework.

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

During financial year 2017, in addition to its routine business, strategic planning and presentations from the Executive Committee members and senior managers, the Board also:

- considered succession planning for Non-Executive Directors including the roles of Chairman and Senior Independent Director;
- approved the appointment of a successor to the Company's Group General Counsel and Company Secretary and of a Group Marketing, E-commerce and Business Development Director to the Executive Committee;
- considered the proposal for and gave approval to the establishment of a sourcing office in China;
- approved the Group's Sustainability Programme;
- reviewed the performance and development of our brand in North America and gave approval to open further new stores in the USA;
- approved investment in and the roll-out of Next Generation store re-fit programme, i.e. The Arndale concept;
- conducted an internal Board evaluation and agreed to implement identified improvements;
- assessed our position and processes in relation to information and cyber security;
- reviewed and approved a number of Group governance policies including a revised Code of Conduct; and
- approved the appointment of the external auditor, subject to election at the Annual General Meeting ("***AGM***"), following a competitive tender process.

The division of responsibilities between the 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. Keith Edelman is the Group's Senior Independent Director. A summary of the Senior Independent Director's responsibilities and the division of responsibilities between the Chairman and the Chief Executive Officer are available on www.supergroup.co.uk.

The Non-Executive Directors meet with the Chairman separately on a regular basis (normally the evening before a 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 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 delegated to an Executive Committee led by the Chief Executive Officer. Senior managers attend Board and Executive Committee meetings where appropriate to present business updates.

The Board has appointed committees to carry out certain duties. These committees are detailed in the governance framework illustration on page 60. Each of these committees is chaired by a separate chairman and has written terms of reference which are reviewed regularly by the Board. These are available on www.supergroup.co.uk.

As at the date of the Annual Report the Board had nine members: the Non-Executive Chairman, the Chief Executive Officer, two other Executive Directors and five Non-Executive Directors. On 5 July 2017 two Non-Executive Directors, Beatrice Lafon and Steve Sunnucks, confirmed to the Board that they did not intend to stand for re-election at the AGM. Accordingly, both will retire at the conclusion of the AGM. The biographies of the Directors appear on pages 57 to 59.

The Nomination Committee monitors Board composition and succession with a view to ensuring compliance with the Code.

Non-Executive Director independence and length of service

The independence of the Non-Executive Directors is considered annually along with their commitment and performance on the Board and its relevant committees. All Non-Executive Directors are considered by the Board to be independent 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 monitors and reviews potential conflicts of interest on a regular basis.

Corporate Governance Report.

Performance evaluation

Each year the performance of the Board, its committees and the Chairman is evaluated and, as required by the Code, every third year the evaluation is conducted by an external independent facilitator. The next external evaluation will take place in 2019.

Following the 2016 external evaluation conducted by Lintstock Consultants ("***Lintstock***") the Board agreed a number of actions which were monitored throughout the year. These centred on the continual evolution of the composition of the Board to complement the strength of the existing Directors and enhance the international experience and skills, the refinement of the agenda planning process to ensure focus on the key issues and opportunities, and extending the Board's oversight of talent management within the business to the senior manager tier.

This year's evaluation was performed internally and was supported by Lintstock. The Directors completed the same tailored questions as in the 2016 evaluation in order to build upon the responses from the prior year. The results were then analysed and summarised in a report by Lintstock; tabled at a meeting of the relevant committee; and then presented to the Board at its meeting held on 23 March 2017.

The anonymity of all respondents was ensured throughout the process to encourage an open and honest exchange of views.

The performance evaluation was positive with all responses indicating continued high or improved performance during the year. The performance of the Executive Directors during the year was monitored by the Chief Executive Officer and the Nomination Committee.

The 2017 evaluation covered:

- the Board's balance of skills and experience, independence and knowledge, and diversity including the gender of Board members;
- how the Board worked together; how effectively it used its time and the support it received;
- strategic and operational risk oversight, risk management and internal control; and
- key talent and succession planning.

Following the evaluation, the Board agreed a number of actions that will be monitored throughout the current year. These centred on the Board's composition and expertise, in particular, the Board's understanding of the 'rest of the world' outside of Europe and the Americas (both in the short-term and as a longer term consideration in its succession planning), the timing for the identification of successors to the Senior Independent Director and the Chairman, and investing more of the Board's time on corporate culture and values. Subsequent to the Board evaluation, the Non-Executive Directors visited China to see how our joint venture is developing and understand better some of the issues encountered and opportunities present in our supply chain more generally. This is a significant step in addressing the Board's understanding of our business in that market.

Re-election of Directors

At the AGM, all Directors, other than Beatrice Lafon and Steve Sunnucks, will offer themselves for re-election. We consider the Directors offering themselves for re-election to be effective, committed to their roles and to have sufficient time available to perform their duties.

Board and committee attendance

A description of the work of the Audit, Nomination and Remuneration Committees is set out on pages 65 to 91.

During the year, additional ad hoc Board meetings were held as required. Committee meetings may be attended by non-members by invitation from the relevant Chairman. Attendance by non-members is recorded in the relevant committee minutes.

Induction and professional development

Non-Executive Directors have the opportunity to meet with members of the Executive Committee and senior managers 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, our sourcing, wholesale, e-commerce, logistics, IT and sustainability strategies and health and safety.

In addition, the Non-Executive Directors make site visits to ensure they are kept up-to-date with developments across the Group. In May 2016 the Board met at the Company's distribution centre in Burton-on-Trent and in October 2016, the Non-Executive Directors visited a number of our owned stores in the USA to understand better the strategic approach to and operational management of our Retail business in what is one of our key growth markets.

All Directors have received instruction on their responsibilities as a Director and copies of our key policies.

The Chairman is responsible for preparing and co-ordinating an induction programme for newly appointed Directors, including presentations from senior managers on different aspects of the business, as well as guidance on their duties, responsibilities and liabilities as a Director of a listed company. Following Beatrice Lafon's appointment to the Board during the year, the Company Secretary arranged a tailored induction programme which included one-to-one meetings with individual members of the Executive Committee as well as store and other site visits.

Diversity

We believe in respecting individuals and their rights in the workplace. Please see page 31 of the Strategic Report and page 71 of the Nomination Committee Report for more information about our approach to our colleagues and diversity, and for details on the Board's policy on diversity.

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. The Chief Executive Officer and Chief Financial Officer make presentations after the half-year and full-year results and communicate regularly on the Group's developments to our shareholders.

The Chairman arranges meetings with major 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 those 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.

At our AGM shareholders will have the opportunity to ask questions of the Chairmen of the Audit, Remuneration and Nomination Committees, the Senior Independent Director, and the other members of the Board.

Our shareholders have the opportunity to meet the 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 www.supergroup.co.uk.

Fair, balanced and understandable

The Board is responsible for the preparation and approval of the Annual Report and financial statements and consider them, taken as a whole, to be fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy. A summary of the Directors' responsibilities for the Annual Report and financial statements is set out on page 95.

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. We have a Risk Committee that reports into the Executive Committee, with oversight provided by the Audit Committee. The Risk Committee meets monthly to review the risks identified and relevant controls, 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, members of the Executive Committee and other senior managers.

A comprehensive control framework is in place 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 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 with senior managers. 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;
- our risk management process 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 Board 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 and metrics which have been approved by the Board; and
- we assess routinely the capability of our people to deliver the business objectives set and respond accordingly. It is recognised that there is a need to focus continually 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 financial year 2017 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 which it felt was satisfactory.

Our Directors' powers

Our Directors have delegated authority to manage the operations of the Group 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 matrix.

Corporate Governance Report.

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 the 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 2017, we had been notified, pursuant to DTR 5 of the Financial Conduct Authority's Disclosure and Transparency Rules, of the following notifiable voting rights in our ordinary share capital:

Name of holder	Number of ordinary shares	% of issued share capital	Nature of holding
Julian Dunkerton	21,696,788	26.7	Direct
Standard Life Investments	10,517,286	12.9	Indirect
James Holder	8,898,610	10.9	Direct
Old Mutual Global Investors	4,769,653	5.8	Indirect
Oppenheimer Funds†	4,087,930	5.0	Indirect

† Through independent share register analysis, the Company is aware that the total voting rights held by Oppenheimer Funds, Inc. is between 5% and 10% but that Oppenheimer Funds, Inc. is not obligated to formally notify the Company of any change in voting rights held between these two percentage thresholds.

Share capital

Details of our share capital are set out in the Directors' Report on page 93.

Going Concern and Viability Statements

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 5 to 14 and Our Performance section on pages 36 to 44.

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 we have 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.

The Directors have assessed our prospects over a four-year period. Further details of the Viability Statement are provided on page 55.

Independent auditors

On the recommendation of the Audit Committee, the Directors will put a resolution before the AGM to appoint Deloitte LLP as auditors for the financial year 2018, following the completion of a competitive tender process during the year.

Annual General Meeting

Our AGM will be held at our Head Office, The Runnings, Cheltenham, Gloucestershire, GL51 9NW on Tuesday, 12 September 2017 commencing at 10.30am. 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 'Equity Investors' section on 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 are published on our website after the meeting.

The notice of AGM sets out why we believe the Directors should be elected or re-elected, as appropriate. Details of the Directors' service agreements and their letters of appointment are given in the Directors' Remuneration Report on pages 72 to 91.

The Directors consider that each of the proposed resolutions to be presented at the AGM is in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of each of the proposed resolutions, as the Directors intend to do in respect of their beneficial shareholdings.

Approved and signed on behalf of the Board.

Simon Callander
Company Secretary
6 July 2017

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

Audit Committee Report.

Membership and meeting attendance

Committee member	Member since	Number of meetings attended/held
Minnow Powell (Chairman)	1 December 2012	5 / 5
Penny Hughes	1 April 2015	5 / 5
Ken McCall (resigned 13 July 2016)	24 May 2010	1 / 1
Beatrice Lafon†	14 September 2016	3 / 3
Steve Sunnucks†	13 July 2016	4 / 4

■ Actual number of meetings attended
■ Maximum number of scheduled meetings which the Directors could have attended
† Not standing for election or re-election, respectively, at the AGM.

All of the Committee members are Non-Executive Directors. The Board considers them all to be independent. At least one member (myself, as the Audit Committee Chairman) has recent and relevant financial experience. The other members of the Committee each contribute international business and retail experience.

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

The role of the secretary to the Committee is performed by the Company Secretary or the Deputy Company Secretary. A report on the Committee's activities is given to the Board at each subsequent Board meeting.

Dear shareholder

I am pleased, on behalf of the Board, to present my report to shareholders on the key activities undertaken by the 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, including reviewing significant financial reporting judgements contained therein, receiving reports from the Group's auditors, 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, provide oversight of the Group's Risk Committee and considering reports on their effectiveness from the Chief Financial 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.

Activities during the year

The Committee has a standing agenda of areas to be covered at each meeting based on its terms of reference and, in addition, it also considers relevant matters as they arise. Specifically, within financial year 2017, the Committee has devoted time to overseeing the Group's response to the growing exposure to information security and cyber risks. This approach included assessing existing controls against an industry standard and developing a programme of activity to improve how we mitigate the risks identified.

As planned, our external audit relationship was tendered during financial year 2017. This process involved five prospective audit firms who were each issued with a brief in November 2016 and given wide access to the business to develop their audit approach and plan prior to presentation to the Audit Committee. In February 2017, the Audit Committee made a firm recommendation to appoint Deloitte LLP ("***Deloitte***") as auditors for financial year 2018, judged against the selection criteria including quality of the proposed team, knowledge and experience of global retail businesses and organisational and cultural fit. The Board accepted and endorsed this recommendation, which is subject to shareholder approval at the AGM. We are confident that Deloitte will introduce fresh perspective and challenge to the Group's audit. Due to my personal conflict of interest as a pensioner of Deloitte, Penny Hughes chaired the Audit Committee when Deloitte presented.

On behalf of the Board, I would like to thank PwC, and in particular Mark Smith who has made a significant contribution to the conduct and effectiveness of the audit process, for their support and guidance to the Group over the past nine years.

In addition to meeting to consider presentations from potential external audit firms, the Committee has met five times during the year and reports were provided to the subsequent Board meeting. At least once a year the Committee meets separately with the external auditors and Head of Internal Audit without management present.

I am satisfied that the 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.

The results of the Board evaluation completed this year which looked at the effectiveness of the Committee against its terms of reference were positive, although the question of whether and when the function of internal audit is brought in-house needs to be kept under review. Further details of the Board evaluation can be found on page 62.

Minnow Powell
Audit Committee Chairman
6 July 2017

Audit Committee Report.

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

Internal control and risk management

The Committee has continued to review and discuss with management the Group's process for evaluation and assessment of its management of risk and internal controls. The review focuses on the effectiveness of the risk management process including financial, operational, technical and compliance risks and related mitigating controls which are described on page 48. The Committee has noted the continued focus and improvement in the risk management process and the strengthening of internal controls during the year.

Information technology and information security

While the core information technology systems within the Group have been strengthened significantly, given their continued development, the Committee has continued to focus on the development of the information technology control environment.

A key area of focus for management during the year has been the development of an approach to monitor and govern cyber security. To ensure that information management is covered in its widest sense (systems, data protection and integrity and confidentiality) a business-wide group has been established covering all key functions. This forum has applied common practice from other businesses and the framework published by the Department for Business, Innovation & Skills to create a programme to improve security and improve education and awareness.

Senior managers have also provided reports on the Group's compliance with the Payment Card Industry Data Security Standard, and, as part of the wider ongoing development of Business Continuity plans, the development and testing of disaster recovery plans for major IT components critical to business operations.

Cognisant of the introduction of The General Data Protection Regulations (GDPR), for which full compliance is required by 25 May 2018, the Group is developing clear policies and procedures to cover the collection and use of personal data and the adoption of appropriate technical and organisational measures. The Audit Committee will review the Group's readiness status in subsequent meetings.

Group restructure

Further to approvals given to implement a restructure of the Group's European entities, the Committee has reviewed the progress and status of the restructuring programme and is satisfied with the progress achieved to date.

Other

The Committee has continued to review other key areas of risk and internal controls including accounts payable, treasury, tax and credit control management with presentations given by the managers responsible. Furthermore, an internal audit review of treasury and cash management controls confirmed their adequacy, subject to further segregation of treasury duties.

The Committee also discussed with the Executive Directors the risk and controls over fraud, and the risk of financial misstatements by non-compliance with laws and regulations.

The Committee reviewed the Group's Tax and Treasury policies and recommended them to the Board for approval.

Financial reporting and accounting judgements

The 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 provided to them and the views of the external auditors. The Committee considers that the Group has adopted appropriate accounting policies and made appropriate estimates and judgements where required.

The full impact of the UK's vote to leave the European Union is at present difficult to quantify. The immediate impact from the devaluation of Sterling against the majority of currencies in which the Group purchases product will lead to input cost pressure. However, as described on page 54, this risk is mitigated by the Group's presence in a range of international markets and the constant oversight, by the Group and the Audit Committee, of foreign exchange exposure and opportunities.

At the balance sheet date there are a number of new standards in issue but not yet effective, including IFRS 15 'Revenue from Contracts with Customers' and IFRS 16 'Leases'.

The overall impact of IFRS 15 is considered low, with the Group's existing accounting policies consistent, in all significant respects, with the new standard. The Group offers a returns facility for Retail customers and has contractual returns arrangements for some Wholesale customers. However, under the Group's current accounting treatment, and consistent with IFRS 15, revenue is not recognised for goods expected to be returned.

IFRS 16 is expected to have a material impact on key components of the financial statements. While both assets and liabilities will increase and the operating lease rental charge will be replaced by depreciation and finance costs, there will be no impact on the underlying commercial performance of the Group or the cash generated.

The critical accounting estimates and judgements have been reviewed and updated by the Committee for the current year are set out below:

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 and assessed the available evidence, including historic trends, and concluded that the provisions were appropriate.
Deferred tax assets	Recognition of deferred tax assets for tax losses in the US and European businesses, based on forecast profitability.	After review and discussion, the Board approved the Group's long-term financial plan in January 2017. The Committee has considered the judgement to recognise deferred tax assets in respect of the recoverability of tax losses. In light of this plan the Committee considers the judgement to be reasonable.
Exceptional items	Material items that are outside the normal course of business and adequacy of disclosure.	The Committee considers the nature and size of costs categorised as exceptional, including whether they meet the definition of an exceptional item, being material in size, unusual or infrequent in nature. No items were considered exceptional in the year.
Going concern and Viability Statement	The appropriateness of preparation of the Financial Statements on a going concern basis and the Viability Statement.	The Committee reviewed the cash flow forecasts and concluded that it was appropriate to prepare the Financial Statements on a going concern basis. Following the Board's review of the Group's long-term financial plan, the Committee considered the cash flows, sensitivities and disclosures, made with regard to the Group's viability, in this Annual Report and considers them to be reasonable.

We received a letter from the Financial Reporting Council ("***FRC***") informing us that they had carried out a review of our interim report for the 26 week period ended 29 October 2016 and that there were no questions or queries that the FRC wished to raise. It should be noted that the FRC review was based on our interim report and did not benefit from detailed knowledge of our business or an understanding of the underlying transactions entered into.

Audit Committee Report.

Fair, balanced and understandable

At the request of the Board, the Committee also considered whether the Financial Statements and the elements of the Annual Report that are relevant to the Financial Statements, as a whole, are "fair, balanced and understandable".

The Board took account of this review in its consideration of whether the Annual Report, in its entirety, was "fair, balanced and understandable".

Whistleblowing

The Group has a policy and process in place for whistleblowing and the Committee is satisfied that colleagues 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 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. As a consequence of a whistleblowing contact during the year, the Committee reviewed the effectiveness of the Group's recruitment processes, agreeing a number of recommended improvements.

Controls and procedures are in place to ensure compliance with the Bribery Act 2010. The Committee receives a regular report on the Group's gift register which includes any gifts and hospitality received by colleagues from external business relationships above an agreed threshold.

Internal audit effectiveness

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 nine audits including coverage of the following areas: sourcing, payroll, German operations, budgeting and forecasting, accounts receivable, treasury and cash management, project risk management, IT access controls and business continuity.

The effectiveness of internal audit is reviewed on an ongoing basis by the Committee. This review takes the form of a detailed questionnaire followed by discussion and assessment of the outsourced function. Following the review and discussion, the Head of Internal Audit was changed so as to drive further improvements in the function. The Committee will continue to assess whether internal audit should remain outsourced, in part or in full. Following the most recent assessment, the Group intends to recruit a suitably qualified internal control resource in the current financial year.

Effectiveness of external audit

A review of the effectiveness of external audit was undertaken by an internal survey of members of the Committee, the Chief Financial Officer, and the internal finance team in September 2016. This review adopted the new Financial Reporting Council ("FRC") guidance on effectiveness and included consideration of its Audit Quality Review team's report on PwC as a firm and noted the key findings. The results of the review provided assurance that our external auditors continued to perform effectively.

Supervision of the external auditors

The Committee oversees the external auditors by reviewing, challenging, 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 including the de minimis level for reporting unadjusted differences. The audit opinion on pages 97 to 103 provides a full explanation of the scope of the audit, concept of materiality and key accounting and reporting judgements.

Appointment of external auditors

The external audit appointment was tendered in early 2017, with the aim that the successful firm would take office after the completion of the audit for financial year 2017. The tender process was concluded on 7 February 2017, with the Committee recommending to the Board the appointment of Deloitte as external auditors for financial year 2018. The Board is recommending the appointment of Deloitte as external auditors to the AGM. The Committee confirms that the Company was in compliance with the UK Competition and Markets Authority Order 2014 during the year ended 29 April 2017.

Independence

Auditor independence is maintained by reviewing PwC's confirmation of their independence, 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 Committee, to senior financial positions within the Group. In addition, the rotation of the lead partner occurs every five years.

The 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 Committee approves each individual non-audit service above £20,000 in value, and every piece of work once an agreed threshold, capped at a value equivalent to the audit fee, is reached.

Details of all non-audit services provided during the year are set out within the note on auditors' remuneration on page 124 in the Financial Statements and are summarised in the table below:

	2017 £'000	2016 £'000
Audit fees	406	430
Non-audit fees		
Audit-related assurance services	40	60
Tax compliance and advisory	–	45
Other	230	331
Total non-audit fees	270	436
Non-audit fees as a percentage of audit fees	67%	101%

Non-audit fees were 67% and were primarily incurred in respect of advisory services provided by PwC to support the Group's Design to Customer process, initiated in financial year 2016. The provision of these services was subject to a robust tendering process, involving five potential suppliers. The process clearly demonstrated PwC's capability and relevant retail experience to support this important programme and the Committee confirmed that the award of this project did not influence the remuneration of the Senior Statutory Auditor.

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.

At its meeting on 22 March 2017 the Committee approved a new policy on non-audit fees in line with the FRC Ethical Standard, which will take effect from 30 April 2017.

Minnow Powell
Audit Committee Chairman
6 July 2017

Nomination Committee Report.

Peter Bamford
Nomination Committee Chairman

Principal responsibilities

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

Membership and meeting attendance

Committee member	Member since	Number of meetings attended/held	
Peter Bamford (Chairman)	29 January 2010	4	4
Keith Edelman	4 February 2010	4	4
Penny Hughes	1 April 2015	4	4

■ Actual number of meetings attended
■ Maximum number of scheduled meetings which the Directors could have attended

The Committee met four times during the year. In addition to the members of the Committee, which comprises independent Non-Executive Directors, the Chief Executive Officer and the Group HR Director attended each of the meetings. By invitation of the Committee Chairman other Non-Executive Directors attended meetings of the Committee during the year.

The role of secretary to the Committee is performed by the Company Secretary or the Deputy Company Secretary. A report on the Committee's activities is given to the Board at each Board meeting following a meeting of the Committee.

Dear shareholder

I am pleased to present the Nomination Committee report on behalf of the Board. The Committee is responsible for nominating candidates for appointment to the Board and ensuring that the Company has the leadership and capability to meet its growth ambitions.

Activities during the year

The prime focus of the Committee this year has been overseeing the Board's composition and ensuring that the Company has the right talent in key roles to realise its growth potential in existing and new markets. The Committee also considered succession planning for Non-Executive Directors including the roles of Chairman and Senior Independent Director.

During the year the Committee monitored the performance of the members of the Executive Committee and reviewed the organisational structure. It also ensured that key individuals were given support and mentoring where appropriate. The Committee, together with the Chief Executive Officer, have continued to review the organisational structure to define clear accountability for the delivery of the five-year strategic plan and to ensure the right leadership is in place to lead us through a period of significant geographic and channel growth. Following searches led by the SuperGroup in-house resourcing team, Hugo Adams joined the Group in November 2016 as Global Marketing and Business Development Director and Simon Callander in May 2017 as Group General Counsel and Company Secretary. Both Hugo and Simon are members of the Executive Committee.

Key talent risks and succession plans for the Executive Directors, members of the Executive Committee and other senior managers were reviewed in July 2016 and again in March 2017 and actions put in place to mitigate identified risks.

The Committee also reviewed its effectiveness against its terms of reference and the results of the annual Board evaluation, the details of which can be found on page 62. The review concluded that the Committee was performing effectively.

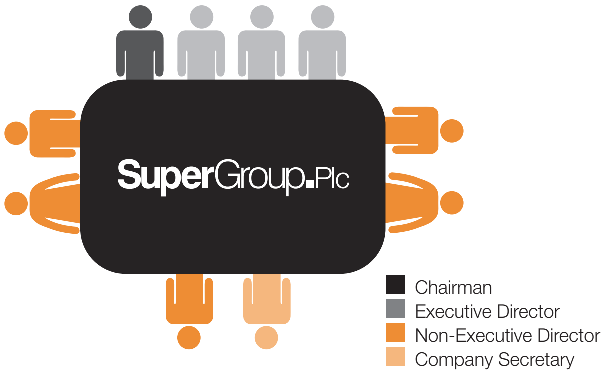
Director changes

Beatrice Lafon was appointed to the Board as a Non-Executive Director and as a member of the Audit Committee on 14 September 2016. On 2 July 2017 Beatrice Lafon and Steve Sunnucks confirmed to the Board that they did not intend to stand for re-election at the AGM. Accordingly, both will retire at the conclusion of the AGM.

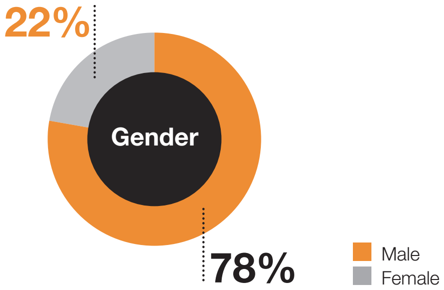
Appointment Process

There is a formal and robust procedure for the appointment of new Directors to the Board, under which I, as Chairman, interview an initial list of candidates (proposed either by existing Board members or by an external search firm) from which a shortlist is then selected. Committee members and other Directors interview suitable candidates and provide feedback, and extensive references are then taken. Careful consideration is given to ensure proposed appointees have sufficient time available to devote to the role and that the balance of skills, knowledge and experience on the Board is maintained. When the Committee has identified a suitable candidate, a proposal is made to the Board, which has retained responsibility for all such appointments.

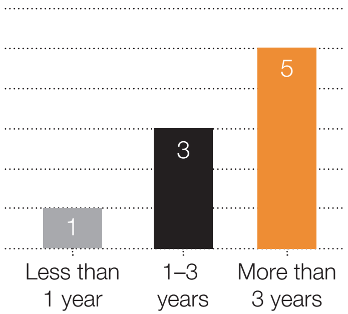
A similar process is followed for the appointment of members to the Executive Committee.



Gender



Tenure of the Board



The above information is as at 29 April 2017.

Board composition and policy on diversity

The Committee reviews regularly the composition of the Board and membership of Board committees. Penny Hughes was appointed to the Remuneration Committee on 1 April 2017 and will succeed Keith Edelman as Chairman of the Committee from the conclusion of the AGM. Penny has extensive remuneration experience as Chairman and member of several remuneration committees in her career to date. Keith Edelman has been appointed a member of the Audit Committee with effect from the conclusion of the AGM.

The Board is supportive of greater diversity in all its forms and believes that a truly diverse Board should include and make good use of differences in the skills, experiences, gender and background of its Directors. Given the global growth ambitions of SuperGroup, the Board is focused on ensuring that its Directors have experience of living and working in those markets in which it operates or plans to operate, and that the Board comprises a mix of Non-Executive Directors with professional experience as Non-Executive Directors and/or with current or recent operational experience.

The Board is supportive of the recommendations of Lord Davies' report on 'Women on Boards' and recognises the importance of women having greater representation at key decision making points in the organisation and I am delighted to report that we achieved our target to have a participation of 20% of women on the Board by the end of calendar year 2016. However, the effect of the decisions by Beatrice Lafon and Steve Sunnucks not to stand for election or re-election, respectively, at the AGM reduces this participation to below 20%.

The Board will re-address this issue in the coming year in the context of the current public policy debates around potential reform of corporate governance, the evolving needs of SuperGroup and planning for successors to me as Chairman and Keith Edelman as Senior Independent Director. In the meantime, the Board does not feel it is in a position to commit to achieving the recommended target of 33% female representation on the Board by the year 2020. Instead the Board has reviewed and updated its diversity policy to aim towards achieving a participation of 25% of women on the Board by the end of calendar year 2018.

The Board is also supportive of the Parker Committee's report "Review into the Ethnic Diversity of UK Boards" and recognises the importance of greater ethnic representation at key decision making points in the organisation. Whilst the Board has stopped short of setting a target on ethnicity, it remains committed to maintaining focus on achieving greater ethnic representation across all levels in the organisation.

All Board appointments are based on the needs of the business and the merit of each candidate, having assessed the skills and experience that they can bring to the Group.

In addition to seeking to increase the diversity of the Group's Directors, the Board believes it is equally important that the wider leadership team (which includes the members of the Executive Committee and other senior managers) is diverse in terms of skills, experience, gender, ethnicity and background. The Board will keep its approach to diversity under review.

Further details on our statistics on gender diversity can be found on page 31 of the Strategic Report.

Board evaluation

Details of the review of the Board and its Committees, including this Committee, and my effectiveness as Chairman, undertaken during the year can be found on page 62. Having reviewed the results of the Board evaluation and in light of the decisions of Beatrice Lafon and Steve Sunnucks not to stand for re-election to the Board, the Committee confirmed to the Board that the present Board and its Committees continue to operate effectively and that all of the Non-Executive Directors remain independent and should stand for re-election at the AGM.

Peter Bamford
Nomination Committee Chairman
6 July 2017

Directors' Remuneration Report.

Membership and meeting attendance

Committee member	Member since	Number of meetings attended/held
Keith Edelman (Chairman)	4 February 2010	6 6
Penny Hughes	1 April 2017	0 0
Ken McCall (Resigned 13 July 2016)	24 May 2010	2 2
Minnow Powell	1 December 2012	6 6
Steve Sunnucks†	13 July 2016	4 4

■ Actual number of meetings attended (orange)
■ Maximum number of scheduled meetings which the Directors could have been attended (black)
† Not standing for re-election at the AGM.

The Committee met six times during the year. In addition to the members of the Committee, which comprised independent Non-Executive Directors, the Chief Executive Officer and the Group HR Director attended each of the meetings except where their own remuneration was being discussed. By invitation of the Committee Chairman other Non-Executive Directors attended meetings and provided advice to the Committee during the year.

The role of secretary to the Committee was performed by the Company Secretary or the Deputy Company Secretary. A report on the Committee's activities was given to the Board at each Board meeting following a meeting of the Committee.

Dear shareholder

The Directors' Remuneration Report has been divided into three parts:

1. The 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 financial year 2017 and how it will operate in financial year 2018.
2. Directors' Remuneration Policy (the "***Remuneration Policy***"): The Remuneration Policy has undergone a full review and is set out in this section for approval by shareholders at the AGM on 12 September 2017.
3. Annual Report on Remuneration: This sets out the remuneration earned by our Directors in financial year 2017 and explains how the Remuneration Policy will be implemented in financial year 2018.

The Remuneration Policy will be subject to a binding shareholder vote and the Remuneration Committee Chairman's Annual Statement and Annual Report on Remuneration will be subject to an advisory shareholder vote at the AGM.

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

Part 1: Remuneration Committee Chairman's Annual Statement (unaudited)

On behalf of the Board, I am pleased to present the report on Directors' remuneration for financial year 2017.

Activities during the year

The key activities undertaken by the Committee during the year in accordance with its principal responsibilities which were to:

- determine the framework and policy for the remuneration of the Company's Chairman, Chief Executive Officer, the other Executive Directors, the Company Secretary and other senior executives ("the Senior Executives") and ensuring it remains appropriate;
- advise on the design of, and to determine and agree the total individual remuneration package of, each of the Executive Directors and Senior Executives, giving due regard to any relevant legal requirements, the provisions and recommendations set out in the Code and the UK Listing Authority's Listing Rules and associated guidance;
- approve the design of, and targets for, annual and long-term performance related pay schemes operated by the Group for the Executive Committee and senior managers, the total annual payments made under such schemes and provide oversight and guidance in relation to other Group-wide incentive proposals; and
- oversee any major changes in employee benefit structures throughout the Group and to give advice on any such changes.

The approach of the 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 shareholder interests and that the actual remuneration earned by the Executive Directors continues to be a good reflection of their individual and our overall performance.

The Committee reviewed its effectiveness against its terms of reference and the results of the annual Board evaluation, the details of which can be found on page 62. The review concluded that the Committee was performing effectively.

The Committee also focused on and addressed the following matters this year:

Remuneration Policy

Our current Remuneration Policy reaches the end of its three-year life at the AGM. The Committee has therefore reviewed the Remuneration Policy and proposes a number of changes. We will be seeking shareholder approval for the revised Remuneration Policy at the AGM.

Whilst the Committee was mindful of the proposals set out by the Executive Remuneration Working Group (ERWG), which encouraged companies to develop remuneration models appropriate to their organisation, it believes the existing model is right for both the Company and its shareholders as it is aligned to our strategy, ambitions for growth and business model. Any more radical changes in approach would be considered at the right time in the Company's development.

The proposed amendments to the Remuneration Policy address developments in best practice. The Committee will continue to monitor the effectiveness of the Remuneration Policy and further developments in best practice over the lifetime of the Remuneration Policy. Should the Committee subsequently conclude that different remuneration arrangements would be more appropriate, it would consult with SuperGroup's major shareholders before proposing a revised Remuneration Policy to shareholders.

The Committee reviewed the existing Remuneration Policy against the wider economic background and determined that, with a few changes, it remains fit for purpose and supports the long-term success of SuperGroup. In summary the proposed changes are:

- no changes are proposed in relation to Base Salary or Retirement Benefits policy;
- whilst there are no existing plans in place to introduce new benefits, we are proposing a minor change to the Other Benefits policy to allow Executive Directors to partake in any new benefit should one be made available to the wider employee population;
- under our Annual Bonus policy we have formalised and mandated our policy of deferring any bonus award over 100% of salary into shares with a three-year holding period;
- under the Performance Share Plan ("***PSP***") policy we have introduced a two-year holding period post-vesting for awards granted from 2017; and
- our Share Ownership Guidelines will be increased for all Executive Directors.

Performance and reward

For financial year 2017 Euan Sutherland had a maximum annual bonus opportunity of 150% of salary and the other Executive Directors a maximum bonus opportunity of 100% of base salary. Of each Executive Director's bonus opportunity 70% related to profit related targets, 15% to a shared business target (that applies to all members of the Executive Committee) and 15% to the personal and strategic targets set for each Executive Director.

As a result of this year's financial performance, 94.4% of the profit related target was achieved; and the shared business target (the successful operation of two new distribution centres in the USA and mainland Europe) was successfully delivered. Having reviewed the agreed personal and strategic objectives for each of Euan Sutherland and Nick Wharton, the Remuneration Committee has awarded Euan Sutherland 100% and Nick Wharton 90% of the bonus opportunity that relates to their personal performance. As in previous years, Julian Dunkerton has elected to waive his bonus award. Details of the payments awarded are set out on pages 85 to 87.

The PSP award granted in 2014 in respect of the three-year performance period which ended on 29 April 2017 is due to vest in August 2017 and is expected to vest at 58.2% of the original award. This is based on 67.0% vesting against the EPS targets (70% of awards) and 37.7% against the relative Total Shareholder Return ("***TSR***") targets (30% of awards). Euan Sutherland holds a 2014 PSP award which will vest in October 2017. Further details about our share schemes can be found on pages 78 to 79.

The year ahead

As outlined above a number of changes to the Executive Directors' Remuneration Policy have been proposed for approval at the AGM. In line with the wider Company award, base salary increases of 2% were awarded to the Executive Directors with effect from 1 May 2017. This compares with an average increase of 2.45% across the Group.

The cash element of annual bonus will continue to be capped at 100% of base salary (any award in excess of 100% being awarded in deferred shares) based on challenging financial, business and personal/strategic targets.

PSP awards will continue to be based 70% on EPS and 30% on relative TSR. The Chief Executive Officer will receive an award of 200% of salary and the Chief Financial Officer will receive an award of 100% of salary. Malus and clawback provisions will continue to apply.

The Committee is confident that the proposed minor changes to the Remuneration Policy, for which the Company is seeking approval at the AGM, will ensure that the Executive Directors are appropriately incentivised to deliver strong and sustainable growth.

Wider employee considerations

The Committee is mindful about remuneration arrangements across the Group, including the potential for our colleagues to share in the success of SuperGroup. There are incentive and/or recognition structures throughout the Company. Employee share ownership is strongly encouraged through our SAYE and BAYE share schemes where we are able to make those available.

AGM

The Committee considers the simplicity and transparency of our approach to remuneration arrangements and their consistent application have contributed positively to SuperGroup's strong management team continuing to deliver excellent performance despite the challenging environment.

There will be a resolution to approve the Directors' Annual Remuneration Report (including the implementation of the current Remuneration Policy in respect of financial year 2017) and a resolution to approve the revised new Remuneration Policy for the forthcoming three-year period to the 2020 AGM. We look forward to your support.

Keith Edelman
Remuneration Committee Chairman
6 July 2017

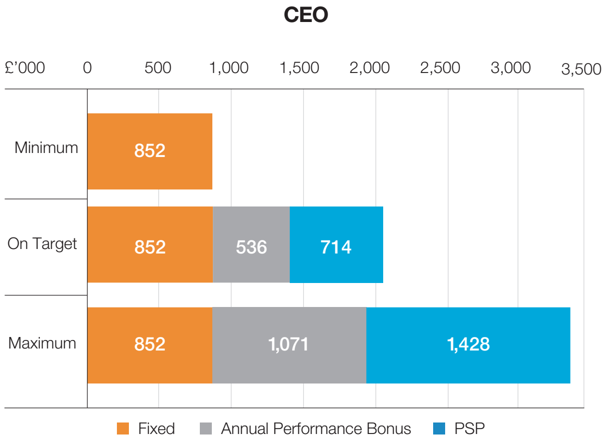
Directors' Remuneration Report.

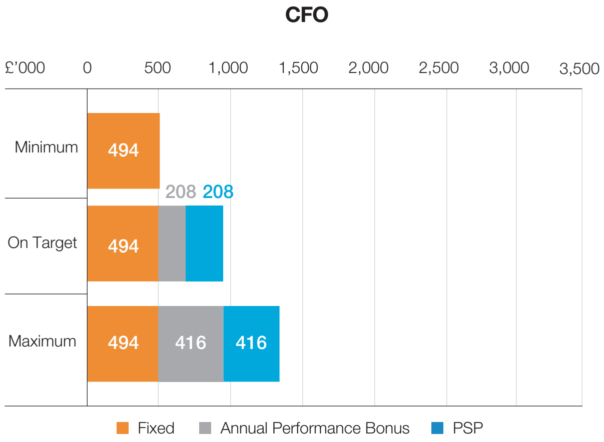
Remuneration at a glance

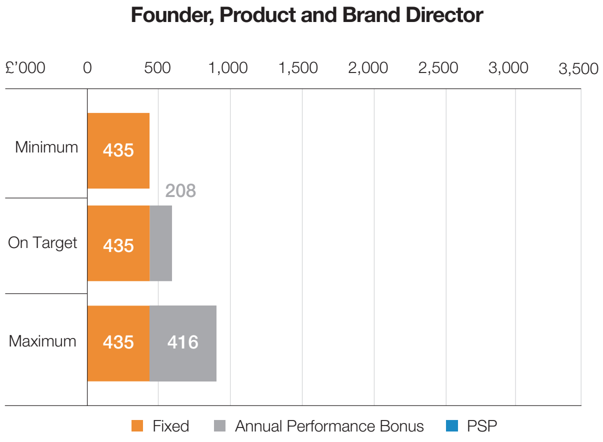
The Remuneration Policy is made up of six different factors

Base Salary	Retirement Benefits	Other Benefits	Bonus	Performance Share Plan ("PSP")	Share Ownership
▶ Read more for our Executives on page 84 ▶ Read more for our Non-Executives on page 85	▶ Read more on page 76	▶ Read more on page 76	▶ Read more on page 77	▶ Read more on page 78	▶ Read more on page 78

Illustrations of Application of Directors' Remuneration Report 2018







Directors' Single Figure Remuneration 2017

Euan Sutherland	Nick Wharton	Julian Dunkerton
CEO	CFO	Founder, Product and Brand Director
2017: £3,611,750	2017: £870,737	2017: £427,497
2016: £1,677,125	2016: £695,338	2016: £419,063

Part 2: Directors' Remuneration Policy (unaudited)

In formulating the Remuneration Policy, full consideration has been given to the principles set out in the Code. The Committee regularly reviews the Remuneration Policy to ensure it takes account of best practice and serves our needs. As part of the regular review, the Committee undertakes a dialogue with major shareholders and listens to their feedback, alongside guidance from 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.

In accordance with section 439A of the Companies Act 2006 this section sets out the Remuneration Policy as approved by shareholders at the AGM on 19 September 2014.

Remuneration Policy overview

We aim to provide a remuneration structure and approach that helps align the interests of Executives and shareholders, and enables the attraction, retention and motivation of high calibre people with the capability to drive continued growth of the business. Where the 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 Remuneration Policy.

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 our ambitious growth strategy. Base salary will reflect each Executive Director's individual skill, experience and role within the Group. Any changes to salary will take account of average increases across the Group.
Operation	When determining base salary the Committee typically takes into account: • salary levels for comparable roles at companies of a similar size, industry, global scope and complexity; • business and individual performance; • changes to the scale and complexity of the role; and • 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 Committee although an out of cycle review may be conducted if the Committee determines this is necessary. A salary review will not necessarily lead to an increase in salary.
Maximum opportunity	Salary increases will typically be in line with the general level of increase awarded to other employees in the Group and/or the Executive 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. There is no prescribed maximum base salary level or maximum annual increase. Current salaries are detailed in the Annual Report on Remuneration.
Performance measures	Individual and business performance are taken into consideration when deciding salary levels.
Changes to the Remuneration Policy	No proposed changes.

Directors' 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) is 15% of base salary.
Changes to the Remuneration Policy	No proposed changes.

Element	Other Benefits
Purpose and link to strategy	To ensure SuperGroup is broadly competitive on benefits with broader market practice. To support personal health and well-being.
Operation	Benefit provision is set at an appropriate market level taking into account market practice in the Executive Director's home jurisdiction, the jurisdiction where they are based, and benefits for similar roles 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) 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 SAYE and BAYE schemes. They may also be granted eligibility to participate on the same terms in any new benefit plans, including all-employee share incentives, set up for the wider employee group.
Maximum opportunity	There is no maximum level of benefits provided to an individual Executive Director. Participation by Executive Directors in the SAYE scheme, and any other all-employee share plan operated in the future, is limited to the maximum award levels permitted by HM Revenue & Customs.
Changes to the Remuneration Policy	Additional flexibility has been provided to ensure Executive Directors can also partake in any new benefits offered to the wider employee population. There are currently no plans to introduce additional benefits to which Executive Directors will be eligible.

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 Committee will defer any bonus earned in excess of 100% of salary into SuperGroup shares with a three-year holding period.
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 Committee each year and include threshold levels for minimum award (below which no bonus will be awarded), on-target award and maximum award. The 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 as described below.
Changes to the Remuneration Policy	Formalising the mandatory deferral of bonus over 100% of salary into shares with a three-year holding period.

Directors' Remuneration Report.

Element	Performance Share Plan
Purpose and link to strategy	To incentivise and reward Executive Directors to develop and deliver SuperGroup's ambitious strategy, that create long-term value and to ensure a strong link between executive reward and Group performance / total shareholder return. To support recruitment, long-term retention and collaborative working through share ownership.
Operation	Awards are granted on a discretionary basis and are normally subject to performance and continued employment at the end of a three-year performance period with a two-year post-vest holding 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 between the date of grant and the date of vesting to the extent that awards vest.
Maximum opportunity	Normal maximum award limit: 200% of salary. Exceptional circumstances award limit: 300% of salary.
Performance measures	The Committee determines performance targets for each new cycle to ensure that the targets are stretching and support value creation for shareholders while remaining motivational for management. Performance measures will be based on financial metrics, such as EPS and relative TSR over a three-year performance period. 25% of an award vests for threshold performance increasing to 100% vesting for maximum performance. Malus and clawback provisions will apply as described below.
Changes to the Remuneration Policy	Introduction of a two-year holding period post-vesting for awards granted from 2017.

Element	Share Ownership Guidelines
Purpose and link to strategy	To help further strengthen the alignment between management and shareholders.
Operation	Executive Directors not holding shares worth at least 200% (in the case of the CEO) or 150% (in the case of the other Executive Directors) of their base salary will be expected to retain 50% of any PSP awards which vest (net of tax) until such time as that level of holding is met.
Level	Minimum of 150% or 200% of base salary as applicable.
Changes to the Remuneration Policy	Increase in minimum shareholding requirements for all Executive Directors.

Selection of performance measures

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 EPS and TSR. The combination of EPS and TSR as 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 PSP participants and shareholders. The EPS target range will require significant levels of growth and the TSR condition will be based on relative outperformance of relevant listed companies. Performance against the TSR and EPS targets will be independently calculated by a third party and then reviewed by the Committee.

Malus and clawback provisions

The Committee has discretion to cancel, reduce or clawback individual or all annual bonus awards in certain circumstances including:

- a misstatement of results that resulted in an award being paid at too high a level;
- a material failure of risk management or health and safety; and
- serious reputational damage to the Company; and/or personal misconduct.

The Committee may at any time before the vesting of PSP awards reduce the number of shares in certain circumstances including if:

- a material misstatement of financial results has resulted in the Award having been granted over a higher number of shares than would otherwise have been the case; and
- the number of shares awarded was based on any other kind of error or basis of information or assumption that turns out to be inaccurate and resulted in the Award having been granted a higher number of shares than would otherwise have been the case.

For three years after any PSP award vests, the Committee may decide that the individual is subject to clawback if:

- there has been is a material misstatement of results that resulted in an award being paid at too high a level;
- there has been an error in assessing any performance condition or there was inaccurate or misleading information or assumptions that resulted in the Award vesting at a higher level than otherwise would have been the case; and
- there has been gross misconduct on the part of the individual.

Legacy arrangements

In approving this Remuneration Policy, authority will be given to the Company to honour any commitments entered into with current or former Executive Directors prior to the adoption of the previous Remuneration Policy in 2014. Details of any payments made to former Executive Directors pursuant to any such commitments 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, motivate and retain high performing individuals. Within this framework, there are differences for a range of reasons, including global location, culture, best practice, employment regulation and the local employment market conditions.

- 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 Remuneration 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 the Group retains 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 financial year.
- All employee share schemes – in the UK the Company operates SAYE and BAYE share schemes which are open to all eligible employees. Under the SAYE scheme 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 SuperGroup ordinary shares at a discount capped at up to 20% of the market price set at the launch of the scheme. The BAYE scheme gives employees the opportunity to buy shares up to the value of £1,800 per year using pre-tax earnings. For every ten shares purchased through this scheme the Company offers one free matching share.
- 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.

Directors' Remuneration Report.

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 Nick Wharton – 24 June 2015
Expiry date	Euan Sutherland, Julian Dunkerton, 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. The Group is 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	At the discretion of the Committee opportunity 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	At the discretion of the Committee opportunity to participate in the PSP, subject to our policy in relation to such a scheme and to the approval of the 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 are available for inspection at our registered office during normal hours of business and will also be available at our AGM.

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. Two Executive Directors currently hold Non-Executive Directorships: Euan Sutherland with Britvic plc and Nick Wharton with Mothercare plc. Retention of any annual fees received by the Executive Director is at the discretion of the Committee.

Annual fees retained by Euan Sutherland and Nick Wharton are £55,000 and £50,000 respectively.

Discretions retained by the Committee

The Committee will operate the annual bonus plan and PSP according to their respective rules (or relevant documents), in line with the applicable approved Remuneration Policy and in accordance with the Listing Rules where relevant. The 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; within policy limits the determination of vesting; the discretion that may be 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 one cycle to the next.

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.

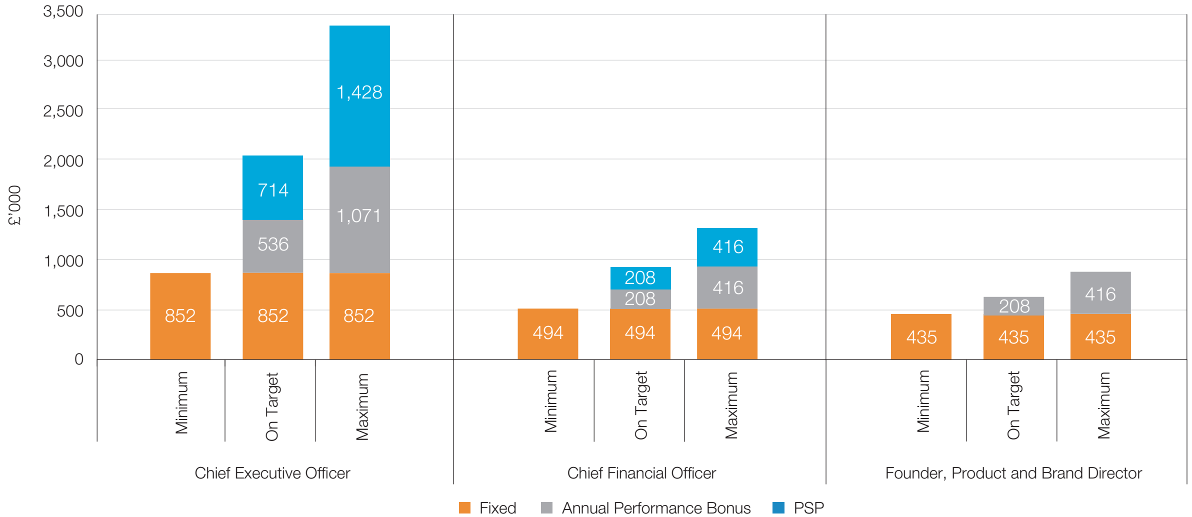
In relation to both our PSP and annual bonus plan, the Committee retains the ability to adjust the targets and/or set different measures if events occur (e.g. material acquisition and/or divestment of a Group business) which cause it to determine that the conditions are no longer appropriate and that an adjustment is required so that the conditions achieve their original purpose and are not materially more or 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 Committee may exercise discretion if required to adjust EPS to reflect what it considers to be a fairer outcome for shareholders and participants.

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 SAYE and BAYE share schemes will be as permitted under HM Revenue & Customs' rules and the Listing Rules. Details of shares or interests in shares 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 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 2017;
- estimated value of benefits and pension;
- on-target bonus taken to be 50% of the maximum potential (maximum is 150% of salary for the Chief Executive Officer, 100% of salary for other Executive Directors);
- on-target PSP award (excluding Julian Dunkerton) is taken to be 50% of the maximum potential (maximum potential is 200% of salary for Chief Executive Officer and 100% of salary for Chief Financial Officer); and
- no share price appreciation.

Directors' Remuneration Report.

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 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 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).

Pension and other benefits will be offered in line with local market practices dependent on where an Executive Director is located.

In addition, the 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 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 and to not paying more than is necessary in the circumstances of 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 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 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 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 line with the treatment of other employees.

In addition, as is consistent with market practice, we may pay a contribution towards an Executive Director's legal fees for entering into a settlement 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 Committee has oversight of the main compensation structures throughout the Group and actively considers the relationship between general changes to employee remuneration and to Executive Director remuneration. When considering changes to Executive Director remuneration, the Committee is provided with relevant comparative employee information (for example, average salary review) across the Group.

The Committee does not consider it appropriate to consult directly with employees when formulating Executive Director reward policy. However, it does take into account employee feedback on remuneration provided by the Group HR Director.

Consideration of shareholder views

The members of the 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	Fees
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 and 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 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. Non-Executive Directors do not receive any other benefits other than reasonable expenses. Travel and other appropriate expenses (including fees incurred in obtaining professional advice in the furtherance of their duties) incurred in the course of performing their duties are reimbursed to Non-Executive Directors along with any associated taxes. Non-Executive Directors are covered by the Directors' and Officers' insurance and indemnification.
Maximum opportunity	As is the case for the Executive Directors, there is no prescribed maximum fee or maximum fee increase. The aggregate fees payable to all Non-Executives combined are capped as set out in the Group's Articles of Association.
Performance measures	No performance measures apply. Fees are set at an appropriate level to attract and retain high calibre Non-Executive Directors.
Changes to the Remuneration Policy	Annual review of Non-Executive Director fees.

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 (subject to election at the Company's AGM) and then continue to serve subject to annual re-election at the Company's AGM. 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
Peter Bamford	29 January 2010
Keith Edelman	4 February 2010
Penny Hughes	1 April 2015
Beatrice Lafon†	14 September 2016
Minnow Powell	1 December 2012
Steve Sunnucks†	1 March 2016

† Not standing for election or re-election, respectively, at the AGM.

All Non-Executive Director letters of appointment are available for inspection at our registered office during normal hours of business and will also be available at our AGM.

Directors' Remuneration Report.

Part 3: Annual Report on Remuneration

The following part of the Directors' Remuneration Report, together with the Remuneration Committee Chairman's Annual Statement, will be subject to an advisory vote at the AGM and sets out how the Remuneration Policy will be implemented in financial year 2018, and how it was implemented in financial year 2017. 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 Financial Statements are identified as audited or unaudited as appropriate.

Implementation of the Remuneration Policy for Financial Year 2018:

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, growth and complexity and the salaries paid to other employees across the Group.

Annual salary increases for Executive Directors are in line with the wider UK head office employee group. The average annual increases across the Group was 2.45%. Current annual base salary levels are as follows:

		Salary Increase	**From 1 May 2017**	From 1 May 2016
Euan Sutherland	Chief Executive Officer	2%	**£714,000**	£700,000
Julian Dunkerton	Founder, Product & Brand Director	2%	**£416,160**	£408,000
Nick Wharton	Chief Financial Officer	2%	**£416,160**	£408,000

Benefits in kind and pension (unaudited)

Benefits will continue to include 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 (unaudited)

We will continue to operate an annual bonus plan for financial year 2018 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 financial year 2018 will be 150% of base salary for the Chief Executive Officer and 100% of base salary for other Executive Directors.

Long-term incentives (unaudited)

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 financial year 2018, the PSP grant for the Chief Executive Officer, Euan Sutherland will be 200% of salary and for the Chief Financial Officer, Nick Wharton, will be 100% of salary. Although Julian Dunkerton is eligible to participate in the PSP, the Committee believes his significant shareholding in the Company is sufficient to incentivise him and align interests with long-term Company performance at the current time.

Awards vest three years after grant subject to service and performance conditions. With effect from 2017 all future PSP awards will have a two-year, post vest, holding period applied.

Consistent with the financial year 2017 awards, performance for financial year 2018 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 at the 2020 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 100% vesting for EPS growth of 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 awards has been reviewed and will comprise companies listed in the following FTSE AllShare subsectors: Apparel Retailers, Broadline Retailers, Clothing and Accessories, Furnishings, and Home Improvement Retailers at the start of the TSR performance period.

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

Non-Executive Directors (audited)

The base fee for Non-Executive Directors (excluding the Chairman) has remained constant since 2010 and the fee awarded to the Senior Independent Director and Committee Chairs has not increased since 2013. A full review of Non-Executive Director fees including that of the Chairman has been undertaken this year. In light of the continued growth and success of SuperGroup and the results of that review the Non-Executive Directors' fees will be increased with effect from 1 May 2017.

The base fee has increased from £50,000 to £55,000 per annum, the Committee Chairman fee has increased from £10,000 to £12,500 and the fee payable to the Senior Independent Director has increased from £10,000 to £17,500 per annum. The Chairman's fee has increased from £190,000 to £200,000 per annum.

Annual fee levels for financial year 2018 are as follows:

Role	From 1 May 2017	From 1 May 2016
Chairman	**£200,000**	£190,000
Base fee	**£55,000**	£50,000
Senior Independent Director	**£17,500**	£10,000
Audit/Remuneration Committee Chair	**£12,500**	£10,000

Directors' remuneration (audited)

The detailed emoluments received by the Directors for the year ended 29 April 2017 are detailed below:

Director		Base salary/fees	Taxable benefits[1]	Pension contributions[2]	Annual bonus	Long-term incentives	Other payments	Total
Executive Directors								
Euan Sutherland	2017	700,000	37,986	105,000	1,008,840[9]	1,759,924[10]	–	3,611,750
	2016	675,000	40,250	101,250	860,625	–	–	1,677,125
Julian Dunkerton	2017	408,000	19,497	–	–	–	–	427,497
	2016	400,000	19,063	–	–	–	–	419,063
Nick Wharton[3]	2017	408,000	15,651	61,200	385,886[9]	–	–	870,737
	2016	341,111	13,116	51,167	289,944	–	–	695,338
Former Directors								
Susanne Given[4]	2016	116,667	6,410	8,750	–	1,212,469	204,166	1,548,462
James Holder[5]	2017	25,000	1,296	–	–	–	–	26,296
	2016	300,000	15,463	–	–	–	–	315,463
Non-Executive Directors								
Peter Bamford	2017	190,000	2,596	–	–	–	–	192,596
	2016	190,000	3,379	–	–	–	–	193,379
Keith Edelman	2017	70,000	1,817	–	–	–	–	71,817
	2016	70,000	1,715	–	–	–	–	71,715

Directors' Remuneration Report.

Non-Executive Directors (continued)		Base salary/fees	Taxable benefits[1]	Pension contributions[2]	Annual bonus	Long-term incentives	Other payments	Total
Penny Hughes	2017	50,000	2,467	–	–	–	–	52,467
	2016	50,000	1,364	–	–	–	–	51,364
Beatrice Lafon[6]	2017	31,528	2,969	–	–	–	–	34,497
	2016	N/A	–	–	–	–	–	N/A
Minnow Powell	2017	60,000	2,255	–	–	–	–	62,255
	2016	60,000	2,388	–	–	–	–	62,388
Steve Sunnucks	2017	50,000	1,609	–	–	–	–	51,609
	2016	8,333[7]	346	–	–	–	–	8,679
Ken McCall[8]	2017	10,081	–	–	–	–	–	10,081
	2016	50,000	2,075	–	–	–	–	52,075

1. Benefits for 2017 comprised a car allowance, medical insurance and taxable expenses for all Executive Directors. For Non-Executive Directors certain expenses relating to the performance of a Non-Executive Director's duties in carrying out activities, such as travel to and from Company meetings, are classified as taxable benefits by HMRC. In such cases, the Company will ensure that the Non-Executive Director is not out of pocket by settling the related tax via the PAYE Settlement Agreement. 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. Euan Sutherland and Nick Wharton received a Company contribution of 15% of base salary in the form of either pension contribution or cash allowance.
3. Nick Wharton was appointed on 24 June 2015. The table above shows his 2016 remuneration as an Executive Director. Prior to commencing employment with the Group Nick Wharton was remunerated as a consultant. In the period 27 April 2015 to 23 June 2015 he received £178,277 for his services as a consultant.
4. Susanne Given resigned on 31 August 2015.
5. James Holder resigned on 1 June 2016.
6. Beatrice Lafon was appointed on 14 September 2016 and is not standing for election at the AGM.
7. Steve Sunnucks was appointed on 1 March 2016 and is not standing for re-election at the AGM.
8. Ken McCall resigned on 13 July 2016.
9. The 2017 annual bonus will be paid in financial year 2018.
10. For the purposes of the single figure, the 2014 PSP will vest at 58.2% and the value included in the table has been calculated by multiplying the number of shares in respect of which the 2014 PSP will vest by the average share price (£15.08) over the last quarter of the financial period ended 29 April 2017.

Annual bonus for the year ended 29 April 2017 (audited)

For financial year 2017 the maximum annual bonus opportunity was 150% of salary for the Chief Executive Officer and 100% of salary for the other Executive Directors. The performance against the targets was as follows:

		Start to earn	Full Payout	Actual	Bonus Award
Profit-related targets	70% of Executive Directors' bonus opportunity	Threshold £78.5m	Maximum £87.5m	£87m	94.4% awarded under this element
Shared business target	15% of Executive Directors' bonus opportunity	Operationalise two new distribution centres in USA & mainland Europe			Full payment under this element
Personal/strategic targets	15% of Executive Directors' bonus opportunity			Euan Sutherland Nick Wharton	100% 90%

Annual bonus for the year ended 30 April 2016 (audited)

The Company committed to disclosure of the profit related target and shared business target for financial year 2016 in the 2017 Annual Report. The profit related target for financial year 2016, against which full payment was awarded, was in the range of £62.5m (threshold/start to earn) and £72.5m (Maximum). The shared business target related to the reduction of US losses in the Group in the range of £2.8m (threshold/start to earn) and £1.35m (maximum). No award was made under the shared business target element.

Performance share plan (audited)

The PSP awards granted on 14 August 2014 were based on a three-year performance period ended 29 April 2017. 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 9.5% in excess of RPI, increasing on a straight-line basis to 100% of this part vesting for EPS growth of at least 14.5% per annum in excess of RPI.	9.5% in excess of RPI	14.5% in excess of RPI	12.3% in excess of RPI	46.9% (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	Between median and upper quartile	11.3% (max. 30%)
					58.2%

In both the current and prior year, the Committee has excluded re-measurements and exceptional items from both the PSP and the annual bonus plan. It has also excluded the performance of the Group's development operations in North America and China in determining the PSP for both the current and prior year on the basis that the targets, set in 2013 and 2014, excluded these operations.

In addition to the award of shares in line with the percentage set out in above table the awards to participants in the 2014 PSP were adjusted by additional share awards equivalent to the value of dividends paid on the underlying shares awarded (at £0.51 per share) in the time between the date of grant and date of vesting of the award.

Payments to past Directors (audited)

Susanne Given stepped down from the Board as Chief Operating Officer on 12 February 2015 and ceased employment on 31 August 2015. In respect of the 2013 PSP award, 20,852 shares were awarded in the period with a value of £227,983. The 2014 PSP award (11,415 pro-rated shares under award) will vest at 58.2% in August 2017, with an estimated value of £103,580.

Scheme interests awarded during the year (audited)

PSP awards granted in the year

On 15 August 2016, PSP awards were granted to the Executive Directors as follows:

Executive	Number of PSP awards	Basis	Face value[1]	Performance condition	Performance period
Euan Sutherland	88,518	200% of base salary	1,400,000	Vesting will be determined by EPS and TSR over the performance period as described below	Three financial years ending 2018/2019
Nick Wharton	25,797	100% of base salary	408,000		

PSP awards are structured as conditional awards.

1. Based on a share price of £15.816 which was the ten-day weighted average share price.

Directors' Remuneration Report.

The performance condition for these awards is set out below:

Performance condition [1]	% of award subject to condition	Targets	% of PSP award which will vest
Average annual earnings per share (EPS) growth[2]	70%	Average annual EPS growth of 8%	25%
		Average annual EPS growth of 12%	100%
		Between 8% and 12% average annual EPS growth	Straight-line between 25% and 100%
Total Shareholder Return (TSR) against comparator group of companies[3]	30%	Median	25%
		Upper quartile	100%
		Between median and upper quartile	Straight-line between 25% and 100%

1. In relation to the PSP awards made in 2016 we removed the requirement for EPS growth to be above RPI increases as it was felt that RPI (which is specific to the UK) was no longer a relevant factor given the global nature of the Company's business.
2. 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.
3. 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.

Directors' interests in share awards (audited)

The table 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 30 April 2016	Granted during 2016	Exercised during the period	Lapsed during the period	**At 29 April 2017**	Date of award	Performance period	Normal vesting date	Share price on date of grant
Euan Sutherland	PSP	193,965	–	–	–	**193,965**	22/10/2014	3 financial years ending 2016/2017	22/10/2017	10.44
	PSP	91,358	–	–	–	**91,358**	14/08/2015	3 financial years ending 2017/2018	14/08/2018	14.77
	PSP	–	88,518	–	–	**88,518**	15/08/2016	3 financial years ending 2018/2019	15/08/2019	15.81
		285,323	88,518	–	–	**373,841**				
Nick Wharton	PSP	54,138	–	–	–	**54,138**	14/08/2015	3 financial years ending 2017/2018	14/08/2018	14.77
	PSP	–	25,797	–	–	**25,797**	15/08/2016	3 financial years ending 2018/2019	15/08/2019	15.81
		54,138	25,797	–	–	**79,935**				

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 (audited)

The beneficial and non-beneficial interests of the Directors in the share capital of SuperGroup Plc at 29 April 2017 are set out below:

	Interests in ordinary shares			Interests in shares				
Director	29 April 2017	30 April 2016	Shareholding guideline achieved	PSP	Deferred Shares	SAYE	BAYE	Total
Executive Directors								
Euan Sutherland	**11,613**	11,613	No	373,841	11,712[1]	1,648	95[2]	398,909
Julian Dunkerton	**21,696,788**	22,088,944	Yes	–	–	–	–	21,696,788
Nick Wharton	**5,000**	5,000	No	79,935	–	1,648	–	86,583
Non-Executive Directors								
Peter Bamford	**6,000**	6,000	–	–	–	–	–	6,000
Keith Edelman	**4,000**	4,000	–	–	–	–	–	4,000
Penny Hughes	**–**	–	–	–	–	–	–	–
Beatrice Lafon[3]	**–**	–	–	–	–	–	–	–
Minnow Powell	**1,496**	1,496	–	–	–	–	–	1,496
Steve Sunnucks[3]	**–**	–	–	–	–	–	–	–

1. Shares awarded under 2016 Annual Bonus Plan (deferred for three years).
2. 87 partnership shares and 8 Company matching shares.
3. Beatrice Lafon and Steve Sunnucks are not standing for election or re-election, respectively, at the AGM.

In the period between 29 April 2017 and 6 July 2017 there has been no changes in the Directors' interests above other than 21 shares purchased under the BAYE share scheme (19 partnership shares and 2 Company matching shares) on behalf of Euan Sutherland.

The following sections of the Annual Report and Financial Statements 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.

	2017 £m	2016 £m	Change
Employee remuneration costs (£m)	**106.5**	83.8	27.1%
Dividends (£m)	**36.5**	5.0	630%

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.

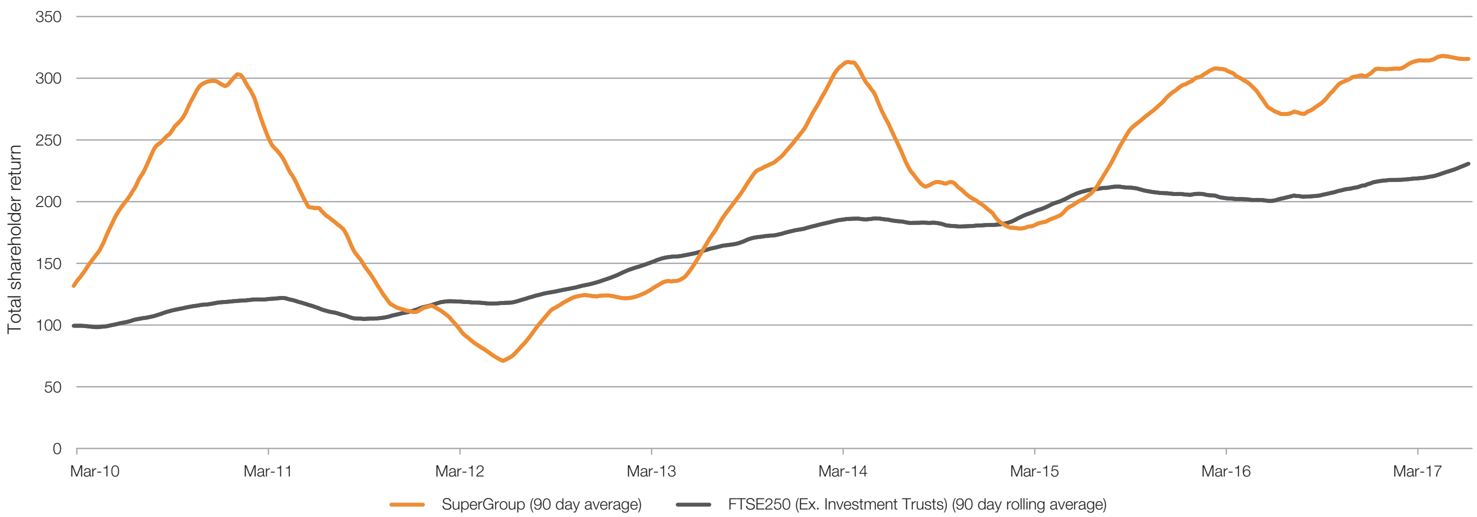
Element of remuneration		% change
Salary	Chief Executive Officer	2%
	Employees	2.45%
Taxable benefits	Chief Executive Officer	nil
	Employees	nil
Annual bonus	Chief Executive Officer	17.2%
	Employees	n/a[1]

[1]Bonus payments are only made to a small group of senior leaders and Wholesale sales roles.

Directors' Remuneration Report.

Performance graph (unaudited)

The graph below shows the total cumulative shareholder return for the Group compared with the TSR of the FTSE 250 (excluding Investment Trusts) over the period from the initial public offer to 29 April 2017. 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 below sets out the Chief Executive Officer's single figure over the past seven years.

Single figure table (audited)

Year ended	Chief Executive Officer	Total remuneration	Annual bonus (% of max)	Long-term incentives (% of max)
2017	Euan Sutherland	£3,611,750	96.1%	58.2%
2016	Euan Sutherland	£1,677,125	85.0%	n/a
2015	Euan Sutherland[1]	£602,862	33.3%[2]	n/a
2015	Julian Dunkerton[1]	£419,180	–	n/a
2014	Julian Dunkerton	£419,412	–	n/a
2013	Julian Dunkerton	£419,406	–	n/a
2012	Julian Dunkerton	£419,463	–	n/a
2011	Julian Dunkerton	£418,745	–	n/a

1. Euan Sutherland was appointed as Group Chief Executive Officer on 22 October 2014. At the same time, Julian Dunkerton, previously Chief Executive Officer, switched to the newly created role of Founder, Product and Brand Director.
2. Annual bonus is the proportion awarded of the maximum bonus opportunity.

Advisers to the Committee

During 2017 the Committee conducted a market review of remuneration advisers and invited a small number of advisers to tender. The Committee appointed Kepler, a brand of Mercer, as remuneration adviser with effect from October 2016. During the first half of the year the Committee received advice from New Bridge Street (“***NBS***” — part of AON plc) on senior executive remuneration and employee share schemes. Neither NBS, AON plc, Kepler nor Mercer provided other services to the Company during the year. NBS and Kepler are members of the Remuneration Consultants Group and comply with its code of conduct.

For the year under review NBS’s total fees charged were £20,000. Kepler’s fees for ongoing support to the Committee were £29,590. In addition fees of £68,430 were paid to Kepler in relation to advice provided to the Remuneration Committee about potential incentive structures to support the Group’s growth strategy. The Committee is comfortable that the advice given by NBS and Kepler has been and remains objective and independent. Macfarlanes LLP also provided legal advice to the Committee during the year.

Dilution

In accordance with current guidance for employee share schemes (issued formerly by the ABI and assumed by The Investment Association in 2014), the Committee applies a limit on the amount of shares which can be issued to satisfy employee share plan awards of 10% of issued share capital in any rolling ten-year period. Of this 10%, only half can be issued to satisfy awards under the discretionary arrangements.

Statement of shareholder voting

At last year’s AGM the Directors’ Remuneration Report received the following votes from shareholders:

	For	Against	Votes cast	Votes withheld
Directors’ Remuneration Report (excluding the Directors’ Remuneration Policy)				
Total number of votes	69,397,075	811,290	70,208,365	71,940
% of votes cast	98.84	1.16	86.33	

Keith Edelman
Remuneration Committee Chairman
6 July 2017

Directors' Report.

We present the Directors' Report together with the Group's audited Financial Statements for financial year 2017. The Corporate Governance Report set out on pages 56 to 64 forms part of this Directors' Report. We are UK domiciled but have a number of overseas subsidiaries as well as branches in Austria, Italy, Portugal and Switzerland.

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 57 to 59 for full details of the Directors.

Results and dividends

Our Financial Statements for financial year 2017 are set out on pages 104 to 150, which should be read in conjunction with Our Performance on pages 36 to 44.

An interim ordinary dividend of 7.8p per share was paid on 27 January 2017.

The Directors have proposed a final ordinary dividend of 20.2p per ordinary share being payable on 22 September 2017 to all shareholders on the register at the close of business on 14 July 2017, giving a total ordinary dividend in respect of financial year 2017 of 28.0p.

Post balance sheet events

There have been no post balance sheet events that either require adjustment to the Financial Statements or are important in the understanding of our current financial position.

Approach to tax

Our approach to tax matters is to comply fully with all relevant tax laws and regulations in operation in all countries in which we are present, whilst 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 the markets in which we operate, and we seek to comply in a responsible manner.

We aim to apply a consistent and transparent tax policy across our business. We will act proactively to improve our tax risk decision making. Our tax policy, which is reviewed by the Audit Committee and recommended for Board approval each year, does not look to achieve a tax advantage and is risk averse.

We operate in a growing number of countries, which leads to increasing complexity in our tax affairs particularly as large companies are increasingly subject to greater scrutiny. We aim to manage our tax affairs in a manner supportive of business operations, such that the tax consequences match the economic and commercial consequences of those operations. Naturally, we wish to ensure that profits are not taxed twice by different jurisdictions and transactions between subsidiary and associated companies are conducted on an arm's length basis and in line with our transfer pricing agreements.

Where a tax rule, regulation or incentive permitted by local law exists that may result in a tax adjustment, for example using losses incurred in prior years, we will use that rule, regulation or incentive to support the business.

Our internal tax manager is supported by 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. As the Group is enjoying growth in the USA and given the complex tax regime in operation there, we have appointed a financial accountant with relevant USA tax experience to ensure the Group meets its compliance obligations. Grant Thornton continue as our primary tax adviser.

Details of UK taxes paid during the period are detailed on page 126.

Tax governance

Our documented tax strategy is determined by the Board 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 have a presence in some countries with lower tax rates than the UK and in a number of countries with much higher rates. All territories are chosen for their strategic importance to the growth of the business rather than their tax regimes and we aim to pay appropriate taxes in all countries where we have a presence.

Related party transactions

Other than in respect of arrangements set out in note 20 to the Financial Statements and in relation to the employment of Directors, details of which are provided in the Directors' Remuneration Report on pages 72 to 91, 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 20 to the Financial Statements.

Share capital, control and restriction on voting rights

Details of our issued share capital, together with details of movements in our share capital during the year, are shown in note 32 to the Financial Statements on page 149 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 29 April 2017, we had 81,358,746 ordinary shares of 5 pence each in nominal value in issue.

There are no restrictions on the transfer of ordinary shares in the Company other than:

- certain restrictions which may from time to time be imposed by laws and regulations (for example, insider trading laws); and
- pursuant to the Listing Rules of the Financial Conduct Authority and SuperGroup's share dealing code whereby certain employees of the Group require the approval of the Company to deal in its ordinary shares.

We are not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

The rules relating to the appointment and replacement of Directors are contained in our Articles of Association. Specific rules regarding the election and re-election of Directors are referred to in the Corporate Governance Report on pages 56 to 64. 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.

Share buy-backs

In order to maintain maximum flexibility the Company proposes to renew the authority granted by shareholders at the AGM in 2016 to repurchase up to 10% of its issued share capital. During financial year 2017, we did not purchase any of our own shares. Further details are set out in the notice of the AGM.

Share schemes

We have four types of share scheme: PSP, SAYE, BAYE and a company share option plan (currently not active). All shares allotted under these share schemes have the same rights as those already issued.

Under the rules of the BAYE share scheme eligible colleagues are entitled to acquire shares in the Company. These shares are held in trust for participants by Computershare Trustees Limited (the "***Trustees***"). Voting rights are exercised by the Trustees on receipt of participants' instructions. If a participant does not submit an instruction to the Trustees no vote is registered. In addition the Trustees do not vote on any unawarded shares held under the BAYE share scheme as surplus assets. The Trustees have also elected to waive dividends on any unawarded shares held under trust relating to dividends payable during the year. As at 29 April 2017 the Trustees held two unawarded shares in trust.

The SuperGroup Employee Benefit Trust ("***Trust***") has also waived all dividends payable by the Company in respect of the ordinary shares held by it. As at 29 April 2017 no shares were held by the Trust.

Directors' interests

The interests of the Directors in the ordinary shares of the Company are shown in the Directors' Remuneration Report on page 89.

No Director has any other interest in any shares or loan stock of any Group company or was or is materially interested in any contract, other than his service contract, which was subsisting during or existing at the year-end and which was significant in relation to the Group's business.

UK Corporate Governance Code

Our statement on corporate governance and compliance with the Code can be found in the Corporate Governance Report on pages 56 to 64 and is incorporated into the Directors' Report 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 www.supergroup.co.uk.

At the AGM in 2016, shareholders approved resolutions authorising the Company to:

- allot shares up to an aggregate nominal value of £1,353,955 (representing one-third of our issued share capital as at 29 July 2016);
- approve the disapplication of pre-emption rights for cash issues of shares in respect of ordinary shares with a nominal value of £203,093 (representing approximately 5% of our issued share capital as at 29 July 2016); and
- approve an additional authority following changes in The Pre-Emption Group's Statement of Principles which provided that an allotment of up to an additional 5% of our issued share capital may also be made on a non pre-emptive basis if that allotment was used only for the purposes of financing a transaction which the Board determined to be an acquisition or other capital investment (within the meaning of The Pre-Emption Group's Statement of Principles).

Resolutions will be proposed at this year's AGM to renew these authorities. Further details are set out in the notice of the AGM.

Other relevant disclosure requirements from the Takeover Directive are included 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.

Directors' Report.

Financial risk management

Please refer to note 31 to the Financial Statements.

Legal and regulatory compliance

The legal function 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 financial year we have continued to support the Group in its arrangements with customers, franchisees, distributors, agents, joint venture partners and suppliers to ensure that appropriate contracts are in place. We have carried out colleague training on anti-bribery and competition law, and we have undertaken work in preparation for the implementation of the General Data Protection Regulation in May 2018.

We continue to strengthen our in-house intellectual property (IP) team. The team is responsible for the strategic management of our global trade mark and brand portfolio and the enforcement of our IP rights. It works closely with our designers to help mitigate risk. The last 12 months have seen the business make new trade mark and design filings to support our expansion into new products and markets, adopt a robust, rational and cost-effective approach to the enforcement of our IP rights, and mitigate the risk of any significant IP litigation.

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 activities taken to support our strategy, and the Audit Committee monitors progress against set compliance targets.

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 our colleagues to work, both those employed by us and by our key business partners, and customers to shop. Policies applicable to colleagues are reviewed on an ongoing basis to ensure that the approach to training, risk assessments, safe systems of working and accident management are appropriate. An ongoing audit programme assesses health and safety, environmental and security risks and ensures robust control measures are in place to limit these risks.

For further information, please refer to the Strategic Report on page 32.

Greenhouse gas emissions

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

The Sustainability Report contains a table detailing our global greenhouse gas (carbon) emissions on page 34 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.

Simon Callander
Company Secretary
6 July 2017

Statement of Directors' Responsibilities

in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial 52-week period. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards ("***IFRSs***") as adopted by the European Union and Company financial statements in accordance with 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 Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company 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.

The Directors are also responsible for safeguarding the assets of the Group and Company 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 Group and Company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 57 to 59, confirms that to the best of their knowledge:

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

Euan Sutherland
Chief Executive Officer
6 July 2017

Nick Wharton
Chief Financial 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 29 April 2017 and of the Group's profit and the Group's and the Company's cash flows for the 52 week period (the "period") 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
- the financial statements 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

The financial statements, included within the Annual Report, comprise:

- the Group and Company balance sheets as at 29 April 2017;
- the Group statement of comprehensive income for the period then ended;
- the Group and Company cash flow statements for the period then ended;
- the Group and Company statements of changes in equity for the period 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 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, and applicable law.

Independent Auditors' Report.

to the members of SuperGroup Plc

Our audit approach

Overview

- Overall Group materiality: £4.4 million which represents 5% of underlying profit before income tax.

- We conducted an audit of the complete financial information of four reporting units: DKH Retail Limited, C-Retail Limited, SuperGroup Internet Limited and SuperGroup Plc due to their size and risk characteristics.
- In addition, we conducted the full scope audits of four reporting units located in Germany, Belgium, Ireland and the US such that the audit work was complete prior to finalisation of the Group financial statements.

- Inventory, accounts receivable, revenue returns and property provisions
- Recognition of deferred tax assets

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
Inventory, accounts receivable, revenue returns and property provisions Refer to the Audit Committee Report on page 67, the critical accounting estimates and judgements in note 2 to the Group and Company financial statements on page 117, note 22 for inventory, note 23 for accounts receivable and note 27 for provisions. 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 historical rate of losses made. In addition, specific provisions are made for known product quality issues and product ranges which management consider are unlikely to be sold via regular clearance channels. This requires management judgement to assess the quality of the products provided for 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. Revenue returns provisions involve judgement in determining the expected amount of returns to be received subsequent to the year-end date. Property-related provisions involve judgement in determining the extent to which certain leases are considered to be onerous and the expected value of rectification costs to be incurred on leased properties when they are vacated.	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 historical evidence of selling inventory below cost and/or actual inventory write downs. 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 also tested bad debt write offs in the period and compared this amount to the provision held at year-end. We evaluated revenue returns provisions by testing the expected returns rate across the wholesale, retail and e-commerce channels and the gross margin amounts as applied to the provision. We also understood the rights of customers to return goods, tested the amount of returns received in the period and post year-end and then compared that to the return rate per the provision calculation. We evaluated the property-related provisions by testing management's assessment of the onerous elements of lease agreements and agreeing management's assumptions in relation to future property rectification costs to the spend incurred during the year. We also evaluated loss making stores where impairments and provisions were not in place to confirm that it was reasonable that no impairments or provisions had been recognised. We found that the provisions recorded were consistent with the evidence obtained.
Recognition of deferred tax assets Refer to the Audit Committee Report on page 67, the critical accounting estimates and judgements in note 2 to the Group and Company financial statements on page 117 and note 21 for deferred tax assets. Included within gross deferred tax assets of £31.6m are £10.2m in relation to tax losses in subsidiary entities. Deferred tax assets in relation to losses should only be recognised to the extent that the Group believe it more likely than not that there will be future taxable profits against which to utilise these losses. The Group's accounting policy is to recognise deferred tax assets to the extent that brought forward losses are expected to be utilised within five years per board approved forecasts. There is inherent estimation and judgement in assessing the extent to which deferred tax assets should be recognised.	We have audited management's calculation in respect of total historic tax losses and the recognised deferred tax assets for each location where tax losses have been incurred. We have agreed the tax rate used in the calculation to the statutory tax rate applicable at the expected time of crystallisation in the relevant tax jurisdiction. We have tested the integrity of the calculation to ensure that amounts are being accurately determined. We have agreed the future taxable profits forecast for the next 5 years as used in the calculation to the board approved forecast and have evaluated the accuracy of prior forecasts made by management. We found that the deferred tax asset in respect of tax losses was 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 its two segments, Retail and Wholesale as well as Central costs arising from its head office functions.

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

In addition, we conducted the full scope audits of four reporting units located in Germany, Belgium, Ireland and the US such that the audit work was complete prior to finalisation of the Group financial statements.

The audit work performed at these eight reporting units, together with additional procedures performed on centralised functions and at the group level, including audit procedures over the consolidation and intangible asset impairment testing, 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 on the individual financial statement line items and disclosures, and in evaluating 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	£4.4 million (2016: £3.6 million).
How we determined it	5% of underlying profit before income tax.
Rationale for benchmark applied	We believe that underlying profit before tax, provides a consistent year on year basis for determining materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.1 million (2016: £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 64, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the Directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. 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 and compliance with applicable requirements

Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Group, the Company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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.
• the statement given by the Directors on page 63, 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 position and 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.
• the section of the Annual Report on page 65, 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.

Independent Auditors' Report.

to the members of SuperGroup Plc

The Directors' assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:

• the Directors' confirmation on page 48 of the Annual Report, in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.	We have nothing material to add or to draw attention to.
• the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
• the Directors' explanation on page 55 of the Annual Report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

Under the Listing Rules we are required to review the Directors' statement that they have carried out a robust assessment of the principal risks facing the Group and the directors' statement in relation to the longer-term viability of the Group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

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 this responsibility.

Corporate governance statement

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to ten further provisions of the Code. We have nothing to report having performed our review.

Independent Auditors' Report.

to the members of SuperGroup Plc

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 set out on page 95, 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.

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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Mark Smith (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

6 July 2017

Financial Statements.

Group statement of comprehensive income for the 52 weeks ending 29 April 2017.

	Note	Underlying* 2017 £m	Re-measurements and exceptional items (note 6) £m	Total 2017 £m	Underlying* 2016 £m	Re-measurements and exceptional items (note 6) £m	Total 2016 £m
Revenue	4	752.0	–	752.0	597.5	–	597.5
Cost of sales		(299.0)	–	(299.0)	(229.7)	(2.5)	(232.2)
Gross profit		453.0	–	453.0	367.8	(2.5)	365.3
Selling, general and administrative expenses	5	(375.4)	–	(375.4)	(303.2)	(0.7)	(303.9)
Other gains and losses (net)	10	11.8	(2.2)	9.6	8.5	(13.8)	(5.3)
Operating profit	11	89.4	(2.2)	87.2	73.1	(17.0)	56.1
Finance income	12	0.2	–	0.2	–	–	–
Finance expense	12	–	–	–	(0.1)	–	(0.1)
Share of loss of joint venture	19	(2.6)	–	(2.6)	(0.6)	–	(0.6)
Profit before income tax	4	87.0	(2.2)	84.8	72.4	(17.0)	55.4
Income tax expense	13	(18.3)	(0.5)	(18.8)	(14.8)	0.7	(14.1)
Profit for the period		68.7	(2.7)	66.0	57.6	(16.3)	41.3
Attributable to:							
Owners of the Company		68.7	(2.7)	66.0	57.5	(16.3)	41.2
Non-controlling interests		–	–	–	0.1	–	0.1
		68.7	(2.7)	66.0	57.6	(16.3)	41.3
Other comprehensive income/(expense) net of tax:							
Items that may be subsequently reclassified to profit or loss							
Currency translation differences		5.0	–	5.0	3.5	–	3.5
Total comprehensive income/(expense) for the period		73.7	(2.7)	71.0	61.1	(16.3)	44.8
Attributable to:							
Owners of the Company		73.7	(2.7)	71.0	61.0	(16.3)	44.7
Non-controlling interests		–	–	–	0.1	–	0.1
		73.7	(2.7)	71.0	61.1	(16.3)	44.8
		pence per share		pence per share	pence per share		pence per share
Earnings per share:							
Basic	15	84.5		81.2	70.9		50.7
Diluted	15	84.0		80.7	70.7		50.6

*Underlying is defined in note 4.

2017 is for the 52 weeks ended 29 April 2017 and 2016 is for the 53 weeks ended 30 April 2016.

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 110 to 150 inclusive are an integral part of the Group and Company financial statements.

Strategic Report

Our Governance

Financial Statements

Financial Statements.

Balance sheets.

Company number: 07063562

	Note	Group 29 April 2017 £m	Group 30 April 2016 £m	Company 29 April 2017 £m	Company 30 April 2016 £m
ASSETS					
Non-current assets					
Property, plant and equipment	17	**121.3**	95.4	**14.6**	10.5
Intangible assets	18	**53.8**	51.5	**14.0**	12.8
Investments in subsidiaries	19	**–**	–	**452.6**	419.8
Investment in joint venture	19	**6.0**	3.0	**9.2**	3.0
Deferred income tax assets	21	**31.6**	28.9	**1.3**	1.2
Derivative financial instruments	31	**–**	0.1	**–**	–
Total non-current assets		**212.7**	178.9	**491.7**	447.3
Current assets					
Inventories	22	**157.2**	112.6	**1.7**	1.3
Trade and other receivables	23	**112.2**	80.4	**115.8**	104.3
Financial assets at fair value through profit or loss	31	**2.2**	0.7	**2.2**	0.7
Derivative financial instruments	31	**3.1**	0.7	**–**	–
Cash and cash equivalents	24	**65.4**	100.7	**1.2**	3.4
Total current assets		**340.1**	295.1	**120.9**	109.7
LIABILITIES					
Current liabilities					
Borrowings	25	**–**	–	**–**	28.8
Trade and other payables	26	**118.9**	90.2	**86.0**	17.0
Current income tax liabilities		**11.8**	10.4	**(0.7)**	–
Derivative financial instruments	31	**1.4**	3.3	**–**	–
Total current liabilities		**132.1**	103.9	**85.3**	45.8
Net current assets		**208.0**	191.2	**35.6**	63.9
Non-current liabilities					
Trade and other payables	26	**37.8**	30.8	**0.7**	0.2
Provisions for other liabilities and charges	27	**3.1**	3.1	**–**	–
Deferred income tax liabilities	21	**1.0**	0.8	**0.3**	–
Derivative financial instruments	31	**6.4**	–	**–**	–
Total non-current liabilities		**48.3**	34.7	**1.0**	0.2
Net assets		**372.4**	335.4	**526.3**	511.0
EQUITY					
Share capital	32	**4.1**	4.1	**4.1**	4.1
Share premium		**148.4**	148.3	**148.4**	148.3
Translation reserve		**(4.2)**	(9.2)	**–**	–
Merger reserve		**(302.5)**	(302.5)	**–**	–
Retained earnings		**526.6**	494.7	**373.8**	358.6
Equity attributable to the owners of the Company		**372.4**	335.4	**526.3**	511.0
Non-controlling interests		**–**	–	**–**	–
Total equity		**372.4**	335.4	**526.3**	511.0

The Group profit for the year includes a profit of £49.3m (2016: £139.5m) for the Company.

The notes on pages 110 to 150 inclusive are an integral part of the Group and Company financial statements.

The financial statements on pages 104 to 109 were approved by the Board of Directors on 6 July 2017 and signed on its behalf by:

Euan Sutherland
Chief Executive Officer

Nick Wharton
Chief Financial Officer

Financial Statements.

Cash flow statements for the 52 weeks ending 29 April 2017.

	Note	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Operating profit		**87.2**	56.1	**48.7**	137.6
Re-measurements and exceptional items	6	**2.2**	17.0	**–**	–
Underlying operating profit		**89.4**	73.1	**48.7**	137.6
Adjusted for:					
– Depreciation of property, plant and equipment	17	**29.1**	24.7	**2.9**	3.3
– Amortisation of intangible assets	18	**7.4**	7.1	**3.6**	2.7
– Loss on disposal of property, plant and equipment	17	**1.0**	1.0	**–**	–
– Other non-cash items		**(1.2)**	–	**–**	–
– Gain on fair value of financial assets	31	**(1.5)**	–	**(1.5)**	–
– Gain on sale of investments		**–**	(1.5)	**–**	(1.5)
– Release of lease incentives		**(7.9)**	(4.9)	**–**	–
– Employee share award schemes	8	**2.4**	2.2	**2.4**	2.2
Underlying operating cash flow before movements in working capital		**118.7**	101.7	**56.1**	144.3
Changes in working capital:					
– Increase in inventories		**(43.1)**	(7.2)	**(0.4)**	(1.3)
– Increase in trade and other receivables		**(29.0)**	(11.9)	**(12.2)**	(56.1)
– Increase/(decrease) in trade and other payables, and provisions		**35.4**	15.7	**9.8**	(60.5)
Cash generated from underlying operating activities		**82.0**	98.3	**53.3**	26.4
Interest received/(paid)		**0.2**	(0.6)	**1.1**	(0.1)
Tax (paid)/received		**(19.9)**	(18.9)	**–**	–
Net cash generated from underlying operating activities		**62.3**	78.8	**54.4**	26.3
Cash outflows in respect of exceptional items		**–**	–	**–**	–
Net cash generated from operations		**62.3**	78.8	**54.4**	26.3

Financial Statements.

	Note	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Cash flow from investing activities					
Payment of deferred consideration		(0.9)	–	(0.9)	–
Investments in subsidiaries	19	–	–	(32.8)	(39.9)
Investments in joint ventures	19	(5.6)	(3.6)	(5.6)	(3.6)
Purchase of property, plant and equipment		(48.7)	(44.2)	(6.2)	(10.9)
Purchase of intangible assets		(7.6)	(6.4)	(4.8)	(5.1)
Cash received from disposal of investments		–	1.5	–	1.5
Purchase of non-controlling interest		–	(1.7)	–	–
Maturity of other financial asset		–	10.0	–	10.0
Net cash used in investing activities		(62.8)	(44.4)	(50.3)	(48.0)
Cash flow from financing activities					
Dividend payments	16	(36.5)	(5.0)	(36.5)	(5.0)
Proceeds of issue of share capital		0.1	0.3	0.1	0.3
Short-term funding from subsidiary undertakings		–	–	60.0	–
Net cash (used in)/generated from financing activities		(36.4)	(4.7)	23.6	(4.7)
Net (decrease)/increase in cash and cash equivalents	30	(36.9)	29.7	27.7	(26.4)
Cash and cash equivalents, net of overdraft, at beginning of period	30	100.7	67.6	(25.4)	(0.3)
Exchange gains on cash and cash equivalents	30	1.6	3.4	(1.1)	1.3
Cash and cash equivalents, net of overdraft, at end of period	30	65.4	100.7	1.2	(25.4)

The notes on pages 110 to 150 inclusive are an integral part of the Group and Company financial statements.

Financial Statements.

Statements of changes in equity.

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 25 April 2015		**4.0**	**147.5**	**(12.7)**	**(302.5)**	**456.0**	**0.7**	**293.0**	**2.2**	**295.2**
Comprehensive income										
Profit for the period		–	–	–	–	41.2	–	41.2	0.1	41.3
Other comprehensive income										
Currency translation differences		–	–	3.5	–	–	–	3.5	–	3.5
Total other comprehensive income		**–**	**–**	**3.5**	**–**	**–**	**–**	**3.5**	**–**	**3.5**
Total comprehensive income for the period		**–**	**–**	**3.5**	**–**	**41.2**	**–**	**44.7**	**0.1**	**44.8**
Transactions with owners										
Employee share award schemes	8	–	0.3	–	–	2.2	–	2.5	–	2.5
Deferred tax – employee share award schemes	13	–	–	–	–	(0.5)	–	(0.5)	–	(0.5)
Purchase of non-controlling interest		–	–	–	–	0.8	(0.7)	0.1	(2.3)	(2.2)
Shares issued	32	0.1	0.5	–	–	–	–	0.6	–	0.6
Dividend payments	16	–	–	–	–	(5.0)	–	(5.0)	–	(5.0)
Total transactions with owners		0.1	0.8	–	–	(2.5)	(0.7)	(2.3)	(2.3)	(4.6)
Balance at 30 April 2016		**4.1**	**148.3**	**(9.2)**	**(302.5)**	**494.7**	**–**	**335.4**	**–**	**335.4**
Comprehensive income										
Profit for the period		–	–	–	–	66.0	–	66.0	–	66.0
Other comprehensive income										
Currency translation differences		–	–	5.0	–	–	–	5.0	–	5.0
Total other comprehensive income		**–**	**–**	**5.0**	**–**	**–**	**–**	**5.0**	**–**	**5.0**
Total comprehensive income for the period		**–**	**–**	**5.0**	**–**	**66.0**	**–**	**71.0**	**–**	**71.0**
Transactions with owners										
Employee share award schemes	8	–	–	–	–	2.4	–	2.4	–	2.4
Shares issued	32	–	0.1	–	–	–	–	0.1	–	0.1
Dividend payments	16	–	–	–	–	(36.5)	–	(36.5)	–	(36.5)
Total transactions with owners		**–**	**0.1**	**–**	**–**	**(34.1)**	**–**	**(34.0)**	**–**	**(34.0)**
Balance at 29 April 2017		**4.1**	**148.4**	**(4.2)**	**(302.5)**	**526.6**	**–**	**372.4**	**–**	**372.4**

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Company	Note	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
Balance at 25 April 2015		**4.0**	**147.5**	**222.4**	**373.9**
Comprehensive income					
Profit for the period		–	–	139.5	139.5
Total comprehensive income for the period		**–**	**–**	**139.5**	**139.5**
Transactions with owners					
Employee share award schemes	8	–	0.3	2.2	2.5
Deferred tax – employee share award schemes		–	–	(0.5)	(0.5)
Shares issued	32	0.1	0.5	–	0.6
Dividends paid	16	–	–	(5.0)	(5.0)
Total transactions with owners		**0.1**	**0.8**	**(3.3)**	**(2.4)**
Balance at 30 April 2016		**4.1**	**148.3**	**358.6**	**511.0**
Comprehensive income					
Profit for the period		–	–	49.3	49.3
Total comprehensive income for the period		**–**	**–**	**49.3**	**49.3**
Transactions with owners					
Employee share award schemes	8	–	–	2.4	2.4
Shares issued	32	–	0.1	–	0.1
Dividends paid	16	–	–	(36.5)	(36.5)
Total transactions with owners		**–**	**0.1**	**(34.1)**	**(34.0)**
Balance at 29 April 2017		**4.1**	**148.4**	**373.8**	**526.3**

The notes on pages 110 to 150 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, the Republic of Ireland, Belgium, France, India, Hong Kong, Germany, the Netherlands, Spain, Turkey, Scandinavia and the United States of America as detailed in note 19 (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 ("***2017***") is for the 52 weeks ended 29 April 2017 (2016: 53 weeks ended 30 April 2016 ("***2016***")).

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). These policies have been consistently applied to all periods presented unless otherwise stated.

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

Consolidated 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 period 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.

Under IFRS 11 'Joint Arrangements', investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

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

Intercompany transactions and balances are eliminated on consolidation.

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.

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.

1. Principal accounting policies (continued)

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.

Own store revenue

Own store revenue from the provision of sale of goods is recognised at the point of sale of a product to the customer. Own 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 and a full refund within 14 days. Provisions are made for own store returns based on the expected level of returns, which in turn is based upon the historical rate of returns.

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.

E-commerce 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 dispatch. Transactions are settled by credit card, payment card or PayPal. Provisions are made for E-commerce 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) 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.

Financial Statements.

Notes to the Group and Company Financial Statements.

1. Principal accounting policies (continued)

g) 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.

h) 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.

Cash contributions

Cash contributions from landlords are initially recognised as deferred income in the balance sheet at the point at which the recognition criteria in the lease are met. They are 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 the 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 the property access date to the end of the lease. Rent-free periods are not discounted.

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 the opening date.

i) 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. 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.

Financial Statements.

1. Principal accounting policies (continued)

j) 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 1z) is recognised as a movement in the merger reserve and retained earnings in addition to recognising a loss on the statement of comprehensive income.

k) 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 – 23 years

Trademarks 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 the 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 not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

l) Investments

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

Equity investments where the shareholding is less than 20% are accounted for as financial assets at fair value through the Group statement of comprehensive income. Gains and losses arising from changes in the fair value are recognised in the Group statement of comprehensive income within other gains and losses.

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has the assessed the nature of its joint arrangements and determined them to be joint ventures. Interests in joint ventures are accounted for using the equity method of accounting after initially being recognised at cost in the consolidated balance sheet.

Financial Statements.

Notes to the Group and Company Financial Statements.

1. Principal accounting policies (continued)

m) 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).

n) 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.

o) 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.

p) 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 uses 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.

q) 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/expense 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.

r) Provisions

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.

Financial Statements.

1. Principal accounting policies (continued)

s) Employee benefit obligations

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.

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 the year.

t) 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 estimate 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.

u) Trade and other payables

Trade and other payables, excluding lease incentives (see note 1h), are non-interest bearing and are initially recognised at their fair value which approximates book value.

v) 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.

w) 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 and not paid. Interim dividends are recognised in the period they are paid.

Financial Statements.

Notes to the Group and Company Financial Statements.

1. Principal accounting policies (continued)

x) 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.

y) Retained earnings

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

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

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).

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.

aa) 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 Committee.

ab) Cost of sales

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

ac) 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.

ad) Re-measurements

The fair value of unrealised financial derivatives is reviewed at the end of each reporting period and unrealised losses/gains are recognised as re-measurements within non-underlying items.

Financial Statements.

2. Critical accounting estimates and judgements in applying accounting policies

The preparation of the financial statements requires judgements, estimates and assumptions to be made that affect the reported value of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

a) Provisions [1,2]

Provisions held for dilapidations, bad and doubtful wholesale debts, onerous leases, product returns and the net realisable value of inventories are based on historical data patterns and judgements. These provisions are reviewed regularly and updated to reflect management's latest assessments.

b) Recognition of deferred tax assets for tax losses [1,2]

The future growth prospects of the US onshore business are based on estimates over a five year time frame. These growth estimates include a new store opening programme and the developments of the wholesale business in line with the Board approved Group long-term financial plan. The assumptions used in the growth model have the potential to change. The deferred tax asset recognised in the financial statements in respect of US tax losses is £5.5m. A 1% reduction in the EBIT growth assumptions would reduce the deferred tax asset recognised by £0.2m.

The utilisation of European subsidiaries' tax losses are based on estimates of performance over a five year time frame under the current transfer pricing framework. The forecasts are in line with the Board approved Group long-term financial plan. The assumptions used in the growth model have the potential to change. The deferred tax asset recognised in the financial statements in respect of European tax losses is £4.7m. A 1% reduction in the sales growth assumptions would have no impact on the deferred tax asset currently recognised.

c) Exceptional items [1]

Judgements are required as to whether items that are both material in size and unusual or infrequent in nature are disclosed as exceptional.

1. Critical judgements in applying the group's accounting policies
2. Critical accounting estimates and assumptions

3. New accounting pronouncements

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 9 'Financial Instruments', which is effective for periods beginning on or after 1 January 2018, IFRS 15 'Revenue from contracts with customers', which is effective for periods beginning on or after 1 January 2018, and IFRS 16 'Leases', which is effective for periods beginning on or after 1 January 2019. The Group has not early adopted any of these new standards or amendments to existing standards.

IFRS 9 'Financial Instruments' supersedes IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces a principles-based approach to the classification and measurement of financial instruments, a new impairment model to be applied and changes to hedge accounting. Upon initial assessment, management do not expect there to be a material effect on the financial statements.

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3. New accounting pronouncements (continued)

IFRS 15 'Revenue from contracts with customers' supersedes IAS 18 'Revenue'. The new standard provides a single model for revenue recognition based on when identified performance obligations are satisfied. The approach now focuses on the transfer of control rather than the transfer of risks and rewards. On initial assessment, management do not expect there to be a material effect on revenue recognition or measurement as revenue is recognised at the point of sale of a product for own store and concession revenue, and Wholesale and E-commerce revenue is recognised on either dispatch or delivery. This is currently consistent with the passing of control under IFRS 15. The standard will however require a balance sheet reclassification of the value of returned inventory, which forms part of the returns provision, from a reduction in other payables to a current asset account.

IFRS 16 'Leases' becomes effective for the accounting period ended 26 April 2020. This standard will bring operating leases onto the balance sheet. Management have performed an initial assessment of its impact, including sensitivity analysis, based on forecast operating leases at transition date and expect there to be a material adjustment to the Group retained earnings, lease liabilities and right of use assets. An associated finance charge and depreciation charge will replace the operating lease charge and as a result there is expected to be an impact on operating profit and on profit after tax in future periods.

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 interest, 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.

The revenue from external parties reported to the CODM 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.

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4. Segment information (continued)

Segmental information for the business segments of the Group for FY17 and FY16 is set out below:

	Retail 2017 £m	Wholesale 2017 £m	Central costs 2017 £m	Group 2017 £m
Total segment revenue	513.0	279.6	–	792.6
Less: inter-segment revenue	(10.5)	(30.1)	–	(40.6)
Revenue from external customers	502.5	249.5	–	752.0
Profit/(loss) before income tax	68.6	82.9	(66.7)	84.8

The following additional information is considered useful to the reader:

	Underlying* 2017 £m	Re-measurements £m	Exceptional costs £m	Reported 2017 £m
Revenue				
Retail	502.5	–	–	502.5
Wholesale	249.5	–	–	249.5
Total revenue	752.0	–	–	752.0
Operating profit				
Retail	68.9	(0.3)	–	68.6
Wholesale	84.8	(1.9)	–	82.9
Central costs	(64.3)	–	–	(64.3)
Total operating profit/(loss)	89.4	(2.2)	–	87.2
Net finance income – Central costs	0.2	–	–	0.2
Share of loss of investment – Central costs	(2.6)	–	–	(2.6)
Profit/(loss) before income tax				
Retail	68.9	(0.3)	–	68.6
Wholesale	84.8	(1.9)	–	82.9
Central costs	(66.7)	–	–	(66.7)
Total profit/(loss) before income tax	87.0	(2.2)	–	84.8

*Underlying is defined as reported results adjusted to reflect the impact of the (loss)/gain recognised on re-measurements (being the fair valuation of 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 6. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

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4. Segment information (continued)

	Retail 2016 £m	Wholesale 2016 £m	Central costs 2016 £m	Group 2016 £m
Total segment revenue	428.3	201.1	–	629.4
Less: inter-segment revenue	(5.6)	(26.3)	–	(31.9)
Revenue from external customers	422.7	174.8	–	597.5
Profit/(loss) before income tax	63.3	47.9	(55.8)	55.4

The following additional information is considered useful to the reader:

	Underlying* 2016 £m	Re-measurements £m	Exceptional costs £m	Reported 2016 £m
Revenue				
Retail	422.7	–	–	422.7
Wholesale	174.8	–	–	174.8
Total revenue	597.5	–	–	597.5
Operating profit				
Retail	68.4	(1.9)	(3.2)	63.3
Wholesale	59.8	(11.9)	–	47.9
Central costs	(55.1)	–	–	(55.1)
Total operating profit/(loss)	73.1	(13.8)	(3.2)	56.1
Net finance expense – Central costs	(0.1)	–	–	(0.1)
Share of loss of investment – Central costs	(0.6)	–	–	(0.6)
Profit/(loss) before income tax				
Retail	68.4	(1.9)	(3.2)	63.3
Wholesale	59.8	(11.9)	–	47.9
Central costs	(55.8)	–	–	(55.8)
Total profit/(loss) before income tax	72.4	(13.8)	(3.2)	55.4

*Underlying is defined as reported results adjusted to reflect the impact of the (loss)/gain recognised on re-measurements (being the fair valuation of 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 6. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

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
	2017 £m	2016 £m
External revenue – UK	**319.2**	312.9
External revenue – Europe	**332.9**	234.2
External revenue – Rest of world	**99.9**	50.4
Total external revenue	**752.0**	597.5

Included within external revenue overseas is revenue of £195.8m (2016: £116.5m) generated by overseas subsidiaries. The total of non-current assets, other than deferred income tax assets, located in the UK is £76.7m (2016: £74.2m), and the total of non-current assets located in other countries is £104.4m (2016: £76.4m).

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5. Selling, general and administrative expenses

	2017 £m	Group 2016 £m
Staff costs (note 7)	106.5	83.8
Operating lease payments	65.0	53.3
Depreciation and amortisation	36.5	31.8
Other (including rates, service charges and professional fees)	167.4	135.0
Total selling, general and administrative expenses	**375.4**	303.9

6. Re-measurements and exceptional items

Non-underlying adjustments constitute the fair value re-measurement of financial derivatives 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.

	2017 £m	Group 2016 £m
Re-measurements		
Unrealised loss on financial derivatives	(2.2)	(13.8)
Exceptional items		
Revision of fair values arising on USA business combination	–	(0.7)
Impact of IFRS3 (revised) on inventory acquired at date of acquisition	–	(2.5)
Exceptional items	–	(3.2)
Re-measurements and exceptional items	(2.2)	(17.0)
Taxation:		
Tax impact of non-underlying adjustments (note 13)	0.4	2.5
Deferred income tax – exceptional (note 13)	(0.9)	(1.8)
Total taxation	(0.5)	0.7
Total non-underlying adjustments	(2.7)	(16.3)

Re-measurements

Unrealised loss/gain on financial derivatives

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

Exceptional items

Buy-out of USA licence and business combination costs

The Group completed a business combination in the USA in FY15 including the acquisition of trade and assets of 15 Superdry branded stores.

In FY16 the consideration paid for assets acquired was lower than the assumed provisional fair value of those assets, resulting in a £1.0m gain. 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 reduce the overall gain from £1.0m to £0.3m in the comparative period.

The acquired inventory was valued at sale price less cost to sell, increasing the value of the inventory by £2.5m. The acquired inventory was sold in the comparative period.

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7. Employee benefit expense

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Wages and salaries	**92.7**	72.9	**19.2**	15.1
Social security costs	**9.9**	7.5	**1.7**	1.5
Share awards charge	**2.4**	2.2	**2.4**	2.0
Pension costs – defined contribution scheme	**1.5**	1.2	**0.6**	0.5
Total employee benefit expense	**106.5**	83.8	**23.9**	19.1

Details of the share based compensation plans are detailed under note 8.

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

	Group 2017 No.	Group 2016 No.	Company 2017 No.	Company 2016 No.
Administration	**614**	483	**203**	165
Warehouse	**23**	40	**20**	36
Retail	**2,506**	2,264	**10**	9
Total average headcount	**3,143**	2,787	**233**	210

Directors' remuneration is detailed in the Directors' Remuneration Report on pages 72 to 91.

Remuneration of key members of management, who are the Executive Directors, Group Retail Director, Multichannel & Business Development Director, Global Trading Director, Director of HR, Head of Merchandising and Business Transformation Director, recorded in the Group statement of comprehensive income, is as follows:

	Group 2017 £m	Group 2016 £m
Short-term employee benefits	**5.3**	4.9
Post-employment benefits	**0.3**	0.2
Share based payments	**1.5**	1.2
Total remuneration of key members of management	**7.1**	6.3

In addition, in the prior year a director received compensation for loss of office of £1.4m.

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8. 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
	2017 Number of shares	2016 Number of shares
At start of the period	**875,930**	1,104,545
Granted	**334,513**	400,943
Exercised	**(103,457)**	(160,089)
Forfeited	**(94,623)**	(134,207)
Cancelled	**–**	(335,262)
Total number of outstanding share awards at end of the period	**1,012,363**	875,930

None of the share awards were exercisable at the period end date (2016: nil).

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 2016	Share awards	301,619	3 years
February 2017	Share awards	32,894	3 years

The fair value of the shares awarded at the grant date during the year is £4.9m (2016: £5.8m). 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 £6.7m (2016: £6.2m).

A charge of £2.2m (2016: charge of £2.0m) 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. A charge of £0.1m (2016: charge of £0.2m) has been recorded in the Group statement of comprehensive income during the year.

Buy As You Earn

A Buy As You Earn scheme is operated by the Group which commenced in August 2016. In the year 3,080 shares have been purchased under the scheme. The charge to the income statement is highly immaterial and therefore has not been accounted for.

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Notes to the Group and Company Financial Statements.

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

Other schemes

Share options were issued in the year as part of bonus reward packages for certain members of senior management. These options are subject to leavers provisions and the exercise period is three years (in addition to the year to which the bonus relates). The share award has therefore been spread over four years. The charge to the Group statement of comprehensive income in FY17 for these awards is £0.1m (2016: £nil).

9. Auditors' remuneration

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

		Group
	2017 £'000	2016 £'000
Audit services		
Fees payable to the Company's Auditors for the audit of the Company and the consolidated financial statements	**197**	105
The audit of the Company's subsidiaries pursuant to legislation	**209**	325
Total audit fees payable to the Company's Auditors and its associates	**406**	430
Fees payable to the Company's Auditors and its associates for other services		
Audit-related assurance services – interim review/FRS 102	**40**	60
Tax compliance	**–**	45
All other services	**230**	331
Total fees payable to the Company's Auditors and its associates for other services	**270**	436
Audit fees payable to other audit firms for the audit of foreign subsidiaries	**93**	73
Total Auditors' remuneration	**769**	939

10. Other gains and losses (net)

		Group
	2017 £m	2016 £m
Unrealised fair value loss on foreign exchange forward contracts	**(2.2)**	(13.8)
Gain on disposal of investment in associate (note 19)	**–**	1.5
Fair value gain on financial assets (note 31)	**1.5**	–
Royalty income	**5.6**	3.9
Other income	**4.7**	3.1
Total other gains and losses	**9.6**	(5.3)

The unrealised fair value loss on foreign exchange forward contracts of £2.2m (2016: £13.8m loss) has been treated as a re-measurement, see note 6.

Royalty income is recognised on an accruals basis in accordance with the substance of the Wholesale royalty agreements. Other income in the current period primarily relates to compensation for loss of trade and a lease termination receipt. Other income in the prior period primarily relates to proceeds from legal claims.

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11. Operating profit

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

	Group 2017 £m	Group 2016 £m
Depreciation on property, plant and equipment – owned (note 17)	**29.1**	24.7
Loss on disposal of property, plant and equipment (note 17)	**1.0**	1.0
Amortisation of intangible assets (note 18)	**7.4**	7.1
Cost of inventories recognised as an expense	**286.5**	220.6
Impairment of inventories included in the above figure	**1.1**	3.3
Impairment of receivables (note 23)	**(0.2)**	0.2
Operating lease rentals for leasehold properties	**65.0**	53.7
Net foreign exchange (gains)/losses	**(3.3)**	5.1

12. Finance income and expense

	Group 2017 £m	Group 2016 £m
Bank interest	**0.2**	–
Total finance income	**0.2**	–
Other interest	**–**	0.1
Total finance expense	**–**	0.1

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13. Income tax expense

The income tax expense comprises:

	Group 2017 £m	Group 2016 £m
Current income tax		
– UK corporation tax charge for the period	19.6	14.9
– Adjustment in respect of prior periods	(0.1)	–
Overseas tax	1.8	0.9
Total current income tax	21.3	15.8
Deferred income tax		
– Origination and reversal of temporary differences	2.4	(0.2)
– Deferred tax assets recognised in respect of losses arising in current period	(3.0)	(2.3)
– Deferred tax assets recognised in respect of losses arising in prior periods	(3.1)	(1.0)
– Adjustment in respect of prior periods	0.3	–
Exceptional income tax expense	0.9	1.8
Total deferred income tax	(2.5)	(1.7)
Total income tax expense	18.8	14.1

The income tax expense on underlying profit is £18.3m (2016: £14.8m). The income tax credit on re-measured and exceptional items is £0.4m (2016: £2.5m credit) and the exceptional income tax charge is £0.9m (2016: £1.8m charge), so the net position being disclosed as a non-underlying tax charge in the period is £0.5m (2016: £0.7m credit). The exceptional tax charge of £0.9m is as a result of the change in the UK corporation tax rate from 18% to 17% and the subsequent impact on deferred tax assets/liabilities.

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

	Group 2017 £m	Group 2016 £m
Profit before income tax	84.8	55.4
Profit multiplied by the standard rate in the UK – 19.9% (2016: 20.0%)	16.9	11.1
Expenses not deductible for tax purposes	1.2	0.3
Non-deductible JV loss	0.5	0.1
Overseas tax differentials	(2.4)	(1.4)
Deferred tax assets not recognised in respect of losses arising in current period at local tax rate	4.6	3.1
Deferred tax assets recognised in respect of losses arising in prior periods at local tax rate	(3.1)	(1.0)
Adjustment in respect of prior periods	0.2	0.1
Total income tax expense excluding exceptional items	17.9	12.3
Exceptional income tax expense	0.9	1.8
Total income tax expense including exceptional items	18.8	14.1

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13. Income tax expense (continued)

The Group's income tax expense on underlying profit of £18.3m represents an effective tax rate of 21.0% for the period ended 29 April 2017. The Group's underlying effective tax rate of 21.0% is higher than the statutory rate of 19.9%, primarily due to depreciation and amortisation on non-qualifying assets, non-allowable expenses and the non-deductibility of JV loss in the period.

In addition to the above tax charged to the income statement, there is a tax charge to equity of £nil (2016: £0.5m) in respect of deferred tax relating to employee share schemes.

Net deferred income tax movement is as follows:

		Group
	2017 £m	2016 £m
Opening net deferred income tax asset	**(28.1)**	(26.9)
Charged/(credited) to the statement of comprehensive income		
– Accelerated capital allowances	**0.4**	(2.2)
– Movement on goodwill and intangibles	**3.1**	2.6
– Movement on goodwill and intangibles – change in corporation tax rate	**0.6**	1.4
– Recognition of tax losses	**(6.1)**	(3.3)
– Movement on lease incentives – timing differences	**–**	3.8
– Other temporary differences	**(0.2)**	(1.3)
– Revaluation of derivatives and forward exchange contracts	**(0.3)**	(2.7)
Employee share award scheme included in equity	**–**	0.5
Closing net deferred income tax asset (note 21)	**(30.6)**	(28.1)

The 17% rate for UK corporation tax (effective from 1 April 2020) was substantively enacted on 6 September 2016. Included within note 6 is an exceptional tax charge of £0.9m (2016: £1.8m charge), of which £0.6m (2016: £1.4m) relates to the impact of the tax rate change on goodwill and intangibles. The remainder of £0.3m tax charge (2016: £0.4m) is included within other movements such as accelerated capital allowances and temporary differences. In the medium term we anticipate that the substantial majority of the Group's earnings will be taxed in the UK.

14. Profit/(loss) attributable to SuperGroup Plc

The after tax profit for the 52 weeks ended 29 April 2017 for the Company was £49.3m (53 weeks ended 30 April 2016: profit of £139.5m). There was a credit to equity reserves of £2.4m (2016: £2.2m credit) in respect of employee share schemes, and a charge to equity reserves of £nil (2016: £0.5m) in respect of deferred tax. The Directors have approved the statement of comprehensive income for the Company. Retained earnings of the Company at 29 April 2017 were £373.8m (2016: £358.6m).

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Notes to the Group and Company Financial Statements.

15. Earnings per share

	2017 £m	Group 2016 £m
Earnings		
Profit for the period attributable to owners of the Company	66.0	41.2
	No.	No.
Number of shares at year end	81,358,746	81,235,727
Weighted average number of ordinary shares – basic	81,308,378	81,148,918
Effect of dilutive options and contingent shares	443,161	233,702
Weighted average number of ordinary shares – diluted	81,751,539	81,382,620
Basic earnings per share (pence)	81.2	50.7
Diluted earnings per share (pence)	80.7	50.6

Underlying basic earnings per share

	2017 £m	Group 2016 £m
Earnings		
Underlying profit for the period attributable to the owners of the Company	68.7	57.5
	No.	No.
Weighted average number of ordinary shares – basic	81,308,378	81,148,918
Weighted average number of ordinary shares – diluted	81,751,539	81,382,620
Underlying basic earnings per share (pence)	84.5	70.9
Underlying diluted earnings per share (pence)	84.0	70.7

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

16. Dividends

	2017 £m	2016 £m
Equity – ordinary shares		
Interim for the 52 weeks to 29 April 2017 – paid 7.8p per share (2016: 6.2p)	6.4	5.0
Final dividend for the 53 weeks to 30 April 2016 – paid 17.0p per share	13.8	–
Special dividend – paid 20.0p per share	16.3	–
Total dividends paid	36.5	5.0

In addition, the Directors are proposing a final dividend in respect of the financial period ended 29 April 2017 of 20.2p per share (2016: 17.0p) which will absorb an estimated £16.4m of shareholders' funds. In the prior period a special dividend of 20.0p per share was declared. The final dividend will be paid on 22 September 2017 to shareholders on the register at the close of business on 14 July 2017.

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17. 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 29 April 2017					
Cost					
At 1 May 2016	5.9	140.4	36.6	16.3	199.2
Exchange differences	(0.2)	4.1	0.8	0.1	4.8
Additions	1.8	35.6	12.6	3.3	53.3
Disposals	–	(4.4)	(1.3)	(0.4)	(6.1)
At 29 April 2017	7.5	175.7	48.7	19.3	251.2
Accumulated depreciation and impairments					
At 1 May 2016	0.1	70.8	18.7	14.2	103.8
Exchange differences	–	1.8	0.2	0.1	2.1
Depreciation charge	0.1	20.3	6.7	2.0	29.1
Disposals	–	(3.8)	(0.9)	(0.4)	(5.1)
At 29 April 2017	0.2	89.1	24.7	15.9	129.9
Net balance sheet amount at 29 April 2017	7.3	86.6	24.0	3.4	121.3

Group

	Land and buildings £m	Leasehold improvements £m	Furniture, fixtures and fittings £m	Computer equipment £m	Total £m
53 weeks ended 30 April 2016					
Cost					
At 26 April 2015	1.4	111.6	25.1	14.5	152.6
Exchange differences	–	2.8	0.4	0.1	3.3
Additions	4.5	28.6	11.5	2.2	46.8
Disposals	–	(2.6)	(0.4)	(0.5)	(3.5)
At 30 April 2016	5.9	140.4	36.6	16.3	199.2
Accumulated depreciation and impairments					
At 26 April 2015	–	55.2	13.8	11.3	80.3
Exchange differences	–	1.2	0.1	–	1.3
Depreciation charge	0.1	16.3	5.1	3.2	24.7
Disposals	–	(1.9)	(0.3)	(0.3)	(2.5)
At 30 April 2016	0.1	70.8	18.7	14.2	103.8
Net balance sheet amount at 30 April 2016	5.8	69.6	17.9	2.1	95.4

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Notes to the Group and Company Financial Statements.

17. Property, plant and equipment (continued)

Company

	Land and buildings £m	Leasehold improvements £m	Furniture, fixtures and fittings £m	Computer equipment £m	Total £m
52 weeks ended 29 April 2017					
Cost					
At 1 May 2016	3.8	4.5	1.6	11.0	20.9
Additions	–	4.6	1.1	1.5	7.2
Intercompany transfer	–	(0.2)	–	–	(0.2)
At 29 April 2017	3.8	8.9	2.7	12.5	27.9
Accumulated depreciation					
At 1 May 2016	–	0.4	0.3	9.7	10.4
Depreciation charge	–	0.7	0.3	1.9	2.9
At 29 April 2017	–	1.1	0.6	11.6	13.3
Net balance sheet amount at 29 April 2017	3.8	7.8	2.1	0.9	14.6

The land and buildings addition relates to land which is not depreciated.

Company

	Land and buildings £m	Leasehold improvements £m	Furniture, fixtures and fittings £m	Computer equipment £m	Total £m
53 weeks ended 30 April 2016					
Cost					
At 26 April 2015	–	0.5	–	9.3	9.8
Additions	3.8	4.0	1.6	1.7	11.1
At 30 April 2016	3.8	4.5	1.6	11.0	20.9
Accumulated depreciation					
At 26 April 2015	–	–	–	7.1	7.1
Depreciation charge	–	0.4	0.3	2.6	3.3
At 30 April 2016	–	0.4	0.3	9.7	10.4
Net balance sheet amount at 30 April 2016	3.8	4.1	1.3	1.3	10.5

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18. Intangible assets

	Trademarks £m	Website and software £m	Lease premiums £m	Distribution agreements £m	Goodwill £m	Group Total £m
52 weeks ended 29 April 2017						
Cost						
At 1 May 2016	3.1	20.3	15.0	15.7	18.8	72.9
Exchange differences	–	–	1.2	(0.5)	2.0	2.7
Additions	0.1	7.5	–	–	–	7.6
At 29 April 2017	3.2	27.8	16.2	15.2	20.8	83.2
Accumulated amortisation						
At 1 May 2016	1.4	6.3	4.7	9.0	–	21.4
Exchange differences	–	–	0.2	0.4	–	0.6
Amortisation charge	0.5	4.3	1.1	1.5	–	7.4
At 29 April 2017	1.9	10.6	6.0	10.9	–	29.4
Net balance sheet amount at 29 April 2017	1.3	17.2	10.2	4.3	20.8	53.8

	Trademarks £m	Website and software £m	Lease premiums £m	Distribution agreements £m	Goodwill £m	Group Total £m
53 weeks ended 30 April 2016						
Cost						
At 26 April 2015	3.0	14.4	15.2	15.5	18.0	66.1
Exchange differences	–	0.1	(0.7)	0.7	0.8	0.9
Additions	0.1	5.8	0.5	–	–	6.4
Fair value adjustment (note 33)	–	–	–	(0.5)	–	(0.5)
At 30 April 2016	3.1	20.3	15.0	15.7	18.8	72.9
Accumulated amortisation						
At 26 April 2015	1.1	3.4	3.6	5.9	–	14.0
Exchange differences	–	–	–	0.3	–	0.3
Amortisation charge	0.3	2.9	1.1	2.8	–	7.1
At 30 April 2016	1.4	6.3	4.7	9.0	–	21.4
Net balance sheet amount at 30 April 2016	1.7	14.0	10.3	6.7	18.8	51.5

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18. Intangible assets (continued)

			Company
	Trademarks £m	Website and software £m	Total £m
52 weeks ended 29 April 2017			
Cost			
At 1 May 2016	–	18.5	18.5
Additions	0.3	4.5	4.8
At 29 April 2017	0.3	23.0	23.3
Accumulated amortisation			
At 1 May 2016	–	5.7	5.7
Amortisation charge	–	3.6	3.6
At 29 April 2017	–	9.3	9.3
Net balance sheet amount at 29 April 2017	0.3	13.7	14.0

		Company
	Website and software £m	Total £m
53 weeks ended 30 April 2016		
Cost		
At 26 April 2015	13.4	13.4
Additions	5.1	5.1
At 30 April 2016	18.5	18.5
Accumulated amortisation		
At 26 April 2015	3.0	3.0
Amortisation charge	2.7	2.7
At 30 April 2016	5.7	5.7
Net balance sheet amount at 30 April 2016	12.8	12.8

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.

The recoverable amounts in 2017 were measured based on post-tax value in use (2016: 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.

18. 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 cash flows of the Retail and Wholesale CGUs are significant and are insensitive to any changes to potential changes to key assumptions.

19. Investments

		Company
	29 April 2017 £m	30 April 2016 £m
Investments at beginning of period – net book value	**419.8**	380.6
Additions in the period	**32.8**	39.9
Disposal	**–**	(0.3)
Reclassification of investment to financial assets	**–**	(0.4)
Investments at end of period – net book value	**452.6**	419.8

The total cost of investments is £452.6m (2016: £419.8m). An investment of £30.3m was made in SuperGroup USA Inc to fund further growth in the business. An investment of £2.5m was paid to SuperGroup France SARL to address a shortfall in reserves.

In the prior period an investment of £36.1m was made in SuperGroup Belgium Finance NV in order to fund the settlement of intercompany balances. An investment of £2.2m was also made to acquire the remaining 30% of shareholding of Superdry Germany GmbH. An investment of £0.9m was paid to Superdry Retail Sweden AB to address a shortfall in reserves. An investment of £0.7m was made in SuperGroup USA Inc.

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19. 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	2017 % shares
Basset BVBA[7,8]	Dissolved in the period	Belgium	100
C-Retail Limited[1]	Clothing retailer in UK	UK	100
DKH Retail Limited[1,4]	Worldwide wholesale distribution	UK	100
Fragrances 55 Limited[1]	Dormant	UK	100
Snow & Surf BVBA[7,8]	Dissolved in the period	Belgium	100
SuperGroup Belgium NV[1]	Holds the investment in SuperGroup Netherlands BV	Belgium	100
SuperGroup Belgium Finance NV[1]	Provides finance to the European Group	Belgium	100
SuperGroup Concessions Limited[1]	Clothing retailer in concessions	UK	100
SuperGroup Europe BVBA[6,7]	Clothing retailer in Belgium	Belgium	100
Superdry France SARL[1,6]	Clothing retailer in France	France	100
Superdry Germany GmbH[1,3]	Clothing retailer in Germany	Germany	100
SuperGroup France SARL[6]	Clothing retailer in France	France	100
SuperGroup India Private Limited[1]	Manages supplier relationships in India	India	100
SuperGroup International Limited[1]	Dormant	UK	100
SuperGroup Internet Limited[1]	Clothing retailer via the Internet	UK	100
SuperGroup Internet North America Limited[1,8]	Dissolved in the period	UK	100
SuperGroup Netherlands BV	Holds the investment in SuperGroup Europe BVBA	Netherlands	100
SuperGroup Netherlands Retail BV[5]	Clothing retailer in the Netherlands	Netherlands	100
SuperGroup Retail Spain S.L.U.[1,2,5]	Clothing retailer in Spain	Spain	100
SuperGroup Retail Ireland Limited[1]	Clothing retailer in the Republic of Ireland	ROI	100
SuperGroup Mumessillik Hizmet ve Ticaret Limited Sirketi[1]	Manages supplier relationships in Turkey	Turkey	100
Superdry Limited[1,5]	Dormant	UK	100
Superdry Hong Kong Limited[1,5]	Contracting of overseas personnel	Hong Kong	100
Superdry Sweden AB[1]	Clothing retailer in Sweden	Sweden	100
Superdry Norway A/S[1]	Norway wholesale distribution	Norway	100
Superdry Retail Denmark A/S[1]	Clothing retailer in Denmark	Denmark	100
SuperGroup Nordic and Baltics A/S[1]	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[5]	Clothing retailer in USA	USA	100
Superdry Wholesale LLC[5]	USA wholesale distribution	USA	100
SuperGroup USA Inc[1,5]	Holds investment in USA	USA	100

1 Directly owned by the Company.
2 Holds the investment in the Portuguese branch which is not material.
3 Holds the investment in the Austrian branch which is not material.
4 Holds the investment in the Switzerland branch which is not material.
5. Exempt from statutory audit.
6. Superdry France SARL and SuperGroup France SARL were merged in the period, with SuperGroup France now dissolved.
7. Basset BVBA and Snow & Surf BVBA were merged with SuperGroup Europe BVBA on 1 May 2016.
8. Dissolved in the period

All shares held by the Company are ordinary equity shares.

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19. Investments (continued)

Anatwine Limited

In FY16, SuperGroup Plc, which owned 20% of Anatwine, sold 50% of the investment to Zalando SE for consideration totalling £1.5m, reducing the ownership from 20% to 10%. The carrying value of the investment on disposal was £0.6m, resulting in a gain on disposal of £1.2m. As a result of the disposal to Zalando it was determined that SuperGroup Plc no longer had significant influence over Anatwine. Subsequent share capital transactions by other shareholders in that financial year diluted the SuperGroup Plc investment to 8%. The investment in Anatwine was therefore reclassified from an associate as at 25 April 2015 to a financial asset as at 30 April 2016 (note 31).

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associates:

	2017 £m	2016 £m
Opening net assets	**–**	0.7
Interest held disposed of during the period	**–**	(0.3)
Re-classified to financial assets (note 31)	**–**	(0.4)
Closing net assets	**–**	–

Joint ventures

Set out below are the joint ventures of the Group as at 29 April 2017. The joint ventures have share capital consisting solely of ordinary shares, 50% of 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
Trendy & Superdry Holding Limited	29 April	Hong Kong	50	Equity
Theo (France)	29 April	France	50	Equity
Horace (France)	29 April	France	50	Equity

During the year SuperGroup Plc invested £5.6m in Trendy & Superdry Holding Limited as a 50% subscription for the issued share capital. As at 29 April 2017, the carrying value of the investment in Trendy & Superdry Holding Limited was £6.0m. A charge of £2.6m was recognised in the financial statements, reflecting the Group's 50% share of the total loss of £5.2m in the year.

	Group		Company	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Opening net assets	**3.0**	–	**3.0**	–
Investment in the period	**5.6**	3.6	**5.6**	3.6
Share of loss for the period - Group only	**(2.6)**	(0.6)	**–**	–
Impairment	**–**	–	**0.6**	(0.6)
Closing net assets	**6.0**	3.0	**9.2**	3.0

Theo (France) and Horace (France) are held at £nil.

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20. Balances and transactions with related parties

Directors' emoluments

Directors' remuneration is set out in the audited section of the Directors' Remuneration Report on pages 72 to 91.

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 72 to 91, 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 £0.2m (2016: £0.2m) on travel and subsistence through companies in which Julian Dunkerton has a personal investment. The balance outstanding at 29 April 2017 was £0.1m (2016: £nil). This expenditure includes the provision of corporate travel, hotel and catering services supplied on an arm's length basis. These interests have been disclosed and authorised by the Board.

In addition, 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 (2016: £0.1m).

During the reporting period James Holder resigned as a Director of SuperGroup Plc but continues to be a related party. His services to the Group have continued through his company SuperDesignLab, with costs of £0.3m (2016: £nil) being charged in the period. The balance outstanding at 29 April 2017 was £0.1m (2016: £nil). The costs are charged on an arm's length basis and the travel costs are within Group policy.

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	
	2017 £m	2016 £m	**Balance sheet 29 April 2017 £m**	Balance sheet 30 April 2016 £m
C-Retail Limited	**10.7**	17.1	**28.6**	21.7
DKH Retail Limited	**12.6**	6.6	**30.6**	12.7
SMAC	**0.8**	0.3	**0.9**	–
Superdry France SARL	**0.7**	0.4	**1.1**	0.4
Superdry Germany GmbH	**2.9**	2.0	**1.9**	2.1
Superdry Retail Denmark	**0.2**	–	**0.2**	0.3
SuperGroup Concessions Limited	**0.2**	0.4	**0.6**	3.1
SuperGroup France SARL	**0.2**	0.3	**0.1**	–
SuperGroup Internet Limited	**7.2**	3.8	**16.4**	20.7
SuperGroup Retail Ireland Limited	**1.0**	0.7	**0.6**	0.7
SuperGroup Retail Spain S.L.U.	**0.3**	0.3	**0.4**	0.2
SuperGroup Europe BVBA	**1.2**	1.1	**2.3**	1.7
SuperGroup Netherlands BV and SuperGroup Netherlands Retail BV	**0.8**	0.5	**7.8**	6.8
Superdry Retail LLC	**1.8**	0.8	**3.6**	3.5
Superdry Wholesale LLC	**0.5**	0.5	**7.2**	7.5
Superdry Retail Sweden AB	**0.3**	0.1	**8.8**	0.5
Fragrances 55 Limited	**–**	–	**–**	0.1

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20. Balances and transactions with related parties (continued)

In addition, loan interest of £0.5m (2016: £nil) has been charged to Superdry Retail LLC, £0.3m (2016: £nil) of loan interest to Superdry Wholesale LLC and £0.3m (2016: £nil) of loan interest to Superdry Sweden AB in the period.

There have been no further transactions in the period.

21. Deferred income tax assets and liabilities

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Asset				
Accelerated capital allowances	**2.3**	2.7	**0.5**	–
Temporary timing differences	**2.7**	2.5	**0.8**	1.2
Tax losses arising in subsidiary entities	**10.2**	4.1	**–**	–
Goodwill and other intangibles arising in subsidiary entities	**15.6**	19.1	**–**	–
Revaluation of derivatives and forward exchange contracts to fair value	**0.8**	0.5	**–**	–
Total deferred income tax assets	**31.6**	28.9	**1.3**	1.2
Liability				
Temporary timing differences	**–**	–	**(0.3)**	–
Other intangibles	**(1.0)**	(0.8)	**–**	–
Total deferred income tax liability	**(1.0)**	(0.8)	**(0.3)**	–
Total net deferred income tax	**30.6**	28.1	**1.0**	1.2

The movement on the deferred tax account is as shown below:

Net deferred tax assets £m	Accelerated capital allowances	Temporary timing differences	Tax losses	Intangible assets	Derivatives	Total
At 30 April 2016	2.7	2.5	4.1	18.3	0.5	28.1
Credited/(charged) to the income statement	(0.4)	0.2	6.1	(3.7)	0.3	2.5
At 29 April 2017	**2.3**	**2.7**	**10.2**	**14.6**	**0.8**	**30.6**

Deferred income taxes are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

There are unrecognised deferred tax assets of £4.6m (2016: £3.1m) in respect of losses in overseas jurisdictions.

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22. Inventories

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Finished goods	**157.2**	112.6	**1.7**	1.3
Net inventories	**157.2**	112.6	**1.7**	1.3

The cost of inventories recognised as an expense and included in cost of sales amounted to £286.5m (2016: £220.6m).

Inventory write-downs for each period are as follows:

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
At start of period	**5.3**	3.2	**0.1**	–
Write-downs for the period	**1.1**	3.3	**–**	0.1
Utilised in period	**(3.3)**	(1.2)	**–**	–
At end of period	**3.1**	5.3	**0.1**	0.1

23. Trade and other receivables

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Trade receivables	**59.6**	41.8	**–**	0.1
Less: provision for impairment of trade receivables	**(0.6)**	(1.1)	**–**	–
Net trade receivables	**59.0**	40.7	**–**	0.1
Other amounts due from related parties	**–**	–	**111.1**	100.4
Taxation and social security	**1.4**	4.6	**1.9**	2.0
Other receivables	**17.3**	7.9	**1.2**	0.4
Prepayments	**28.4**	23.6	**1.6**	1.4
Rent deposits held by landlords	**6.1**	3.6	**–**	–
Total trade and other receivables	**112.2**	80.4	**115.8**	104.3

Prepayments for the Group include £20.5m (2016: £19.3m) 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.

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23. Trade and other receivables (continued)

The Group's trade receivables are summarised as follows:

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Not past due or impaired	**42.7**	27.7	**–**	0.1
Past due but not impaired	**15.5**	10.7	**–**	–
Impaired	**1.4**	3.4	**–**	–
Total trade receivables	**59.6**	41.8	**–**	0.1

The credit quality of trade receivables that are neither past due nor impaired are all assessed to be fully recoverable (2016: fully recoverable). The Group's 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. £18.5m out of the £42.7m trade receivables not past due nor impaired relate to 32 well-established key accounts (2016: £5.9m out of the £27.7m relate to 12 well-established key accounts) that the Group has traded with for at least one year. The remaining £24.2m (2016: £21.8m) consist of many individual balances, each below £0.6m.

The Group's trade receivables past due but not impaired are as follows:

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Overdue 1 – 30 days	**8.5**	5.7	**–**	0.1
Overdue 31 – 60 days	**3.3**	2.8	**–**	–
Overdue 60 days +	**3.7**	2.2	**–**	–
Total trade receivables past due but not impaired	**15.5**	10.7	**–**	0.1

Movements on the Group provision for impairment of trade receivables are as follows:

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
At start of period	**1.1**	2.2	**–**	–
Provision for receivables impairment	**0.2**	0.6	**–**	–
Receivables written off during the year as uncollectable	**(0.3)**	(1.3)	**–**	–
Unused amounts reversed	**(0.4)**	(0.4)	**–**	–
At end of period	**0.6**	1.1	**–**	–

Trade receivables of £1.4m (2016: £3.4m) were partially impaired and a provision of £0.6m (2016: £1.1m) has been recognised against the impaired trade receivables.

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23. Trade and other receivables (continued)

The Group's impaired trade receivables are as follows:

	Group		Company	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Current	**–**	1.8	**–**	–
Overdue 1 – 30 days	**–**	0.1	**–**	–
Overdue 31 – 60 days	**0.1**	0.1	**–**	–
Overdue 60 days +	**1.3**	1.4	**–**	–
Total trade receivables impaired	**1.4**	3.4	**–**	–

The individually impaired receivables relate wholly to the Wholesale segment. The other classes within trade and other receivables for the Group do not contain impaired assets.

24. Cash and cash equivalents

	Group		Company	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Cash at bank and in hand	**65.4**	100.7	**1.2**	3.4
Total cash and cash equivalents	**65.4**	100.7	**1.2**	3.4
Less: overdraft (note 25)	**–**	–	**–**	(28.8)
Total cash and cash equivalents net of overdraft	**65.4**	100.7	**1.2**	(25.4)

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. At 29 April 2017, the Group had £28.7m (2016: £53.9m) deposited with HSBC Bank Plc, £11.5m (2016: £24.6m) deposited with Barclays Bank Plc, £1.0m (2016: £0.8m) deposited with Santander UK Plc, £11.9m (2016: £4.7m) deposited with BNP Paribas, £nil (2016: £1.5m) deposited with Ulster Bank Ireland Limited, £1.7m (2016: £11.4m) deposited with ING Bank, £6.9m (2016: £nil) deposited with Sydbank, £0.3m (2016: £nil) deposited with Societe Generale and £0.6m (2016: £nil) deposited with Banque Populaire Alsace Lorraine Champagne. The remainder of the cash is deposited in other bank accounts.

The Moody's credit rating as at 26 May 2017 for HSBC bank is Aa2 (2016: A1), Barclays Bank Plc is Baa2 (2016: Baa3), Santander UK Plc is Aa3 (2016: Aa3), BNP Paribas is A1 (2016: A1), ING Bank is A1 (2016: A1), Sydbank is A3 (2016: A3), Societe Generale is A2 (2016: A2) and Banque Populaire Alsace Lorraine Champagne is A2 (2016: A2).

The maximum exposure to credit risk at the reporting date is the carrying value of cash above.

The Group had no secured liabilities (bank and collateralised borrowings) as at 29 April 2017 (30 April 2016: £nil).

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25. Borrowings

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Current				
Bank overdraft	–	–	–	28.8
Total borrowings	–	–	–	28.8

The Group had no secured liabilities (bank and collateralised borrowings) as at 29 April 2017 (30 April 2016: £nil).

The bank overdraft for the Company was included within the balance offset agreement with HSBC. In FY16, interest was not paid on the overdraft when it could be fully offset against cash balances held within the Group.

The Group's borrowings matured as follows:

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Within 1 year	–	–	–	28.8
Total borrowings	–	–	–	28.8

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period were as follows:

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
6 – 12 months	–	–	–	28.8
Total borrowings	–	–	–	28.8

With the exception of the overdrawn bank accounts included within the offset arrangements, the Group has no borrowing facilities in place as at 29 April 2017. The Group has bank guarantee facilities in place with a £9.5m limit. The Group was compliant with all banking covenants during the year.

	Carrying amounts as at				Fair value as at			
	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Bank overdraft	–	–	–	28.8	–	–	–	28.8
Total borrowings	–	–	–	28.8	–	–	–	28.8

The fair value of current borrowings approximated to their carrying amount in FY16, as the impact of discounting was not significant. The fair values of current and non-current borrowings were 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		Company	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Non-current				
Deferred cash contributions and rent-free periods	**37.3**	30.5	**–**	0.2
Other payables	**0.5**	0.3	**0.7**	–
Total non-current trade and other payables	**37.8**	30.8	**0.7**	0.2
Current				
Trade payables	**77.0**	56.6	**3.7**	2.5
Amounts due to related parties	**–**	–	**70.3**	7.7
Taxation and social security	**1.8**	2.0	**0.4**	0.5
Other payables	**2.5**	2.1	**–**	–
Accruals and deferred income	**29.4**	23.6	**11.6**	6.3
Deferred cash contributions and rent-free periods	**8.2**	5.1	**–**	–
Deferred contingent cash and share consideration	**–**	0.8	**–**	–
Total current trade and other payables	**118.9**	90.2	**86.0**	17.0
Total trade and other payables	**156.7**	121.0	**86.7**	17.2

The maturity analysis of non-current deferred cash contributions and rent-free periods is as follows:

	2017 £m	2016 £m
1 – 2 years	**6.5**	6.5
2 – 5 years	**19.1**	15.3
Greater than 5 years	**11.7**	8.7
Non-current deferred cash contributions and rent-free periods	**37.3**	30.5

Financial Statements.

27. Provision for other liabilities and charges

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Dilapidations and onerous lease provision at the start of the period	**3.1**	2.9	**–**	–
Arising on USA business combination	**–**	0.3	**–**	–
Utilised in period	**–**	(0.1)	**–**	–
Dilapidations and onerous lease provision at the end of the period	**3.1**	3.1	**–**	–

Dilapidations provisions will be utilised upon the exit or expiry of various property leases which are expected to be between 2017 and 2026. Onerous lease provisions are utilised over the remaining life of the lease.

Laundry Athletics LLP, which transferred its trade to DKH Retail Limited, is currently involved in a dispute in Turkey over the use of an export company (Gisad Dis Ticaret ("Gisad")). Gisad was used 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 a maximum of £1.6m which has been withheld and remains as a liability within provisions in the Group balance sheet.

28. Contingencies and commitments

Capital expenditure commitments

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Property, plant and equipment	**4.6**	8.5	**0.9**	–

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 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Due within 1 year	**89.3**	64.3	**1.5**	0.9
Due in more than 1 year, but no more than 5 years	**300.7**	217.8	**5.8**	3.4
Due in more than 5 years	**165.0**	97.4	**3.4**	3.0
Total operating lease commitments	**555.0**	379.5	**10.7**	7.3

Financial Statements.

Notes to the Group and Company Financial Statements.

30. Net cash/(debt)

Analysis of net cash/(debt)

Group

	2016 £m	Cash flow £m	Non-cash changes £m	**2017 £m**
Cash and short-term deposits	100.7	(36.9)	1.6	**65.4**
Total net cash	100.7	(36.9)	1.6	**65.4**

Company

	2016 £m	Cash flow £m	Non-cash changes £m	**2017 £m**
Cash and short-term deposits	3.4	(1.1)	(1.1)	**1.2**
Overdrafts	(28.8)	28.8	–	**–**
Total net cash/(debt)	(25.4)	27.7	(1.1)	**1.2**

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's 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 through a shared service centre based in Cheltenham. 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 in certain markets or with 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.

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 on foreign currency risk 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 approach 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 29 April 2017 and 30 April 2016, 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 29 April 2017 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 £6.1m (2016: £1.7m) 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
		2017		2016
	US Dollar £m	Euro £m	US Dollar £m	Euro £m
Financial assets				
Trade receivables	1.1	32.1	0.2	24.7
Cash and cash equivalents	–	–	3.4	0.8
Financial assets	1.1	32.1	3.6	25.5
Financial liabilities				
Trade payables	(5.6)	(7.8)	(6.8)	(3.5)
Cash and cash equivalents	(5.9)	(74.5)	–	–
Financial liabilities	(11.5)	(82.3)	(6.8)	(3.5)
Net exposure	(10.4)	(50.2)	(3.2)	22.0

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.

Financial Statements.

Notes to the Group and Company Financial Statements.

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 out 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:

						Group
			2017			2016
	Level 1 £m	**Level 2 £m**	**Level 3 £m**	Level 1 £m	Level 2 £m	Level 3 £m
Assets						
Derivative financial instruments						
– forward foreign exchange contracts	**–**	**3.1**	**–**	–	0.8	–
– financial assets at fair value through profit or loss	**–**	**–**	**2.2**	–	–	0.7
Liabilities						
Derivative financial instruments						
– forward foreign exchange contracts	**–**	**7.8**	**–**	–	3.3	–

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 29 April 2017.

The notional principal amounts of the outstanding forward exchange contracts at 29 April 2017 was £131.4m (2016: £278.0m). Additionally, structured forward foreign exchange contracts are in place to purchase a notional amount of up to USD 704.0m (£543.9m) (2016: USD 120.5m, £80.8m) and sell a notional amount of up to EUR 401.6m (£338.1m) (2016: EUR 102.0m, £81.3m) in exchange for a variable amount of GBP depending on the underlying conditions at maturity.

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 it 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	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Forward foreign exchange contracts – held for trading				
Outflow	**(166.9)**	(205.6)	**–**	–
Inflow	**171.1**	234.5	**–**	–
Net derivative exposure	**4.2**	28.9	**–**	–

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	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Forward foreign exchange contracts – current	**3.1**	0.7	**–**	–
Forward foreign exchange contracts – non-current	**–**	0.1	**–**	–
Total derivative financial assets	**3.1**	0.8	**–**	–
Forward foreign exchange contracts – current	**1.4**	3.3	**–**	–
Forward foreign exchange contracts – non-current	**6.4**	–	**–**	–
Total derivative financial liabilities	**7.8**	3.3	**–**	–

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.

Financial assets at fair value through profit or loss

Set out below is the financial asset at fair value through profit or loss of the Group as at 29 April 2017, which, in the opinion of the Directors, is not material to the Group. The financial asset 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	6.2	Equity

During the period the Group assessed the fair value of the asset and increased its value by £1.5m (2016: £0.3m). As at 29 April 2017, the fair value of the Group's interest in Anatwine Limited was £2.2m (2016: £0.7m). This was validated by the sale of the Group's entire interest in Anatwine Limited on 8 June 2017 for £2.2m. Anatwine Limited is a private company and there is no quoted market price available for its shares.

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Notes to the Group and Company Financial Statements.

31. Financial risk management (continued)

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 29 April 2017.

Financial instruments by category

						Group
	Assets at fair value through profit or loss 2017 £m	**Loans and receivables 2017 £m**	**Total 2017 £m**	Assets at fair value through profit or loss 2016 £m	Loans and receivables 2016 £m	Total 2016 £m
Trade and other receivables excluding prepayments	**–**	**83.8**	**83.8**	–	52.2	52.2
Derivative financial instruments	**3.1**	**–**	**3.1**	0.8	–	0.8
Financial assets at fair value through profit or loss	**2.2**	**–**	**2.2**	0.7	–	0.7
Cash and cash equivalents	**–**	**65.4**	**65.4**	–	100.7	100.7
Financial instruments – assets	**5.3**	**149.2**	**154.5**	1.5	152.9	154.4

						Group
	Liabilities at fair value through profit or loss 2017 £m	**Other financial liabilities at amortised cost 2017 £m**	**Total 2017 £m**	Liabilities at fair value through profit or loss 2016 £m	Other financial liabilities at amortised cost 2016 £m	Total 2016 £m
Borrowings	**–**	**–**	**–**	–	–	–
Derivative financial instruments	**7.8**	**–**	**7.8**	3.3	–	3.3
Trade and other payables excluding non-financial liabilities	**–**	**164.3**	**164.3**	–	118.9	118.9
Financial instruments – liabilities	**7.8**	**164.3**	**172.1**	3.3	118.9	122.2

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31. Financial risk management (continued)

	Loans and receivables 2017 £m	Company Loans and receivables 2016 £m
Trade and other receivables excluding prepayments	114.2	102.9
Cash and cash equivalents	1.2	3.4
Financial instruments – assets	115.4	106.3

	Other financial liabilities at amortised cost 2017 £m	Company Other financial liabilities at amortised cost 2016 £m
Borrowings	–	28.8
Trade and other payables excluding non-financial liabilities	86.3	16.7
Financial instruments – liabilities	86.3	45.5

32. Share capital

Allotted and fully paid 5p shares:

Group and Company	Number of shares	Value of shares (£m)
29 April 2017	81,358,746	4.1
30 April 2016	81,235,727	4.1

123,019 ordinary shares of 5p were authorised, allotted and issued in the period under the SuperGroup Share Based Long-Term Incentive Plans, Buy As You Earn and Save As You Earn schemes. In the prior period, on 17 July 2015, as part of the agreement to purchase the remaining 30% of shareholding in Superdry Germany GmbH, 39,635 ordinary shares of 5p each were authorised, allotted and issued.

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Notes to the Group and Company Financial Statements.

33. Details of related undertakings

Details of related undertakings including principle activity, country of incorporation and percent of shares held by the Company are listed in note 19. The registered office address of each related undertaking is listed below:

UK

C-Retail Limited
DKH Retail Limited
Fragrances 55 Limited
Superdry Limited
SuperGroup Concessions Limited
SuperGroup International Limited
SuperGroup Internet Limited
SuperGroup Internet North America Limited
Unit 60 The Runnings
Cheltenham
Gloucestershire
GL51 9NW
United Kingdom

Europe

Basset BVBA
Snow & Surf BVBA
SuperGroup Europe BVBA
SuperGroup Belgium NV
SuperGroup Belgium Finance NV
Simonisstraat 53
Elsene
1050 Brussels
Belgium

Superdry France SARL
16 Rue Portalis
75008
Paris
France

Superdry Germany GmbH
Sendlinger Str.6
80331
Munich
Germany

SuperGroup France SARL
Le Grand Passage - Rue Allard
83990
Saint Tropez
France

SuperGroup Netherlands BV
SuperGroup Netherlands Retail BV
Cornelis Schuytstraat 21
1071 JD
Amsterdam
The Netherlands

SuperGroup Retail Spain S.L.U
30-38 Carrer Pellaires
08019
Barcelona
Spain

SuperGroup Retail Ireland Limited
c/o Egan O'Reilly Solicitors
19, Upper Mount Street
Dublin 2
Ireland

Superdry Sweden AB
c/o CorpNordic Sweden AB
Box 16285
103 25 Stockholm
Sweden

Superdry Norway A/S
Kongens Gate 12
0153 Oslo
Norway

Superdry Retail Denmark A/S
SuperGroup Nordics and Baltics A/S
SD 1 Aps
SD 2 Aps
Balticagade 24
8000, Aarhus C
Denmark

Theo
Le Grand Passage - Rue Allard
83990
Saint Tropez
France

Horace
703 Route Nationale
83310
Grimaud
France

Asia

SuperGroup India Private Limited
14th Floor, Dr. Gopal Das Bhawan
28 Barakhamba Road
New Delhi – 110001
India

SuperGroup Mumessillik Hizmet ve Ticaret Limited Sirketi
Baglar Mahallesi Yavuz Sultan Selim
Caddesi Canel
Plaza no: 15
Kat 9 Bagcılar-istanbul
Turkey

Superdry Hong Kong Limited
1106-8, 11th Floor, Tai Yau Building
No 181 Johnston Road
Wanchai
Hong Kong

Trendy & Superdry Holding Limited
13th Floor Gloucester Tower
The Landmark
15 Queen's Road
Central
Hong Kong

North America

Superdry Retail LLC
Superdry Wholesale LLC
SuperGroup USA Inc
160 Greentree Drive
Suite 101
Dover
DE 19904
USA

Five Year History.

(Unaudited)	2013 £m	2014* £m	2015 £m	2016** £m	**2017 £m**
Revenue	360.4	430.9	486.6	597.5	**752.0**
Cost of sales	(150.4)	(173.6)	(190.4)	(229.7)	**(299.0)**
Gross profit	210.0	257.3	296.2	367.8	**453.0**
Selling, general and administrative expenses – underlying	(163.3)	(200.5)	(238.3)	(303.2)	**(375.4)**
Other gains and losses (net) – underlying	5.2	4.7	6.0	8.5	**11.8**
Operating profit before exceptional items – underlying	51.9	61.5	63.9	73.1	**89.4**
Re-measurements and exceptional items (net)	(0.4)	(16.8)	(3.7)	(17.0)	**(2.2)**
Operating profit	51.5	44.7	60.2	56.1	**87.2**
Finance costs (net)	0.3	0.6	(0.2)	(0.1)	**0.2**
Share of loss in investment	–	(0.1)	(0.5)	(0.6)	**(2.6)**
Profit before tax	51.8	45.2	59.5	55.4	**84.8**
Taxation	(15.5)	(17.4)	(13.5)	(14.1)	**(18.8)**
Profit after tax	36.3	27.8	46.0	41.3	**66.0**
Profit attributable to non-controlling interests	0.4	0.4	0.6	0.1	**–**
Profit attributable to equity shareholders	35.9	27.4	45.4	41.2	**66.0**
Basic earnings per share (pence)	44.7	34.0	56.1	50.7	**81.2**
Underlying basic earnings per share (pence)	47.8	58.0	59.1	70.9	**84.5**
Weighted average number of shares (m)	80.3	80.6	81.0	81.1	**81.3**

* Accounting period consisting of 51 weeks and 6 days.
** Accounting period consisting of 53 weeks.

Shareholder Information.

Registered office and contact information

Unit 60 The Runnings
Cheltenham
Gloucestershire
GL51 9NW

Registered in England and Wales
Registered Number 07063562
T: +44 (0) 01242 578 376

Shareholder enquiries may be submitted to company.secretary@supergroup.co.uk

This report and other information on SuperGroup Plc is available to download on www.supergroup.co.uk

General shareholder enquiries

Enquiries relating to shareholders, such as the transfer of shares, change of name or address, lost share certificates or dividend cheques, should be referred to the Company's registrar, Computershare, using the details below:

Computershare Investor Services Plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Shareholder information line: 0370 889 3102. Lines are open Monday to Friday, excluding 8.30am to 5.30pm, Monday to Friday. Please dial +44 370 889 3102 if calling from outside the UK.

*For those with hearing difficulties, a textphone is available on 0370 702 0005 for UK callers with compatible equipment.

Annual General Meeting

The Annual General Meeting will be held at 10.30am on Tuesday 12 September 2017 at our Head Office, The Runnings, Cheltenham, Gloucestershire, GL51 9NW. The notice of the meeting, together with details of the business to be conducted at the meeting, is available on www.supergroup.co.uk

The voting results of the 2017 AGM will be accessible on www.supergroup.co.uk shortly after the meeting.

Dividends

An interim dividend for the financial year ended 29 April 2017 of 7.8p per ordinary share was paid on 27 January 2017. A final dividend of 20.2p per share has been proposed and, subject to approval at the AGM, will be paid on 22 September 2017 to all shareholders on the register on 14 July 2017.

Dividends can be paid by BACS directly into a UK bank account, with the tax voucher being sent to the shareholder's address. A dividend mandate form is available from Computershare or at www.computershare.co.uk

Electronic communications

Shareholders may choose to receive all shareholder documentation in electronic form rather than paper. If you elect this option you will receive an email each time a shareholder document is published on our website.

Tax vouchers and annual statements will be sent to your Investor Centre account. You can register for the Investor Centre at www.computershare.com/investor

To receive documentation in electronic form you just need to change your preference on your Investor Centre account or, alternatively, you can call the shareholder information line on 0370 889 3102.

Share dealing

SuperGroup Plc certificated shares can be traded through most banks, building societies or stockbrokers. Computershare offers telephone and internet dealing services. Terms and conditions and details of the commission charges are available on request.

This service is available Monday-Friday from 8.00am to 4.30pm excluding bank holidays and weekends, where a professional and qualified dealer will be pleased to assist you. If you would like to use the service please call 0370 703 0084. Please ensure you have your Shareholder Reference Number (SRN) ready when making the call. The SRN appears on your share certificate or your nominee statement.

To register for internet dealing services visit www.computershare-sharedealing.co.uk

Share price information

The latest SuperGroup Plc share price is available on www.supergroup.co.uk

Unauthorised brokers (boiler room scams)

Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice, get the correct name of the person and organisation and check that they are properly authorised by the Financial Conduct Authority (FCA) before getting involved by visiting www.fca.org.uk/register/

If you think you have been approached by an unauthorised firm you should contact the FCA consumer helpline on 0800 111 6768. More detailed information can be found at www.fca.org.uk/consumers/protect-yourself/unauthorised-firms

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Cautionary statement

This Annual Report and Accounts (“***Report***”) contains certain forward-looking statements with respect to the financial condition, results of the operations and businesses of SuperGroup Plc. These statements and forecasts involve risk, uncertainty and assumptions because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements are made only as at the date of this Report. Except as required by law, SuperGroup Plc has no obligation to update the forward-looking statements or to correct any inaccuracies therein.

The information contained within this Report is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this Report, this inside information is now considered to be in the public domain.

Innovative British Premium Lifestyle Brand With Global Appeal

supergroup.co.uk