SuperGroup Plc
annual report 2014


極度乾燥
MADE

Contents

Strategic Report

Governance

Financial Statements

View the online Annual Report:
annualreport2014.supergroup.co.uk

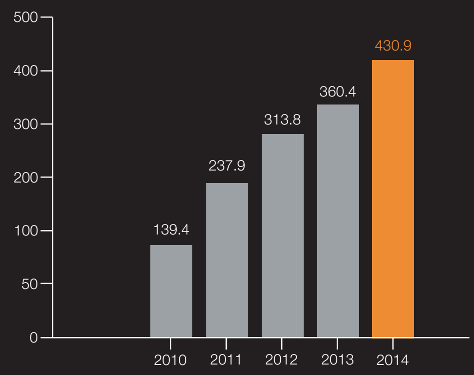
Highlights.

Financial Highlights

Group revenue

£430.9m **+19.6%**

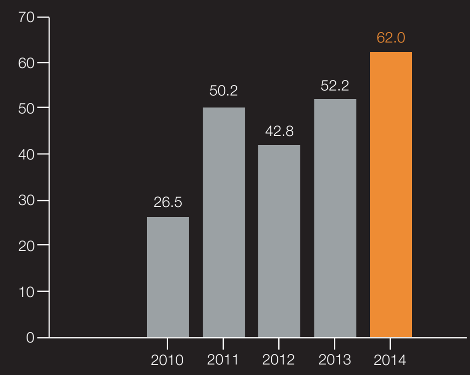
(2013: £360.4m)



Underlying[1] group profit before tax

£62.0m **+18.8%**

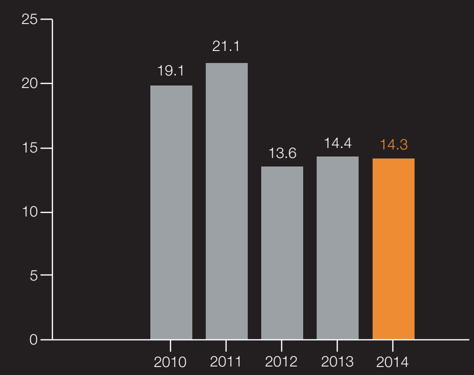
(2013: £.52.2m)



Underlying[1] group operating profit margin

14.3% **-10 bps**

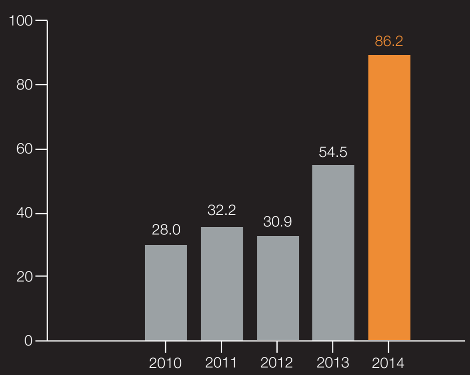
(2013: 14.4%)



Year end net cash

£86.2m **+58.2%**

(2013: £54.5m)



Profit before tax

£45.2m **-12.7%**

(2013: £51.8m)

Basic earnings per share

34.0p **-23.9%**

(2013: 44.7p)

Underlying[1] basic earnings per share

58.0p **+21.3%**

(2013: 47.8p)

Operating profit margin

10.5% **-390 bps**

(2013: 14.3%)

Group gross profit margin

59.7% **+140 bps**

(2013: 58.3%)

Operational Highlights

Approximately
100,000
square feet of space opened

UK and European store portfolio
633,000
square feet

International franchised and licensed stores up to
208

Total of
18
Superdry websites worldwide

New merchandise management system implemented

New distribution centre operating successfully

- German agent and franchise partner bought out and seven stores acquired as part of the deal.
- Spanish distributor bought out and ten El Corte Ingles department store concessions rolled out.
- Strong pipeline of space for FY15, mostly in Europe.

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


Superdry

Chairman's Statement.

This has been another year of progress for SuperGroup Plc. Revenues have grown by almost 20% and underlying profit before tax by nearly 19%.

The scale of the Group has continued to increase with further new store openings, and a significant programme of infrastructure developments has been delivered aimed at supporting future growth and efficiencies. Although like-for-like sales growth in the final quarter fell short of expectations, the financial performance for the year as a whole was broadly in line with market expectations and produced largely positive movements on the Group's key performance indicators.

In last year's Annual Report I commented that FY14 would see the Group enhance its capacity for future growth and enable efficiencies within its existing operations through substantial investments in its IT and logistics infrastructure. I am pleased to report that the planned projects were delivered on time and on budget. Whilst there are still more improvements to make, these initial investments have delivered a solid platform for the Group's growth aspirations, improved its processes and controls, and will provide cost savings and efficiency gains from financial year 2015 onwards.

International growth opportunities will provide the major sources of expansion for the Group. Of the new owned retail space opened in the last year 43% was outside the UK. The buy out of the distributor in Spain and the German agency and franchise business, together with the opening of 59 new franchise stores and the roll-out of two new websites demonstrate the potential for further international growth.

Whilst the growth opportunities are wide ranging, the challenges for SuperGroup are to ensure that the attractiveness of the Superdry brand for its customers is maintained and that high quality execution is sustained as the business expands and develops. Continual improvement and innovation in its product ranges is crucial in ensuring that the Company delivers the expected returns to shareholders. The Board closely monitors performance in these areas and is seeking to ensure the development of the organisation and infrastructure keeps pace with the growth ambitions of the business.

The Corporate Responsibility section of the Annual Report illustrates the steps taken through the year to ensure that the Group operates responsibly and in the interests of its stakeholders. SuperGroup is making good progress in the key areas of employee welfare, workforce in the supply chain, environmental sustainability, and supporting the communities that it interacts with. There is more to do in developing SuperGroup's agenda to operate responsibly, but the foundations are now in place to deliver through the team established during the last 12 months.

On behalf of the Board I would like to thank everyone at SuperGroup for what has been achieved over the last year and wish them well for the year ahead.

Peter Bamford
Chairman
9 July 2014


SUPERDR

Strategic Report.

Strategic Report.

Introduction

SuperGroup Plc ("SuperGroup" or the "Company") is the owner of Superdry, a casual lifestyle brand operating predominantly in the branded fashion sector.

It targets the younger end of the fashion market, specifically designing for men and women aged between 15 and 25 years old with affordable, premium-quality clothing, accessories, footwear and cosmetics. Increasingly, the brand appeals to a much broader age group as it develops the breadth and nature of its product ranges. Already well established in the UK, its home market, the Company and its subsidiaries (the "Group") also operate a significant and continually expanding international business which is developed through websites, wholesale partners, a network of franchise stores and, increasingly, its own stores.

The business has expanded quickly over the 11 years of its life, becoming a truly international brand as it has done so, and there has been no slowdown over the past 12 months as the Group has added over 100 new stores to its portfolio around the world taking its total number of stores to 516, with a physical presence in 46 countries.

At the end of the 2014 financial year ("2014" or "FY14") the Group's direct customer channels consisted of:

- 139 of its own stores;
- 74 concessions;
- 185 franchised stores;
- 23 licensed stores;
- 95 shop-in-shop stores; and
- 18 international websites.

In addition to those shops and websites, the Group has a successful and growing wholesale business. In the UK it sells directly to third party retailers but internationally it predominantly uses a distribution network, taking advantage of local knowledge and expertise in each country.

Superdry focuses on high-quality, contemporary products that, in varying degrees, fuse vintage Americana and Japanese-inspired graphics with a British style. They are characterised by:

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

Market Review

Whilst the Group competes with all clothing retailers on an indirect basis, Superdry occupies a niche position within the branded fashion market that has relatively few direct competitors. There is a degree of local competition in virtually every market in which the brand operates, particularly in the UK market, but, with the range of developments and geographical expansion the Group has undertaken over the last few years, there are a limited number of brands with the scale and presence to compete effectively with the Group on a truly global basis.

The Group operates both on the high street and through e-commerce channels, competing with traditional retailers and brands, pure e-commerce operators, and multi-channel businesses. The retail market is changing rapidly as online becomes an increasingly important part of consumers' shopping habits and it is fundamentally important that the Group reacts to those changes and is seen as a leader in the multi-channel environment to retain its competitiveness.

Superdry entered the international market at an early stage of its development and now has a presence in 46 countries around the world; 37% of total sales now come from the Group's international business. This has provided the Group with invaluable experience of operating overseas that will allow it to continue to develop its less established markets. It also gives the necessary experience and foundations to allow the Company to enter new markets around the world.

Whilst the Group's businesses in territories outside Europe are growing quickly, the majority of revenues are generated within Europe and, particularly, the UK. The European clothing market is forecast to achieve expenditure growth of 1.9% during the 2014 calendar year, according to Verdict Research, and this signals the beginning of a sustained period of growth as economic conditions improve across the Eurozone.

SuperGroup is well positioned to take advantage of this structural growth as it targets new markets and bolsters its presence with its owned retail estate in more well-developed markets.

The short to medium-term focus of the Group is to grow the retail proposition in Western Europe, with a particular emphasis on Germany. Going forward it is anticipated that around 80% of the Group's new space will be in overseas markets. Whilst the economic difficulties between 2007 and 2012 led to a decline in the overall European clothing market of around 4% (source: Verdict), the German market, which represents circa 20% of the total, has experienced positive growth through this period and is second only to the UK in its economic recovery. The German market is already a strong one for the Group, with Superdry presently sold through more than 200 independent stores and a local language website. The German market is forecast to grow at 16.3% over the next five years and is already the largest clothing market in Europe, estimated at a value of €58.4bn.

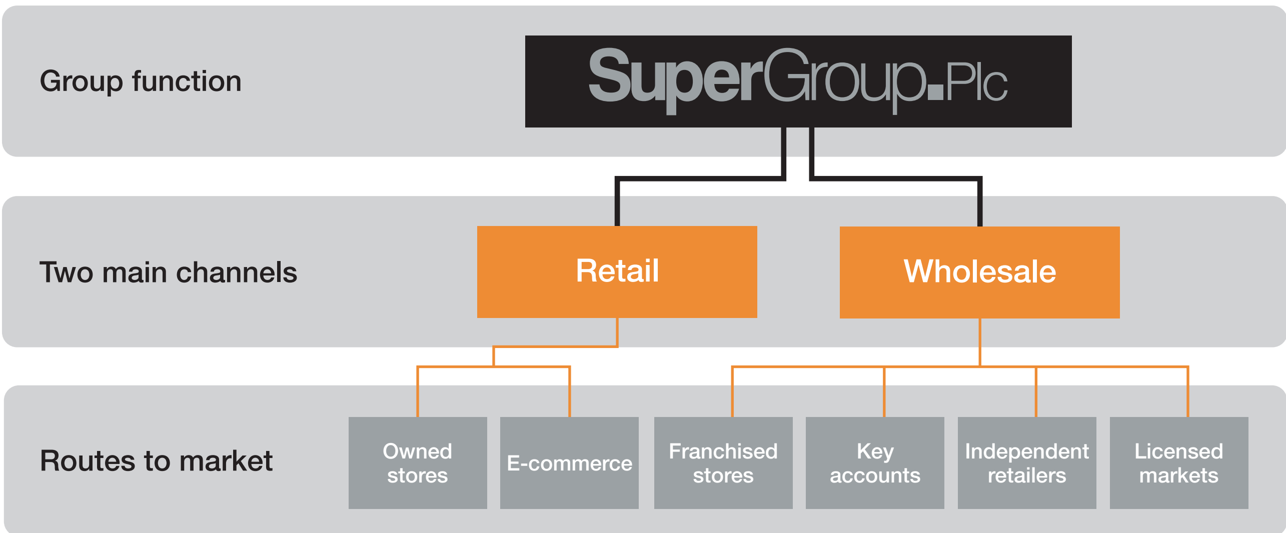
Despite its maturity, the UK is forecast to achieve clothing expenditure growth of 22.8% between 2014 and 2019, with menswear growth expected to be particularly strong. The UK remains, however, a highly competitive marketplace with high levels of discounting being used to entice customers and drive sales.

Business Model

SuperGroup designs, produces and sells products exclusively under the Superdry brand. Product conception and design and the overall management of the brand is centrally located at the Group's head office in Cheltenham, along with the majority of support functions. Whilst the design and ordering processes are managed within the Group, products are manufactured through the Group's third party suppliers, predominantly located in China, India and Turkey.

The Group has two primary channels to market: Retail and Wholesale. The Retail business comprises the entire owned store portfolio in the UK and mainland Europe, together with the Group's portfolio of websites. The Wholesale division is made up of four key components:

- International franchise partners and individual franchise stores;
- International distribution partners, supplying the independent retail markets in their territories;
- UK key wholesale accounts; and
- UK independent wholesale accounts.



Strategic Report continued.

During FY14, the Retail division accounted for 66% of revenue and Wholesale 34%.

SuperGroup has a significant and growing presence around the world, operating through 516 Superdry branded locations in 46 countries. There are 139 owned stores across the UK and Europe, 208 franchised and licensed stores, all but one outside the UK, and 168 concessions. The owned store estate operates from three types of store: smaller boutique stores, typically found in Europe; medium-sized stores of around 5,000 square feet principally in the UK, but increasingly in Europe; and the much larger flagship store in Regent Street, London. Complementing this physical presence, the Group has 18 international Superdry websites.

	Retail division			Wholesale division			
	Internet	Own stores	Concession	Franchised	Licensed	Wholesale concessions	Total stores
EUROPE:							
Austria		2		3			**5**
Belgium	2	20		5		7	**32**
Cyprus						4	**4**
Czech Republic				1			**1**
Denmark	1			7			**7**
Finland	1			1		2	**3**
France	1	4		47		2	**53**
Germany	1	10		2			**12**
Greece				2		4	**6**
Hungary				1		0	**1**
Italy	1			8			**8**
Latvia				1			**1**
Luxembourg				2			**2**
Netherlands	1	7		5		1	**13**
Norway	1			4			**4**
Portugal			2				**2**
Slovenia						1	**1**
Spain	1		8	28			**36**
Sweden	1						**0**
Switzerland	2			5		1	**6**
Turkey				2			**2**
UK and ROI	1	96	64	1			**161**
Total Europe	14	139	74	125	0	22	**360**

Retail division accounted for 66% revenue

Wholesale division accounted for 34% revenue

Continued from previous page

	Retail division			Wholesale division			
	Internet	Own stores	Concession	Franchised	Licensed	Wholesale concessions	Total stores
REST OF WORLD:							
South Africa				3			**3**
China	1						**0**
Georgia				1			**1**
Hong Kong				5		2	**7**
India				8		3	**11**
Indonesia				5		2	**7**
Macau				1			**1**
Malaysia				2		3	**5**
Philippines				4			**4**
Singapore						2	**2**
South Korea				4		14	**18**
Taiwan				2		16	**18**
Thailand				4		1	**5**
Australia					9	10	**19**
Egypt				1			**1**
Kuwait				3			**3**
Lebanon				2			**2**
Qatar				1			**1**
Saudi Arabia				2			**2**
UAE				7		1	**8**
Canada	2					3	**3**
USA	1				14	1	**15**
Columbia				2		14	**16**
Venezuela				3			**3**
Total ROW	4	0	0	60	23	72	**155**
Grand Total	18	139	74	185	23	94	**515**

Strategic Report continued.

The Group's most significant presence is in the UK with 96 of its own stores augmented by 64 concessions and one franchise store. Over its 11 year history in the UK, as brand awareness and range breadth has grown, the Group has migrated away from franchise and wholesale operations and moved its focus towards larger and more profitable owned stores. Key UK wholesale accounts and smaller independent retailers continue to play an important role, presenting Superdry product to different customer types and in towns where it would not be viable to operate a full Superdry store.

In order to enter a new territory, the Group initially establishes a brand presence through wholesale operations and/or by engaging franchise partners. In certain circumstances this is augmented by territory specific e-commerce sites but even where it is not, the introduction of the brand to a new market increases awareness and drives traffic to the .com site. This approach allows the Group to grow its business and brand awareness with minimal risk and to maintain control over the 'look and feel' of the brand and stores. Franchisees agree to buy approved fixtures and fittings directly from SuperGroup and the Superdry visual merchandising team plays a pivotal role in setting up and overseeing the establishment of each store. This model allows the Group to grow in many countries at the same time without stretching internal resources and with relatively low risk, as limited capital investment is required.

As the brand develops traction with the customer in a particular territory and the operating risks diminish, the Group, where appropriate, will seek to augment wholesale activity with a retail model of owned stores. As the markets become more established and awareness is at an appropriate level, the Group may seek to open its own stores in those territories, using its own capital to deliver larger stores that can showcase the entire SuperGroup product range. To achieve this, the Group has used strategic acquisitions as part of its growth strategy. It acquired SuperGroup Europe BVBA in February 2011 which provided a platform, through the existing portfolio of stores and an experienced local management team, to develop a retail and wholesale proposition across the Benelux countries and France. In the last 12 months, SuperGroup has bought back its territory rights in Spain and Germany and has recently announced a similar deal to acquire its Scandinavian partner giving it rights to open stores in Denmark, Norway and Finland. Deals of this nature allow the Group to accelerate expansion by investing its own capital in space whilst retaining the local expertise of the distributor and his or her team.

The Group has, historically, granted two Wholesale and Retail licenses: one in the USA and the other in Australia. These contracts are long-term in nature and the licence holders have exclusive rights to the countries in which they operate. SuperGroup receives a royalty on the sales generated by the licensee, who must buy only approved stock from the Group's own suppliers or directly from SuperGroup.

As a branded fashion retailer, the Group is focused on managing the integrity of the brand in order to deliver sustainable and long-term growth. Whilst this strategy may at times cause short-term volatility to like-for-like sales growth, management feels that the focus on full-price trading, limiting the level of clearance activity through discreet channels delivers strong cash generation, superior margins and consequently high rates of return on capital. Consequently, the Group has an unconventional but effective approach to clearance activity, never holding 'sale' periods or overt promotions within its UK stores. Rather than marking down product in situ, as most retailers do, old or slow moving stock is generally cleared through the network of outlet stores across the UK and, increasingly, Europe. For particularly aged stock that remains unsold, the Group has historically used eBay and discount resellers to optimise margins. This approach preserves the integrity of the brand by maintaining a more premium feel across the vast majority of the network. Whilst it requires a greater investment in working capital, as stock can be held in the business for several seasons, it provides the Group with a greater return than more conventional clearance activity and maximises profit per unit. It also allows the business to respond to unusual weather conditions towards the end of a season because, unlike many retailers, stock is not liquidated in a clearance sale to meet a season launch. Outside the UK, stores are governed by the trading practices in the relevant territories in which they trade, meaning that limited sales are held in certain parts of Europe at the appropriate times.

SuperGroup regards the Superdry brand as being less sensitive to fashion and design trends than other clothing retailers and therefore can operate comfortably with the longer supply chain lead times that a wholesale business generally demands. The Group sells its products during two principal seasons: spring/summer and autumn/winter. There are two limited supplementary ranges produced for the end of each season to maintain a degree of newness in stores: high summer and winter flash. The business also has a number of products that are sold throughout the year, known as continuity lines, which provide some protection against particularly unseasonal weather patterns.

Key Growth Drivers

The roll-out of owned stores

Around 86% of the current owned retail estate space is located in the UK and the Republic of Ireland. Whilst there are still some opportunities for new stores and, in particular, relocations of existing stores to larger sites, the majority of future space growth will come from continental Europe, which represents a market approximately five times the size of the UK. The main focus will be on Germany, a market where Superdry has a proven track record with the potential to emulate the business in the UK, but there will be opportunities in all the territories the Group has reacquired or owns the rights to, but in particular:

- France
- Belgium
- The Netherlands
- Sweden
- Denmark

Growing the franchise estate

Many existing franchise partnerships have contracted store numbers and these alone will provide an opportunity for at least a further 200 franchised stores worldwide over the next five years. The table below illustrates the significant number of countries where there are already operations with the opportunity to grow and achieve scale. The Group will continue to seek further international partners for territories where it has little or no presence but believes the brand will be well received, for example China, Russia and South America. The Group does this by forming relationships with reputable and experienced partners that have demonstrated a strong track record of developing brands and have sufficient capital strength to invest in a credible store proposition.

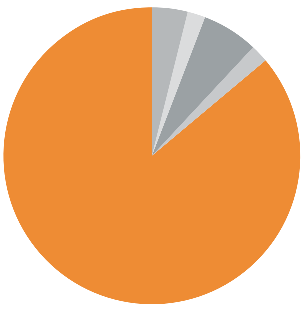
Optimising and expanding the e-commerce platforms

In addition to developing brand presence, the growth of overseas e-commerce clearly has implications for international store expansion, offering an important and valuable insight into the strength of the brand, the demand for Superdry products, and the requirements for country-specific product ranges. The Group operates from 18 international websites with local payment solutions, local languages, and pricing in local currencies. An opportunity exists to better leverage this investment by improving the underlying conversion of visits to purchase activity. There are a number of enhancements that can help deliver this but an important one is developing the Group's social media presence, an area that has become integral to the lives of its target customer group in recent years. The Group does not invest large amounts in traditional marketing, but believes that social media is an important part of the journey to true multi-channel retailing and will seek to use it accordingly. There are also significant opportunities to increase the number of sites to match the physical presence of Superdry around the globe.

Driving wholesale business

In a number of the Group's less mature markets, wholesale will continue to play an important part in gaining market share. Department stores and independent multi-brand retailers still play an important role in the shopping landscape and provide a platform for new brands to gain traction and awareness. In these countries, wholesale operations will complement franchise stores, e-commerce and, in some territories, owned stores.

SuperGroup's current estate based on square feet



	%
Germany	4
France	2
Belgium	6
Netherlands	2
UK and ROI	86

European markets broken down by market share

	%
UK	18
Germany & Austria	23
Belgium	3
Netherlands	4
Italy	17
France	13
Spain	6
Other	16

Strategic Report continued.

Maximising/optimising the UK estate

The Group has 544,000 square feet of owned retail space across 96 stores in the UK. Over the last three years, the average size of a typical Superdry store has increased from 5,085 square feet in 2011 to 5,671 square feet in 2014. The product range has grown at a faster rate than this, the result of which is that a number of the Group's stores are now too space restricted to show the optimum range for that particular market. As such there are a small number of towns where the Group has targeted relocation and resizing opportunities.

Enhancing the Superdry brand through increasing the product range and brand extensions

The Superdry brand has been significantly enhanced over the past few years with the increase in breadth and depth of the product offering. This has been done by extending and developing the core ranges to include products that previously weren't offered, such as:

- premium tailoring;
- dresses;
- accessories;
- underwear;
- watches;
- sunglasses; and
- cosmetics and fragrance, among others.

The Group has been increasing its focus on womenswear over recent seasons and will continue to do so as it provides a great opportunity to attract new customers and provide like-for-like growth. Womenswear currently occupies approximately 50% of retail floor space, on average, to ensure that it has presence and credibility as an offer. However, it presently accounts for around 33% of revenues, a fact that the Board views as a key opportunity to increase sales through organic growth over the medium-term as sales densities move towards those of menswear. As a global brand, product excellence, innovation and design is key to sustainable long-term growth. Continued diversification into new categories and ongoing investment in the design team will underpin the strength and longevity of the Superdry brand.

A stable and developing infrastructure

The Group has made significant investments over the last 18 months in its management team, logistics facilities, and information technology. This investment has been made to establish the foundations for future growth, facilitate the expansion strategy, and provide a platform that will enable the business to operate more efficiently and effectively in the future. There will always be more to do and FY15 will see the introduction of a new point of sale and finance system together with a major upgrade of the Group's wholesale system. It is fair to say, however, that the most difficult of these changes, the relocation of the Group's main warehouse and the implementation of a new merchandising system, have been largely completed.

Review of the Year

SuperGroup has made significant progress during the past year. The business has undertaken a comprehensive infrastructure improvement programme that will start to deliver tangible benefits into the new financial year, and lay the foundations for the next phase of growth. This has been achieved whilst simultaneously delivering significant growth in revenues and underlying profits. Underlying profit before tax has grown by +18.8% to £62.0m (2013: £52.2m).

The Group's core objective continues to be delivering growth in shareholder value and, in doing so, to build a global business that is capable of delivering long-term, sustainable profit and cash flow growth.

Sales

Sales increased by 19.6% on the year; a strong result in what remains a very competitive and challenging retail environment and against a backdrop of such significant developments in infrastructure. Revenue growth was relatively consistent across the two divisions, with Retail delivering sales growth of 17.7% and Wholesale 23.3% on the prior year.

The Group achieved like-for-like sales growth of +3.2% in FY14. Adjusting for the impact of eBay 'mega-sales', an activity the Group undertook historically to clear aged stock, underlying like-for-likes were +4.4%. Like-for-like sales grew strongly across the first half of the year, increasing by 8.1%. Quarter 3, which includes the important Christmas trading period and is the most significant retail quarter of the year, saw a rise in like-for-like sales of +4.5% despite the very tough comparative of +9.4% from the year before. Quarter 4 was affected by a lack of new spring stock in store, heavy competitor discounting, (including some Superdry products by wholesale partners), and a late Easter. The resultant like-for-like sales were down by -3.2%, although this was -1.3% adjusting for the change in eBay.

Product and brand

With investments made in the size and quality of the design department over the last couple of years, the Group continuously strives to improve its overall product offering, both in terms of quality and breadth. The Group continues to see the biggest opportunities in denim and womenswear, which are still underweight categories in the overall product portfolio and will be a key focus in coming seasons. In addition, there are new product ranges being introduced, for example Superdry skiwear, which will continue to push brand awareness and attract new customers. On 13 February 2014, a Premium Lounge was launched on the lower ground floor of the Regent Street flagship store. The premium range includes Superdry's premium tailoring range, its higher-end casualwear, called Superdry Luxe, the more premium leather jackets, and the artisan Copper Label branded goods. These new ranges provide an opportunity for the Group to extend its demographic, grow its average transaction value and drive press coverage of the brand as well as potentially providing a wholesale opportunity with a new set of customers.

Strategic Report continued.

For the first time since the inception of Superdry, the Group attended one of the two main London Fashion Week events. The autumn/winter 2014 collections for both menswear and womenswear were launched at the *London Collections: Mens* event on 7 January 2014. The progress that has been made over the last few years and the global acceptance of the brand have given the Group the confidence to showcase new ranges at this type of high profile event. It was well attended by the Group's international partners and the fashion press.

Store openings

Around 100,000 square feet of retail space was opened during the year taking the Group to 633,000 square feet and 139 owned stores. There was a net increase of 11 new stores across the UK and Republic of Ireland, which included stores in Southampton, two stores in Newcastle, the Cribbs Causeway shopping centre just outside Bristol, and the Dundrum shopping centre, near Dublin. In Europe, 15 stores were added to the portfolio, which included new larger-format stores in Aeroville (France), Amsterdam, and Bruges. These stores follow on from the successful pilot store in Oberhausen, Germany, that opened last year and represent a marked change from the current portfolio in Europe which consists mainly of smaller boutique-style stores.

In October 2014, SuperGroup bought out its German agent and franchise partner and, in the process, acquired its portfolio of seven stores, adding approximately 14,000 square feet to the estate. The Group holds a 70% stake in a venture in Germany, which it runs in collaboration with previous management who run the operations for wholesale, franchise and retail. More importantly, the business now has the rights to the German and Austrian markets, which will enable it to use its own capital to accelerate the roll-out of owned retail stores throughout the country.

Germany offers a significant opportunity for the Group with a retail fashion market that is valued at €58.4bn by Verdict Research, some 28% larger than the UK. The Group's confidence in the German market is underpinned by the positive performance of the Oberhausen store, which is generating strong positive like-for-like sales growth, and the success that has been experienced in the Wholesale business to date.

In July 2014 SuperGroup bought out its Spanish distributor, bringing the management team in house as part of the deal to preserve expertise and experience. As with the German transaction, this deal allows the Group to invest its own capital in the territory to take advantage of opportunities that could not be delivered under the previous structures, as well as improving the margins achieved through the wholesale operations. The Group has subsequently opened ten concessions in the regionally important El Corte Ingles department store chain across Spain and Portugal. Despite the uncertainties around the Spanish economy, the territory has provided strong growth for SuperGroup's Wholesale division over the last few years.

The German and Spanish businesses have both been successfully integrated into the Group during the second half.


SuperDry

Strategic Report continued.

Following the activities of FY14, the Group now has 139 owned stores across the European Union and trades from 633,000 square feet.

	FY13		FY14 movement		**FY14**	
	Square feet	Stores	Square feet	Stores	**Square feet**	**Stores**
UK	489,000	85	55,000	11	**544,000**	**96**
EU	47,000	28	42,000	15	**89,000**	**43**
Group	536,000	113	97,000	26	**633,000**	**139**

Financial year 2015 (FY15) will see the Group open between 80,000 and 100,000 square feet of retail space with the emphasis shifting towards European stores and, in particular, the German market. The Group has a strong pipeline of space for the next 18 months with the majority of the coming financial year's either exchanged or with agreed heads of terms. Of particular interest is the first European flagship which will open in the German city of Munich in October.

E-commerce

The Group has delivered improvements in both its website traffic and its conversion rate during the year. This is despite moving away from discount and voucher related traffic drivers, used commonly during FY13, to deliver a premium experience that is in line with stores. A significant driver of this has been the improvement in the service levels offered on the site, which now includes both free delivery and returns, and a later cut-off time for next day delivery, a benefit provided by the new distribution facility in Burton upon Trent. Visitor growth did slow during the year as mobile became a more important channel for the customer, but the recent release of new mobile and tablet sites across most of the Group's international websites puts the business in a strong position to return to historical growth rates.

The average order value (including VAT) rose 8.7% to £78.90 (2013: £72.59), driven by a combination of the growth in international business, product mix and around 2% growth in the average number of items per basket.

Following the opening of websites in China and the USA over the last 12 months, the Group operates 18 international sites in 15 countries, all with localised payment solutions, localised content and local currency pricing; three of those have two separate versions for multi-language populations. 13 of those sites also have mobile versions with development underway to extend that to others.

During April 2014 the Group appointed Jon Wragg as Director of e-commerce. Jon has extensive retail experience, having recently been Multichannel Director at Asda and previously holding a number of management roles at the multi-brand online retailer, Shop Direct. E-commerce continues to be a significant global opportunity for the Group and Jon's experience and insight, coupled with the investment already made into world-class delivery services, should generate significant growth over the medium-term.

Wholesale

Wholesale revenues represented 33.7% of total Group revenue and grew 23.3% in FY14 to £145.4m (2013: £117.9m).

Due to the numerous channels within the Wholesale business and the timing issues these generate, sales growth on a quarterly and half-yearly basis can be volatile. To counter this, the Group chooses to disclose the Wholesale order book each season, which it believes best reflects the overall performance of this channel. For FY14 the order books grew by an average of 25.9% which closely reflects the Wholesale sales growth rate.

During the year, the Group opened 59 franchised stores and four licensed stores taking the totals to 185 and 23 respectively. The lower net increase of 46 is due to the transfer of seven franchised stores into Retail after their acquisition through the buyout of the agency and franchise partner in Germany, and ten closures. Of the new stores opened, 29 were in Europe, with nine of those in France and eight in Spain. The Group now has a store presence in 46 countries with franchised stores having opened in two new territories during the year: the Czech Republic and Latvia.

Early indications are that franchise partners will open around 50 stores during FY15 but, more importantly, franchise partners are contracted to open in excess of 200 further stores over the next five years.

Infrastructure

The Group successfully delivered the rationalisation of its retail warehouses having relocated its retail logistics operation to a single 500,000 square feet distribution centre at Burton upon Trent. Two warehouses in Gloucester and a small site in Merchtem, Belgium, were all closed by the end of the financial year with all retail inventories, including e-commerce, now being dispatched from the new distribution centre. The operational capability of this site will support the planned growth for at least the next five years and will generate significant cost efficiencies from the second quarter of FY15.

The replacement Merchandising Management System ("MMS") was fully implemented prior to the year-end. This system is the 'engine-room' of the Retail business and will allow the business to improve the management of its most important asset, stock. The additional insight and power the system offers will allow the Group to operate a more swift and sophisticated replenishment operation, manage the ever growing complexity of a geographically spread store base, and provide more integrated support for the Group's multi-channel operations. This is particularly important in a rapidly changing customer environment where the digital and physical environments are becoming increasingly blurred.

There has been significant investment in information technology ("IT") over the past year. As well as implementing the MMS system, the Group has introduced new human resources and payroll systems. Preparations are now underway for the next phase of planned investment which will include the delivery of a new in-store point of sale system, a replacement financial system, and a comprehensive upgrade of the Wholesale system over the next 12 months.

Outlook

Whilst the youth sector marketplace remains competitive, the Group has developed a strong management team and improved infrastructure whilst delivering sales and profit growth that highlight the continuing appeal of the brand. That platform will enable management to continue to realise opportunities, both in the UK and overseas, and to deliver profitable growth in the coming year. The Group will announce its Quarter 1 results and autumn/winter Wholesale order book, as scheduled, on Thursday 4 September 2014.

Finance Review.

Introduction

It has been a successful year for the Group with significant increases in revenue, gross margins, and underlying operating profit, full details of which are shown in the table on the following page.

This has been achieved in a year when the management team's primary focus was on the significant investments made to secure the Group's infrastructure and shape the business to support future growth. In total, £36.4m of investment spend was incurred against last year's £17.8m, delivering an increased rate of new space opening, the new consolidated distribution facility, the new merchandising system, and the acquisition of the seven stores operated by the German franchise partner. Full details of each of these investments are shown later in this report.

The Group has made a change to its financial reporting date, timed to coincide with the implementation of the merchandise management system. The final day has moved from the last Sunday in April to the last Saturday, effectively giving the Group a financial year of 51 weeks and 6 days (the "Period" or "FY14"). This change aligns the Group with most other retailers in operating reporting weeks on a Sunday to Saturday basis which will enable the Group to collate weekly sales performance on a Sunday and allow management to begin reviewing performance data first thing on a Monday morning, facilitating faster decision-making at the weekly trading meetings.

Key Performance Indicators

KPI	Units	**2014**	2013	Change
GROWTH				
Group revenue	£m	**430.9**	360.4	+19.6%
Like-for-like sales	%	**3.2**	5.7	-250 bps
Total Retail selling space (excluding concessions)	000 sq.ft	**633**	536	+18.1%
E-commerce – growth	%	**26.3**	27.8	-150 bps
Visits (excluding eBay)	m	**25.4**	25.1	+1.2%
Conversion (excluding eBay)	%	**2.3**	2.0	+30 bps
OPERATIONAL				
Gross margin	%	**59.7**	58.3	+140 bps
Underlying operating profit margin	%	**14.3**	14.4	-10 bps
FINANCIAL				
Underlying profit before tax	£m	**62.0**	52.2	+18.8%
Underlying basic EPS	p	**58.0**	47.8	+21.3%
Cash flow from operations	£m	**73.3**	46.5	+57.6%
Free cash flow	£m	**32.5**	23.5	+38.3%

Definitions:

- Group revenue represents amounts receivable for goods supplied, net of discounts, returns and value added taxes.
- Like-for-like sales growth is defined as the year-on-year increase in revenue from stores and concessions open for more than one year, and allowing for store upsizing of no more than 100% in original trading space, and includes e-commerce revenues.
- Total retail selling space is defined as the trading floor area of all standalone stores, excluding concessions, and does not include stockrooms, administration and other non-trading areas.
- E-commerce growth is the percentage growth in online revenues, net of returns, year-on-year.
- Visits is the number of times Superdry websites were visited during the year.
- Conversion is the number of website transactions expressed as a percentage of those visitor numbers.
- Gross margin percentage is gross profit expressed as a percentage of Group revenue.
- Underlying operating profit margin is the ratio of underlying operating profit to external revenue. Underlying operating profit is external revenue less cost of sales, selling, general and administrative expenses, plus other gains and losses (net), and before charging re-measurements and exceptional items (note 13).
- Underlying basic EPS is underlying profit after tax attributable to the owners of the Company divided by the weighted average number of shares.
- Cash flow from operations represents the cash generated from the core operating activities of the Group, excluding capital expenditure, financing, taxation, and acquisitions.
- Free cash flow is defined as net cash generated from operating activities before taking account of financing and after investing activities.

Finance Review continued.

Group Profit and Loss

Group revenue for the period rose by 19.6% to £430.9m (2013: £360.4m). The Group gross margin rose 140 basis points to 59.7% (2013: 58.3%) reflecting lower clearance activity, the increasing mix of international business, and the benefits of increasing scale and purchasing power. Group underlying operating margins, however, declined by 10 basis points on last year to 14.3% (2013: 14.4%) reflecting the investment made in senior management and personnel, and the costs associated with laying the foundations for a European roll-out.

	2014 £m	Re-measurements £m	Exceptional costs £m	Reported 2014 £m
Revenue:				
Retail	**285.5**	–	–	285.5
Wholesale	**145.4**	–	–	145.4
Group revenue	**430.9**	–	–	430.9
Gross profit	**257.3**	–	–	257.3
Operating profit:				
Retail	**54.8**	(2.0)	(3.6)	49.2
Wholesale	**47.8**	(1.7)	(5.1)	41.0
Central costs	**(41.1)**	(4.0)	(0.4)	(45.5)
Total operating profit	**61.5**	(7.7)	(9.1)	44.7
Net finance income-central costs	**0.6**	–	–	0.6
Share of loss of investment-central costs	**(0.1)**	–	–	(0.1)
Profit before income tax				
Retail	**54.8**	(2.0)	(3.6)	49.2
Wholesale	**47.8**	(1.7)	(5.1)	41.0
Central costs	**(40.6)**	(4.0)	(0.4)	(45.0)
Total profit before income tax	**62.0**	(7.7)	(9.1)	45.2

Underlying and Reported Profit

A number of adjusting items have been identified in establishing the underlying performance of the Group, which are either exceptional items or re-measurements (and the related income tax where appropriate). Underlying is defined as reported results adjusted to reflect the impact of the gain/loss recognised on those items. The directors believe that the underlying results provide additional guidance to statutory measures to help understand the performance of the Group. Further details of the adjustments are included in note 13 and all references to underlying are after making these adjustments. For FY14 those items relate to the following:

- the fair value re-measurement of deferred contingent share consideration (see note 13);
- the loss/gain on financial derivatives (see note 8);
- the set up and dual running costs of the retail distribution centre (see note 13);
- the buy-out of the Spanish and UK agents (see note 13); and
- the buy-out of the German agent and franchise partner, and business combination costs (see note 13).

Group Profit Before Income Tax

Underlying profit before income tax stands at £62.0m (2013: £52.2m), up 18.8% on the year, and compares to an overall growth in revenue of 19.6%. The Group's gross profit of £257.3m (2013: £210.0m) is up 22.5% and the Group's gross profit percentage has increased by 140 basis points to 59.7% (2013: 58.3%) as a result of favourable changes to sales mix and sourcing gains, partly offset by the impact of foreign exchange rate movements.

Despite the significant increase in gross profit, the underlying operating profit margin has declined by 10 basis points to 14.3% (2013: 14.4%), driven by the increased cost base. Underlying costs have increased by 22.8% to £200.5m (2013: £163.3m), driven predominantly by the costs associated with the ongoing growth of the store portfolio, and the investments made in infrastructure and the strengthening of the management team.

Store costs have increased by 24.6%, increasing as a percentage of retail sales by 160 basis points. The increase is predominantly due to a ramp-up in the store opening programme, resulting in higher pre-opening costs and costs associated with some store relocations.

Distribution costs have increased by 10.6%, decreasing as a percentage of sales by 50 basis points. The decrease is due to lower participation of e-commerce, particularly eBay which incurred significant costs relating to the 'mega-sale' events.

Head office costs (including marketing costs and depreciation) have increased by 20%, broadly in line with sales growth. FY14 has continued to be a year of investment with the establishment of local management teams in Germany and Spain, increased resources to support international expansion and new IT platforms and more vigorous activity to protect the Group's intellectual property.

Robust Financial Management

Management believe that having robust systems and business processes is as important as strong cost control and monitoring when it comes to running the business effectively and efficiently. Improvements to business processes and financial controls have been made during the year, aided by the new distribution centre and the MMS implementation, and these will be significantly enhanced by the replacement of the finance system in FY15.

Taxation in the Period

The Group's income tax expense on underlying profit of £14.9m (2013: £13.4m) represents an effective tax rate of 24.0% (2013: 25.7%). This is higher than the statutory rate of 22.8% (2013: 23.9%) primarily due to the depreciation and amortisation of non-qualifying assets and non-allowable expenses.

The UK corporation tax rate reduction from 23% to 21% with effect from 1 April 2014 and the further reduction to 20% with effect from 1 April 2015, are substantially enacted at the balance sheet date so the deferred tax balances at 26 April 2014 have been re-measured resulting in an exceptional deferred tax charge of £4.3m (2013: £1.5m).

During the year the Group paid more than £49m in UK taxes, which includes corporation tax, import duty, business rates, employer's national insurance and stamp duty.

Finance Review continued.

In preparation for the listing of the business on the London Stock Exchange, a substantial reorganisation was undertaken with effect from 7 March 2010 and the Group's subsidiaries acquired net assets with a total fair value of £375m. Within this amount, £340m was identified as intangible assets and goodwill, of which the directors believe that at least £187m should be deductible against taxable profits over the useful economic lives of the respective assets. This gave rise to £52.4m of the exceptional deferred income tax credit booked in 2010. Based on this the directors consider that the Group's future cash tax expense should be reduced by approximately £2.8m per annum using the corporation tax rate of 20%.

Earnings Per Share

Underlying basic earnings per share is 58.0p (2013: 47.8p). Basic earnings per share is 34.0p (2013: 44.7p) based on a basic weighted average of 80,580,959 shares (2013: 80,280,115 shares). The increase in the basic weighted average number of shares is predominately due to 441,917 5p ordinary shares being issued during February 2014 in accordance with the deferred contingent share consideration agreement following the acquisition of SuperGroup Europe BVBA in 2011. The transaction resulted in an increase of £7.1m in share premium. There was also an increase in share premium of £0.1m in respect of 16,500 5p ordinary shares issued in relation to the buy-out of the Spanish distributor. In total share premium increased in the year by £7.2m.

Underlying diluted earnings per share is 57.2p (2013: 47.4p). Diluted earnings per share is 33.6p (2013: 44.3p) based on a diluted weighted average of 81,653,319 (2013: 81,049,304) shares.

Dividends

The Board recognises the level of cash building on the balance sheet but, at this stage, has decided not to return excess cash to shareholders. There are a number of opportunities over and above the organic roll-out covered in the Strategic Report which, when and if they materialise, will require meaningful capital investment and the Board does not wish to restrict the Group's ability to take advantage of these opportunities.

Consequently, the Board remains of the view that the business is best served by retaining current cash reserves to support growth, as illustrated with the deals in Germany, Spain, and the recently announced deal in Scandinavia. A recommendation will be made at the Annual General Meeting that no dividend is payable in relation to FY14 (2013: £nil).

The Board will keep the dividend policy under review by considering the Group's profitability, underlying growth, availability of cash and distributable reserves and the investment opportunities open to the business.

Despite the higher level of investment during the year, management is satisfied that the Group has delivered another period of strong returns. In FY14, SuperGroup generated a return on capital employed of 29.8% (2013: 25.7%). This supports the Board view that excess cash is best utilised executing the Group's global growth aspirations.

Cash Flow and Balance Sheet

The Group had net cash balances of £86.2m (2013: £54.5m) as at the end of the year. The business remains highly cash generative and operations delivered an inflow of £73.3m (2013: £46.5m). This year-on-year increase is largely due to the significant increase in revenues and underlying profit supported by an improvement in working capital management as aged stock has been cleared from the business. There has been a significant increase in investing activities to £36.4m (2013: £17.8m) driven by the capital expenditure incurred in opening the near 100,000 square feet of new retail space, the opening of the new distribution centre, and the information technology investments. It is anticipated that the Group will continue to enjoy a strong balance sheet that will enable it to continue to invest in new business opportunities and infrastructure to support future growth.

The net book value of property, plant and equipment is £70.3m (2013: £63.7m). During the year, £26.9m (2013: £15.0m) of capital additions were made, of which £21.8m (2013: £10.0m) relates to leasehold improvements across the Group. The balance is made up of furniture, fixtures and fittings (£2.7m) and computer equipment (£2.4m). Furniture and fittings with a value of £1.2m were acquired as part of the business combination in Germany.

Landlord contributions of £4.6m (2013: £3.0m) were received during the year and will be amortised over the length of the respective leases.

Intangible assets comprise goodwill, lease premiums, distribution agreements, trademarks, the website and computer software, stood at £46.7m at the year end (2013: £41.5m). Acquisitions in the year resulted in £0.7m being added to goodwill and £1.2m to intangibles.

Investment in inventories, trade receivables and trade payables decreased by 0.7% during the year to £67.9m (2013: £68.4m) and as a proportion of Group revenue was 15.8% (2013: 19.0%). Group inventory increased to £77.8m (2013: £72.5m), up 7.3%. The increase in inventory is a result of the increase in both retail space and sales, offset by a reduction in aged stock. Trade receivables (excluding prepayments and provisions) increased by 14.8% to £32.5m (2013: £28.3m) and were 7.5% (2013: 7.8%) of Group revenue. This is broadly in line year-on-year.

Trade payables were £42.4m (2013: £32.4m), an increase of 30.9% on the prior year and represented 9.8% (2013: 9.0%) of Group revenue.

The directors report that, having reviewed the current performance forecasts, they have a reasonable expectation that the Company and the Group have adequate resources to continue their operations for the foreseeable future. For this reason they have continued to adopt the 'going concern' basis in preparing the financial information.

Current assets		2014 £m	2013 £m	Change %
Inventories		**77.8**	72.5	+7.3%
Trade and other receivables	Trade receivables	**32.5**	28.3	+14.8%
	Other receivables/derivatives	**21.8**	19.0	+14.7%
Sub total receivables		**54.3**	47.3	+14.8%
Cash and cash equivalents		**86.2**	54.5	+58.2%
Total current assets		**218.3**	174.3	+25.2%
Trade and other payables	Trade payables	**(42.4)**	(32.4)	+30.9%
	Other payables/derivatives/borrowings	**(30.7)**	(25.0)	+22.8%
Total current liabilities		**(73.1)**	(57.4)	+27.4%
Net current assets		**145.2**	116.9	+24.2%
Working capital	Inventories	**77.8**	72.5	+7.3%
	Trade receivables	**32.5**	28.3	+14.8%
	Trade payables	**(42.4)**	(32.4)	+30.9%
Total		**67.9**	68.4	-0.7%

The Group continues to review its supplier base in order to manage risk and meet growth expectations. During the year, the number of suppliers decreased to 66 (2013: 79) 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 the Group has adopted, both in terms of suppliers and territories, enables the Group to generate competitive tension between suppliers and de-risk its sources of supply.

Divisional Performance

Retail

The Retail division delivered revenue of £285.5m (2013: £242.5m), up 17.7% on the year and represents 66% of total Group revenue (2013: 67%). Like-for-like sales for the year, including the European owned stores and e-commerce revenues, were +3.2% (2013: +5.7%). During the year, management took the decision to cease the eBay 'mega sales' that had been previously used to clear excess aged stock. These had been successful in generating revenue but had almost no impact on profit. Stripping out the effect of these sales from last year would adjust the total sales growth to +20.5% and like-for-like sales up to 4.4%.

Finance Review continued.

The Retail division's operating profit was £49.2m (2013: £46.8m). Underlying operating profit in the year was £54.8m (2013: £46.2m), up 18.6% on the year, and underlying operating profit margin was 19.2% (2013: 19.1%).

The operating margin improvement reflects gains from sourcing, coupled with changes to the trading mix. Clearance sales have switched away from eBay and into owned outlet space, delivering a better margin. There has also been an increase in participation from the international business, which carries a 20-25% price premium over the UK. This has been partly offset by the higher cost of running the international stores, relative to the UK.

Retail division	2014 £m	2013 £m	Growth
External revenues	**285.5**	242.5	+17.7%
Underlying operating profit	**54.8**	46.2	+18.6%
Underlying operating margin (%)	**19.2%**	19.1%	+10bps
Re-measurements	**(2.0)**	1.1	
Exceptional items	**(3.6)**	(0.5)	
Retail operating profit	**49.2**	46.8	+5.1%

Wholesale

The Wholesale division delivered revenue of £145.4m, up 23.3% (2013: £117.9m), representing 34% of total Group revenue (2013: 33%).

Operating profit in the year was £41.0m (2013: £37.1m), whilst underlying operating profit was £47.8m (2013: £35.6m). Underlying operating margin was 32.9% (2013: 30.2%). The improvement in operating margin of 270 basis points was predominantly delivered through the gross profit margin, reflecting gains from sourcing and the sales growth in Europe where better margins are achieved due to the pricing premium.

Wholesale revenue by territory:	2014 £m	2013 £m	Change %
UK and Republic of Ireland	**31.9**	28.0	+13.9%
Europe	**86.5**	67.4	+28.3%
Rest of World	**20.6**	15.5	+32.9%
Clearance & other	**6.4**	7.0	-8.6%
Total Wholesale revenue	**145.4**	117.9	+23.3%

Revenue growth in Wholesale was achieved mainly through Europe and rest of world territories. The European growth was from independent accounts and new franchise store openings whilst the rest of the world has seen an increase in orders through the existing franchise partnership base opening new stores and the addition of new partnership deals. The UK territory has improved significantly following last year's decline, mainly driven by increased orders from UK key accounts.

There are 208 (2013: 162) Superdry branded franchise and license stores worldwide, including 23 (2013: 20) license stores, operating in 46 countries.

Wholesale division	2014 £m	2013 £m	Change %
External revenues	**145.4**	117.9	+23.3%
Underlying operating profit	**47.8**	35.6	+34.3%
Underlying operating profit margin %	**32.9%**	30.2%	+270bps
Re-measurements	**(1.7)**	1.5	
Exceptional items	**(5.1)**	–	
Wholesale operating profit	**41.0**	37.1	+10.5%

Shaun Wills
Chief Financial Officer
9 July 2014

Employees.

The success of the Group is a direct result of the knowledge, skills, drive, passion and enthusiasm of its people. Since its earliest days, the Group has created and maintained an environment where individuals can flourish and fulfil their potential.

People are at the heart of the SuperGroup business and bring the Superdry brand to life; from the innovative products they create through to the service excellence they provide to customers. To deliver continuing and improving value for shareholders, the Group must engage its people in its plans and ensure that the right individuals are in place, combining the right mix of skills and experience to deliver growth.

Having welcomed German and Spanish colleagues this year, SuperGroup now employs in excess of 3,500 people (including part-time colleagues) across the UK and Europe. This is set to grow in the coming year as the Company embarks on initiatives to deliver further growth.

The management team is developing tools to equip people with the skills to drive SuperGroup forward and offer them rewarding careers. Sharing in success is something that is valued and, for a third year, employees have been offered the opportunity to join the Sharesave scheme (please refer to page 109 for further details).

This year, the Group has continued to build a pipeline of future talent, attracting new people to the business and developing those already on board. An intern/sandwich placement programme has been introduced, customer service training has taken place in all stores, language skills training in Spanish, German and French has been offered, management skills training for store and head office managers has been made available, together with ongoing support for professional education and qualifications and a successful leadership development programme. The Group remains a very attractive place to work and, during the year, received more than 100,000 applications and recruited in excess of 1,200 temps to support Christmas 2013 peak trading.

There is a strong pool of talented people in the business. However, given the scale and pace of current and anticipated future growth, in early 2014 the Group embarked on a comprehensive review of talent. This included mapping out future business and talent needs, documenting the skills and experience already in place, raising the level of debate on talent amongst senior leaders, and building a talent plan to support future business requirements.

The relocation of the UK logistics operation unfortunately resulted in the closure of two distribution centres in Gloucestershire. However, it is pleasing that 64 employees chose to make the move and transfer to the new distribution centre in Burton upon Trent. A number of colleagues elected to take redundancy and were supported in achieving NVQ qualifications prior to the closures, alongside comprehensive training in CV writing, interview and job hunting skills support.

In the UK, the Government's pension auto-enrolment changes were implemented and, following a comprehensive communication campaign on the value of investing in pensions, only a handful of employees opted out of the pension scheme.

Diversity

Equality and diversity are fundamental values supported by SuperGroup. The Group has an equal opportunities policy and takes its responsibilities under that policy seriously. In addition, the Group gives full and fair consideration to applications for employment by disabled people. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged as necessary.

The Group believes 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. SuperGroup employees 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 more diverse. The Group respects cultural differences and actively seeks to learn about them in each territory in which it operates.

Employees continued.

The Board recognises the benefits of encouraging diversity across all areas of the Group and believes that this contributes to SuperGroup's 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.

The Group is committed to increasing the participation of women at the Board and senior management level. As illustrated in the table below, more than half of the Group's total employees are female:

	Male		Female		Total
	No:	%	No:	%	No:
Group Board directors	9	90%	1	10%	**10**
Executive Committee	7	70%	3	30%	**10**
Senior managers	14	61%	9	39%	**23**
Other Company employees	1,459	44%	1,891	56%	**3,350**
Total employees	1,482	44%	1,901	56%	**3,383**

The Nomination Committee has continued to consider the merits of boardroom diversity including gender. However, all Board appointments are made on merit against objective criteria rather than aiming to achieve an externally prescribed target. At the start of the year, 11% of the Board was composed of women. This is now at 10%, with the recent appointment of Hans Schmitt in May 2014.

A number of women have been appointed to senior management positions during the year, including the Group General Counsel, the Head of International Retail, and the Group Financial Controller. The Executive Committee is currently composed of 30% of women, having started the year at 22%.

Human Rights

The Group is committed to upholding all basic human rights and welcomes the implementation of the United Nations' Guiding Principles of Business and Human Rights.

Health and Safety

The Group recognises the importance of health and safety and is fully committed to providing a safe and healthy environment for its employees and customers.

A risk management process including monthly inspections, annual auditing, and trend analysis is followed to identify hazards or increased risks within the Group and ensure that mitigating controls are effective.

Policies and procedures are reviewed regularly to ensure they are robust and continue to further improve health and safety standards across the Group. This, along with the ongoing training programme for stores and head office employees delivered by the health and safety team, has ensured that the reportable accident rate remains extremely low at just four for this Period.

Employees are encouraged to report any health and safety concerns they may have either internally through the escalation procedure or via the independent whistleblowing hotline. No reports or calls regarding health and safety have been made in this financial year.

Substantial investment continues to be made in protecting employees and customers across the Group through the installation and upgrading of physical security and fire detection systems, and the appointment of a dedicated Operational Risk Manager to support the European territories in conjunction with the existing health and safety team.

Looking Ahead

Looking ahead, the focus will be on how the right talent is sourced, together with a strategy to develop people ahead of the business' growth curve. There will also be an effort to engage people further by encouraging employees to develop their careers with SuperGroup.

Corporate Responsibility.

The global nature of the clothing industry has a significant impact upon communities and the natural environment worldwide. SuperGroup's objective is to ensure that this impact is as positive as possible.

The Group's corporate responsibility programme is designed to:

- respect workers in the supply chain;
- drive environmental sustainability improvements;
- support the communities SuperGroup interacts with; and
- ensure the welfare of employees.

The Group recognises that this approach is not only beneficial to stakeholders but also contributes to the economic sustainability of the business itself.

Governance

Commitment to corporate responsibility comes from the most senior level in the business. Susanne Given, Chief Operating Officer ("COO"), has overall accountability for Group corporate responsibility and sponsors its strategic direction and objectives.

A corporate responsibility operations team reports directly to the COO and is responsible for delivering and reporting on the Group's objectives. This team works with departments across the business to identify opportunities for operating in a more sustainable manner.

Risk

Issues pertaining to corporate responsibility are reviewed within the Group's internal control and risk management processes. Ethical trading issues in the supply chain are considered a principal risk to the business and are reviewed in accordance with risk management protocols.

Responsibility in the Supply Chain

Building responsibility into supply chain expansion

When one of the key outerwear suppliers in China needed to move factories in 2014, SuperGroup assisted with the expansion plans.

By helping to set up production lines, human resources systems and health and safety processes from the outset, the factory can better improve worker welfare and conditions.

SuperGroup continues to focus effort on improving safety and fairness for all workers in the factories that manufacture. The Group believes that it has a responsibility to ensure that suppliers comply with local and international legislation and recognised standards of best practice.

All suppliers are required to acknowledge in writing the SuperGroup Ethical Trading Code of Practice (the "Code of Practice"). Based on the conventions of the International Labour Organisation (ILO), the Code of Practice sets out the minimum standards expected from suppliers and their employees. The Group regularly undertakes audits and reviews of factory performance against the Code of Practice and works with suppliers to improve working conditions.

Financial year 2014 saw a number of improvements in the way SuperGroup manages ethical trading in its supply chain; collaboration was a key theme.

Collaborating with experts

SuperGroup continues to benefit from membership of the Ethical Trading Initiative (ETI). This organisation allows the Group to learn from trade unions and non-governmental organisations (NGOs) as well as other brands, on how to address ethical trading issues.

The Group strengthened its internal team to assist with improving supply chain conditions. More regular joint factory visits by both the ethical trading and production teams has helped reinforce SuperGroup's message regarding responsible sourcing.

Corporate Responsibility continued.

A new supplier review and risk management programme was launched during the fourth quarter of FY14. This enables the Group to regularly review supplier performance across a range of indicators including:

- quality;
- critical path deadlines; and
- factory technical capability.

Ethical trading metrics form a key part of each review and enable the Group to consider safety and fairness in its sourcing decisions.

SuperGroup will continue to work on improving ethical trading standards through collaborative measures. Prior to the end of the Period the Group launched a long-term capability building programme with a selection of key factories. This co-funded programme uses local experts to assist factories in making human resources, health and safety and productivity improvements, ultimately resulting in a more effective supply chain.

Highlights:

- Introduction of a new Ethical Trading Terms of Engagement document to further clarify what working conditions are expected in the supply chain.
- 179 audits and site visits were conducted in the Group's supply chain factories.
- Development of all angora wool products were suspended in December 2013 to establish whether suppliers are operating in accordance with the Group's Animal Welfare Policy. At the report date no further use of Angora wool is planned.

Creating Environmental Value

Clean, green renewable energy

In FY14 85% of SuperGroup's UK electricity was generated by renewable energy sources.

This is delivered in partnership with a renewable energy supply company and supports local, cleaner energy generation from Cornish solar, Scottish wind and Welsh hydro power schemes.

Reducing environmental impact is a key element of the Group's corporate responsibility objectives. The economic sustainability of the business requires the Group to consider the environmental sustainability of its operations and products.

The SuperGroup Environmental Policy, sanctioned by the Chief Executive Officer, is principally responsible for committing the Group to reducing:

- greenhouse gas emissions;
- energy consumption; and
- waste generation.

Through adopting this policy the Group anticipates that it will drive down underlying energy costs and will help mitigate the risk from future energy commodity price fluctuations.

Waste textiles

13.59 tonnes of waste textiles from SuperGroup's UK design and sampling teams was recycled in financial year 2014.

Garments or materials that are no longer required are securely taken off site and shredded. Following destruction, these textiles are recycled for use in other industries such as rags for the cleaning industry or as car insulation.

Automated meter reader

In 2014 SuperGroup completed an automated meter reader (AMR) roll-out programme. These 'smart meters' have been introduced into 74% of Superdry's UK stores and buildings, providing accurate and near real time energy data. This data allows the Group to both proactively and reactively manage its energy costs within an energy management programme. This project has also led to the trial of a building management system in energy intensive stores that has seen energy use in those stores reduced by 10% on average.

The Group continues to participate, alongside other major brands, in the Government's Sustainable Clothing Action Plan group to help improve the sustainability of clothing across the retail industry. This year, for the first time, SuperGroup collaborated with 'Made-By', a fashion-focused sustainability non-governmental organisation to measure and benchmark the carbon, waste and water impacts of the entire Superdry clothing range.

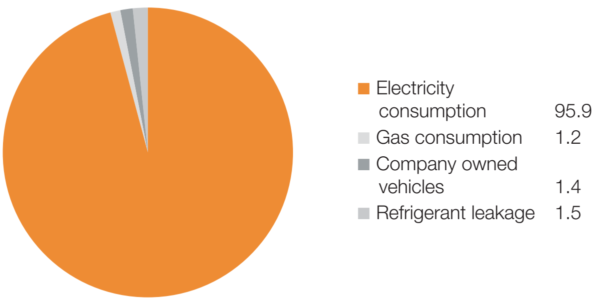
Carbon Emissions

The Group has measured its operational and wider carbon footprint for the past four years, providing insight into where the largest climate impacts are and to prioritise resources accordingly.

Global greenhouse gas ("GHG") emissions for the period 5 May 2013 to 6 May 2014

	Tonnes of CO_2e
Emissions from:	2013-2014
Combustion of fuel and operation of facilities	321
Electricity, heat, steam and cooling purchased for own use	7,439
Emissions per £m of revenue	18

FY14 CO_2 by emission source %



Methodology

The Group has reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within the consolidated financial statements. SuperGroup does not have responsibility for any emission sources that are not included in the consolidated statements. Data has been prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2014.

Recognising Communities

26 mile adventure challenge

In September 2013 SuperGroup employees entered a gruelling 26 mile run, cycle and canoe challenge alongside other retail brands and raised £22,363 for CARE International projects.

During 2014, Superdry360, the Group's charity and community support programme, was launched. Superdry360 is a platform for charitable projects supporting the local, national and international communities in which SuperGroup operates. In FY14 Superdry360 made donations to a number of charities including The Prince's Trust, Cheltenham Design Festival and Care International.

Principal Risks and Uncertainties.

In accordance with the UK Corporate Governance Code (the "Code"), the Board understands the need for a robust system of internal control and risk management. Following a review of risks to the Group, further assessments of the key risks and uncertainties facing the Group have been undertaken, which are reviewed by the Executive Committee and Board twice each year.

The directors consider the following matters to be the principal risks and uncertainties affecting the Group. These are not exhaustive and there might be additional unknown risks that could have an adverse effect on the Group.

Risk	Potential impact	Mitigation	Change
Fashion and design trends may not be responded to. This will become more significant for the Group as the mix of women's wear sales increases.	The Group may experience inventory shortages or excesses that could result in reduced margins, or lost revenue or customer goodwill.	The Group will continue to design new and innovative products and will ensure a high level of market awareness and understanding of fashion and consumer trends by carrying out market research, brand tracking, visits to trade fairs and product research. The Group is constantly refreshing and updating its product range. This assists in differentiating the product to meet evolving customer needs. As the owner of the Superdry brand, the Group is less sensitive to fashion trends than many other clothing retailers. The appointment of a Head of Women's Wear enables greater focus on women's wear trends.	↑
Failure to achieve long-term business growth as a result of either the lack of an effective strategy or the failure to implement successfully the strategy.	Failure to achieve planned growth targets could significantly impact on investor appeal.	A five year plan is in place which sets out the key strategic initiatives required to support the planned growth of the Group. These initiatives are owned by the management team and progress is reported regularly to the Board. The ongoing recruitment of experienced members of the management team is helping to drive the successful implementation of these initiatives as well as underpinning ongoing operations. International development, which is a key component of the five year plan, is led by the Managing Director of International and Wholesale. Good progress has been made in the past 12 months with the implementation of the international strategy, notably with the integration of the German and Spanish businesses and the development of new franchisee partnerships.	↔

↑ ↓ ↔ Indicates the change in overall level of risk assessment during the course of 2014

Risk	Potential impact	Mitigation	Change
Failure to deliver business critical projects.	Failure to deliver key projects could impact on the effectiveness and efficiency of business operations or delay growth opportunities.	Whilst there are still key projects to be delivered, a number of business critical projects have been successfully completed in the past 12 months. Highlights include migration to the new distribution centre in Burton upon Trent and the new IT systems supporting merchandising and HR. Robust Board level project approval processes are in place to ensure that appropriate due diligence is carried out before a project is undertaken. Improvements continue to be made to the project governance framework. Regular reviews of key projects are carried out by each of the Executive Committee, Audit Committee and the Board. Additionally, KPMG in its role as internal auditor has undertaken specific project reviews at the management team's and the Audit Committee's request.	↓
Loss of key individuals or the inability to attract and retain talent.	Lack of appropriately skilled and experienced resource could result in a delay in achieving the Group's strategic goals.	The management team has been further strengthened over the past 12 months, with the appointment of a Group General Counsel and new Heads of Merchandising, Finance and e-Commerce. The Design team also continues to be expanded and strengthened. Recruitment and retention practices have been reviewed and are continuously being developed to improve selection, performance and retention outcomes. A comprehensive talent review has been carried out, enabling a clear vision of the talent needs of the Group (including succession planning). Action planning is now being implemented to ensure that the needs of the business both today and in the future will be met.	↔

Principal Risks and Uncertainties continued.

Risk	Potential impact	Mitigation	Change
Economic and financial conditions result in challenging trading conditions or economic instability.	The Group's results can be affected by the impact of economic conditions on consumer confidence and buying habits.	Regular reviews and forecasting processes are in place to assess current market conditions and to ensure that any issues are dealt with in a timely manner. The Group continues to implement its strategies to develop and strengthen the Superdry brand globally thereby reducing its dependency on specific markets. The Wholesale team closely manages credit terms with its trading partners to balance their ability to purchase goods with managing the risk of bad debts. The treasury function monitors the stability of financial institutions that hold Group deposits. Investments are spread over a number of institutions to manage risk and ensure competitive terms.	↔
Failure to ensure that working conditions in the supply base are in line with the Group's ethical trading policy.	There is potential for the Group to suffer negative customer and stakeholder sentiment with associated impact on customer and investor appeal.	Ethical Trading matters are led by the COO to whom a dedicated sustainability team reports. SuperGroup is an active member of the Ethical Trading Initiative (ETI). The Group actively engages with its supply base and expects to operate in accordance with its ethical trading code of practice. The Group assesses the status of operating practices through a schedule of focused audits and company visits, where necessary, working with suppliers on improvement plans.	↔
Key infrastructure or IT systems may be unavailable due to operational problems or a major incident.	Should any of these facilities be unavailable for an extended time period, the Group's ability to trade will be impaired. If a major incident impacts the peak trading period from November to January then the consequences to the Group's results would be more severe.	The IT replacement programme is progressing to plan, delivering systems with improved reliability and availability. HR and merchandising systems have now been replaced. During FY15, it is planned to replace the store POS and finance systems. The payroll system was replaced in FY14. The overall IT programme will continue through until 2016. The completion of the migration of the Group's warehousing operations to the distribution centre in Burton upon Trent has delivered a more reliable, efficient and scalable logistics capability. The Group's business continuity planning procedures have been further developed during the Period and continue to be strengthened.	↔

Risk	Potential impact	Mitigation	Change
Brand damage may occur due to over-exposure of the Superdry brand or the existence of counterfeit product.	The strength of the Superdry brand is fundamental to the business. There is a risk that the brand may: (i) become over-exposed; or (ii) be damaged by the existence of counterfeit products with inferior quality and/or design.	Ongoing brand tracking and sales analysis occurs to ensure that the brand does not become over exposed in any of its markets. Growth in more mature markets is carefully planned to avoid over-saturation. The Group's in-house brand protection team works closely with third party advisers and customs authorities throughout the world to monitor the production and sale of counterfeit product and, where identified, remove it (whether it be online or in the marketplace) using all tools available including take down procedures and issuing proceedings. The Group also monitors its supply chain to limit the risk of any supplier selling unauthorised product directly into the market.	↔
Failure to comply with legal and regulatory frameworks.	Failure to comply with legal obligations or regulatory frameworks in the diverse markets in which the Group operates could result in financial penalties, the inability to enforce contracts and/or reputational damage.	The Group's tax and in-house legal functions work closely with the business to identify and mitigate legal and regulatory risk using both internal resources and external advisers where either specialist or local advice is needed.	↔
The Group increasingly transmits data electronically, creating a growing security risk. There is also a risk of the loss of controlled data by authorised users.	A failure to adequately protect data could lead to prosecution and reputational damage to the brand.	The Group is investing significantly in new IT systems and infrastructure that will enhance its security profile. Good progress is being made on the Payment Card Industry (PCI) programme. The Company expects to be compliant by the end of 2014. The Group has recently reviewed and strengthened its data protection training programme. An improved training programme is currently being rolled out.	↔
Risk of significant changes in currency exchange rates.	The Group's financial results become unpredictable due to changes in exchange rates.	The Group has recently upgraded its treasury policy to reflect the growing international dimension of the business. The Group maintains constant management oversight, including Board review, of foreign exchange exposure and opportunities. The Group's policy is to hedge these risks by using forward foreign exchange contracts. This policy is set out in note 31 of this report.	↔

Governance.

Board of Directors.

Peter Bamford

Chairman

Peter is Chairman of the Nomination Committee.

Peter is also Chairman of Six Degrees Technology Limited, PRS for Music Limited and Brandtone Holdings Limited (appointed on 1 May 2014). He is also non-executive director of Rentokil Initial Plc.

Peter was a director of Vodafone Group Plc from 1998 to 2006 where he held senior executive roles, including Chief Marketing Officer, Chief Executive of Northern Europe, Middle East and Africa and Chief Executive of Vodafone UK. Prior to this he held senior positions with WH Smith Plc, Tesco Plc and Kingfisher Plc. Peter has served on the boards of public companies for the last 19 years and has extensive experience in developing and growing businesses and brands internationally.

Julian Dunkerton

Chief Executive Officer

Julian is a member of the Nomination Committee.

Julian has worked exclusively in the retail sector for over 27 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 11 years ago. Julian has a deep understanding of the Superdry brand, strong commercial instincts and a feel for its target customers, developed through his hands-on experience of building SuperGroup from the ground up.

Susanne Given

Chief Operating Officer

Susanne is responsible for the UK Retail division together with the central support functions.

Susanne has held senior positions in a number of leading retailers including John Lewis, TK Maxx, Harrods, Homebase and House of Fraser. She brings a disciplined and structured approach to the Group developed from over 22 years retailing experience across a diverse range of retailers and product sectors.

Shaun Wills

Chief Financial Officer

Shaun was previously Chief Operating Officer at Habitat and Finance Director of Fat Face. Prior to these appointments, Shaun held senior roles at New Look and Debenhams plc. Shaun has over 22 years experience in the retail sector in finance, strategy, and business development roles. He is a qualified accountant.

Hans Schmitt

Managing Director International & Wholesale

Hans was appointed to the Board on 1 May 2014.

Hans is responsible for international expansion and the Wholesale division. He joined SuperGroup in June 2013, having previously been President of Europe, Middle East, Africa and the United Kingdom for Warnaco Plc between 2010 and 2012, where he was responsible for brands such as Calvin Klein. Prior to this, Hans held senior positions at Hugo Boss AG between 1997 and 2010.

James Holder

Brand and Design Director

James is responsible for brand and product development, and heads up SuperGroup's team of in-house designers.

James created the Bench clothing brand in 1992, which became the premier English skate-wear brand in the niche skate/BMX market. In 2003 he teamed up with Julian Dunkerton and developed the Superdry brand. James brings exceptional clothing design skills to the Group and has been central to the success of the Superdry brand in appealing to its target market.

Keith Edelman

Senior Independent Non-executive Director

Keith is Chairman of the Remuneration Committee and a member of the Nomination Committee. He is also non-executive Chairman of Goals Soccer Centres Plc and a non-executive director at Safestore Holdings Plc, the London Legacy Development Corporation and Thorntons Plc.

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

Ken McCall

Independent Non-executive Director

Ken is a member of the Audit Committee.

Ken is also Managing Director of Europcar Group UK Limited.

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

Minnow Powell

Independent Non-executive Director

Minnow is Chairman of the Audit Committee and is a member of the Remuneration Committee.

Minnow is a non-executive director at Tui Travel Plc, having previously spent 25 years with Deloitte, where he was made a partner in 1985. He is a chartered accountant and was a member of the UK's Audit Practices Board for six years.

Euan Sutherland

Independent Non-executive Director

Euan is a member of the Audit, Nomination and Remuneration Committees.

Euan has previously served as Group Chief Executive Officer for the Co-op group of companies, Group Chief Operating Officer at Kingfisher Plc and as a non-executive director with the Co-op Food Board. Prior to this he was Chief Executive of AS Watson UK, owner of Superdrug.

Euan has over 19 years experience within the retail sector having held roles with Boots, Dixons, Coca-Cola, Matalan and Mars.

Directors' Report.

The directors present their Directors' Report together with the audited Financial Statements of the Company and its subsidiaries (together the "Group") for the Period audited. The Corporate Governance Statement set out on pages 44 to 50 forms part of this Directors' Report. The Company is UK domiciled but has a number of overseas subsidiaries and a branch in Portugal.

The Directors' Report and Strategic Report comprises 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 38 to 39 for a full list of the directors.

Results

The Group's and Company's Financial Statements for the year are set out on pages 88 to 93.

Post Balance Sheet Events

There have been no balance sheet events that either require adjustment to the Financial Statements or are important in the understanding of the Company's current position other than the purchase of the SMAC group (its successful and long-term Scandinavian distributor which consists of SMAC A/S, SMAC Retail A/S and SMAC Norge A/S) which completed on 20 June 2014. This purchase returns to SuperGroup the rights to trade the Superdry brand in Denmark, Norway and Finland. The acquisition of the distribution rights will assist the Group in meeting its ambitious plans for the region, by freeing it to invest its own capital in the store roll-out, improve margins on the wholesale operation and retain local operational and management expertise. Based in Aarhus, Denmark, SMAC has a footprint of four owned retail stores, eight franchise stores and a thriving wholesale business.

The Group's Approach to Tax

The Group's approach to tax matters is to comply with all relevant tax laws and regulations, whichever country it operates in, whilst effectively managing the overall tax burden. The Group will pay the right and fair amount of tax in each territory it trades from in accordance with the letter and spirit of local laws and regimes. The Group understands that taxes it pays to governments are an important source of revenue for them in providing a stable infrastructure and environment in which the business operates.

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

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

The Group uses the services of external, expert tax advisors to provide input into its tax affairs, such as the management of compliance in some overseas jurisdictions and the impact of changes in tax legislation on the Group.

Tax Governance

The Group's tax strategy is determined by the Board of directors as a sub-set of the Group's 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, the Group naturally has a presence in some countries with lower tax rates than the UK. It also operates in a number of countries with much higher rates and all territories are chosen for their strategic importance to the growth of the business rather than their tax regimes. Importantly, the Group has a full retail or wholesale trading business and pays appropriate taxes in all of the countries where it has a presence.

Related Party Transactions

Other than in respect of arrangements set out in note 5 to the Financial Statements and in relation to the employment of directors, details of which are provided in the Directors' Remuneration Report on pages 59 to 77, 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.

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

Share Capital

Details of the issued share capital, together with details of movements in the issued share capital of the Company during the Period, are shown in note 32 which is deemed to be part of this Directors' Report. The Company has one class of ordinary shares which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company. The ordinary shares are listed on the Official List and traded on the London Stock Exchange. As at 26 April 2014, the Company had 80,961,378 ordinary shares in issue.

Share Capital, Control and Restriction on Voting Rights

As at 26 April 2014, the Company's issued share capital was 80,961,378 ordinary shares of 5 pence each in nominal value (the "issued share capital"). Details of the Company's share capital are shown in note 17 to the Financial Statements on page 114.

The rules about the appointment and replacement of directors are contained in the Company's Articles of Association. Specific rules regarding the re-election of directors are referred to in the Corporate Governance Report on pages 44 to 50. Changes to the Articles of Association must be approved by the Company's shareholders.

Powers relating to the issue and buy back of shares are included in the Company's Articles of Association and such authorities are renewed by shareholders each year at the Annual General Meeting ("AGM").

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

Share Buy-backs

At the AGM in 2013, shareholders approved a resolution to grant the directors authority to repurchase a maximum number of 8,045,555 ordinary shares (representing 10% of the Company's issued share capital) as shares become available. During the reporting year to 26 April 2014, there were no purchases by the Company of its own shares. It is intended to renew this authority from shareholders at the AGM in September 2014 in respect of 8,096,137 ordinary shares (again, representing 10% of the issued share capital as at 26 April 2014). Further details are set out in the notice of the AGM.

Directors' Share Interests

The interests of the directors holding office at 26 April 2014 in the shares of the Company are shown in the Directors' Remuneration Report on page 59. There were no changes to the beneficial interests of the directors between 26 April 2014 and 1 July 2014.

Directors' Report continued.

UK Corporate Governance Code

The Company's statement on corporate governance and compliance with the Code can be found in the Corporate Governance Report on pages 44 to 50 and is incorporated by reference.

The Takeover Directive

The rights and obligations attached to the issued share capital are set out in the Articles of Association available on the Company's website www.supergroup.co.uk. At the AGM in 2013, shareholders approved resolutions to allot shares up to an aggregate nominal value of £1,341,200 (representing, at that time, one-third of the Company's issued share capital). It is intended to renew this authority at the AGM in September 2014 in respect of shares with a nominal value of £1,349,356 (again, representing one-third of the issued share capital as at 26 April 2014).

The disapplication of pre-emption rights for cash issues of shares was approved at the AGM in 2013 in respect of ordinary shares with a nominal value of £201,180, representing approximately 5% of the issued share capital at that date. This disapplication will be renewed at the AGM in September 2014 in respect of ordinary shares with a nominal value of £202,403 (again representing approximately 5% of the issued share capital).

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

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

Financial Risk Management

Please refer to note 31 of the accounts.

Legal and Regulatory Compliance

The legal team is responsible for identifying and carrying out audits of those areas of the business where material legal and regulatory risks may be present. In the last year, the team has worked with external advisers to audit the Company's compliance with the UK Bribery Act 2010, the Data Protection Act 1998, competition laws and risks in relation to the Company's intellectual property portfolio. Where issues are identified, mitigating actions are built into an action plan involving the drafting and communication of policies and the delivery of training. The progress against set targets is monitored by the Board and/or Audit Committee.

In order to ensure that the Company's suppliers behave in a moral and ethical manner, the Company introduced a comprehensive supplier manual which includes contractual terms, codes of conduct and an ethical trading policy which has been reviewed and updated during the Period. Compliance with the manual is monitored by audits carried out in accordance with an agreed plan, and a report is presented to the Board annually.

Whistleblowing hotlines are now in place internationally and are managed through a third party provider. These cover all countries in which the Group operates. All matters arising from the use of the whistleblowing hotline are referred to the company secretarial team and investigated as appropriate. The Audit Committee receives a summary of all matters arising through the whistleblowing hotline.

Health and Safety

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

For further information, please refer to the Strategic Report on pages 07 to 19.

Greenhouse Gas Emissions

The Group has measured its operational and wider carbon footprint for the past four years, providing insight into where the largest climate impacts are and to prioritise resources accordingly.

The section of the Corporate Responsibility report headed "Carbon Emissions" on page 31 is incorporated into the Director's Report by reference.

Disclosure of Information to Auditors

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

Approved and signed on behalf of the Board.

Lindsay Beardsell
Company Secretary
9 July 2014

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

Corporate Governance Report.

Introduction

The Board remains committed to the achievement of high standards of corporate governance which it considers to be central to the effective management of the Group. Further progress has been made during the reporting year to continue to develop appropriate and adequate corporate governance arrangements. The following, together with the directors' biographies on pages 38 to 39, the Directors' Remuneration Report on pages 59 to 77, the Directors' Report on pages 40 to 43, the Nomination Committee Report on page 58 and the Audit Committee Report on pages 51 to 57 provide an explanation of how the principles of the Code have been applied and of areas of non-compliance during the Period.

Code Compliance

The Group complied throughout the year with the provisions set out in the Code and the UK FCA Disclosure and Transparency Rules in all material respects. For the period from 29 April 2013 up until 29 January 2014 the composition of the Nomination Committee (excluding the chairman) was non-compliant as the majority of the committee was not independent. With the appointment of Euan Sutherland to the committee on 29 January 2014 the majority of members are independent non-executive directors and so the Group is now compliant with this requirement.

Following the appointment of Hans Schmitt to the Board on 1 May 2014 the composition of the Board is no longer compliant with the Code. The Group was therefore compliant throughout the Period but since this appointment is non-compliant.

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

The Board

The Board is responsible collectively for promoting the success of the Group and for implementing the business model and strategy as set out in the Strategic Report on pages 07 to 19. 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 the overall performance, strategy and future development of the Group. In accordance with the Code, the schedule of matters reserved to the Board has been reviewed and approved.

The principal matters reserved for the Board are:

- setting and managing Group strategy;
- changes relating to the Group's capital structure including share issues and buy-backs;
- financial reporting and controls;
- ensuring maintenance of sound internal controls and risk management;
- capital expenditure and long-term commitments;
- Board membership and appointment;
- remuneration policy;
- delegation of authority; and
- corporate governance and Company policies.

The requirement for Board approval on these matters is understood by the Company's management team.

The Board receives appropriate and timely information to enable it to discharge its duties. In March 2014, the Company introduced the use of a secure iPad-based paperless meeting system to enhance Board administration.

The division of responsibilities between Chairman and Chief Executive Officer is set out in writing and agreed by the Board.

The non-executive directors meet with the Chairman separately from time to time without the executive directors present. During the Period, the non-executive directors have each spoken to the Senior Independent Director to appraise the performance of the Chairman.

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

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

Operational matters, trading performance and the development of proposals for the Board, where required under the schedule of matters reserved for the Board, are controlled by the Executive Committee that consists of the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Brand and Design Director, the Director of e-commerce, the Director of Europe, the Director of HR, the Director of IT, the Managing Director (International and Wholesale) and the Group General Counsel.

The Board has appointed committees to carry out certain duties. These committees are detailed below. Each of these committees is chaired by a separate chairman and has written terms of reference which are available on the Company's website at www.supergroup.co.uk.

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

As at the date of the Annual Report, the Board has ten members: the non-executive Chairman, the Chief Executive Officer, four other executive directors and four non-executive directors. Biographies of these directors appear on pages 38 to 39. During the Period at least half of the Board (excluding the Chairman) were considered to be independent. With the appointment of Hans Schmitt on 1 May 2014 this is no longer the case. The Nomination Committee continues to monitor Board composition.

Keith Edelman is the Group's Senior Independent Director. A summary of the responsibilities of the Senior Independent Director is available on the Company's website.

Non-executive Director Independence

The independence of the non-executive directors is considered at least annually along with their commitment and performance on the Board and relevant committees. A clause is included in their letters of appointment setting out their required time commitment.

During the Period, the Chairman notified the Board of various changes to his other commitments and, having assessed these, the Board is satisfied that he has adequate time to be able to act as Chairman of the Company.

All non-executive directors are considered by the Board to be independent of management and free from any relationship that could materially interfere with the exercise of their independent judgement.

Directors' Conflicts of Interest

The Company's 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 interests of the Group. 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 success of the Group and they may impose limits or conditions when giving their authorisation, or subsequently, if they think it is appropriate. Any authorisation given is recorded in the Board minutes. The Board will continue to monitor and review potential conflicts of interest on a regular basis.

Corporate Governance continued.

Relationship Agreement

The single largest shareholder of the Company is Julian Dunkerton. The Company and Julian Dunkerton entered into a relationship agreement on 12 March 2010 as amended on 9 July 2014 to regulate the ongoing relationship between them. The purpose of this agreement is to ensure that the Company is capable of carrying on its business independently and that transactions and relationships with Julian Dunkerton are at arm's length and on normal commercial terms.

Performance Evaluation

The annual Board evaluation to assess the performance of the Board, its non-executive directors and committees was carried out in March 2014. This was managed internally by the company secretarial team and took the form of a set of questions covering a range of issues including processes, responsibilities, the balance of skills, experience, independence and knowledge, diversity and a number of other factors relevant to its effectiveness. Every third year the evaluation is facilitated by an independent external advisor (which was the case last year), in accordance with the Code. The performance of the executive directors during the Period was monitored by the Chief Executive Officer and the Chairman.

The evaluation carried out this year highlighted how the changes to Board composition have improved the effectiveness of the Board and confirmed that the current operating practices are appropriate for a fast growing company at this stage of development.

Re-election of Directors

At the AGM in 2013, all directors offered themselves for election or re-election. At the AGM in 2014, all of the directors will again retire and will offer themselves for re-election, with the exception of Hans Schmitt who, having been appointed since the last AGM, will offer himself for election. The Board considers the directors offering themselves for election or re-election to be effective, committed to their roles and have sufficient time available to perform their duties.

Board Committees

The Board has three committees. Committee membership as at 9 July 2014 was as set out below.

Audit Committee:	Minnow Powell (Chairman)
	Ken McCall
	Euan Sutherland
Remuneration Committee:	Keith Edelman (Chairman)
	Minnow Powell
	Euan Sutherland
Nomination Committee:	Peter Bamford (Chairman)
	Keith Edelman
	Julian Dunkerton
	Euan Sutherland (from 29 January 2014)

A description of the work of the Audit, Nomination and Remuneration Committees is set out on pages 51 to 57.

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

Board and Committee Attendance

The table below gives details of directors' attendance at scheduled Board and committee meetings during the financial year ended 26 April 2014:

		Board Meeting		Audit Committee		Nomination Committee		Remuneration Committee
Maximum Number	Number Eligible	Number Attended	Number Eligible	Number Attended	Number Eligible	Number Attended	Number Eligible	Number Attended
Peter Bamford	9	9	–	–	6	6	–	–
Keith Edelman	9	9	–	–	6	5	8	8
Minnow Powell	9	9	7	7	–	–	8	8
Euan Sutherland	9	7	7	5	1	1	8	8
Ken McCall	9	9	7	7	–	–	–	–
Julian Dunkerton	9	9	–	–	6	6	–	–
James Holder	9	8	–	–	–	–	–	–
Susanne Given	9	9	–	–	–	–	–	–
Shaun Wills	9	9	–	–	–	–	–	–

During the year, additional ad hoc Board meetings were held as required to respond to the needs of the Group.

From time to time, committee meetings are attended by non-members by invitation from the relevant chairman. Attendance is set out in the relevant committee reports.

Diversity

The Group believes in respecting individuals and their rights in the workplace. See page 27 for further details regarding diversity policies for employees.

Information and Professional Development

Non-executive directors meet regularly with members of the Executive Committee and members of the management team to gain first-hand experience of the business. Senior managers regularly attend Board meetings to make presentations to the directors. This year, these presentations have included such topics as corporate responsibility, environmental sustainability, logistics, IT strategy, international franchise roll-out, and product development. In addition, the non-executive directors make site visits to ensure that they are kept up to date with developments across the Group at all levels. To date, all directors have received instruction on their responsibilities as a director from the Group's legal team and advisers, and the Company's stockbrokers.

Corporate Governance continued.

Communication with Shareholders

The Company recognises the importance of communicating with shareholders. Communication with institutional shareholders is undertaken as part of SuperGroup's investor relations programme, in which the non-executive directors are encouraged to participate. The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer have continued to make presentations after the preliminary and interim results and communicate regularly on developments to the Company's shareholders. The non-executive directors attend some of these meetings.

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

The Chairman is in regular communication with the Company's significant private shareholders (this includes two of the original executive directors who sit on the Board).

The Company's AGM will be held on 19 September 2014, at which time shareholders will have the opportunity to ask questions of the Chairmen of the Audit, Remuneration and Nomination Committees, together with all other members of the Board of directors.

Shareholders will have the opportunity to meet non-executive directors at additional times in the year.

The Annual Report and Financial Statements are made available to all shareholders and potential investors. Other information about the Company and Group is made available on the Company's website at www.supergroup.co.uk.

Financial Statements

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

Internal Control

In accordance with the revised guidance for directors on internal control (the "Revised Turnbull Guidance"), the Board confirms that there is a process for identifying, evaluating and managing the risks faced by the Group. This process was put in place prior to the IPO in March 2010, underwent significant review in 2012, and has continued to be developed during the Period. 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 revisited bi-annually by the Board.

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

The key elements of the control framework and review processes in place across the Group are as follows:

- The Board sets corporate strategy and business objectives.
- The Executive Committee integrates these objectives into their operational and financial business plans.
- The Executive Committee meets regularly, together with other senior executives, to consider Group operational and financial performance and business development. The Chief Executive Officer reports to the Board on behalf of the Executive Committee on significant changes in the business and the external environment. The Chief Financial Officer provides the Board with financial information which includes key performance and risk indicators.
- The Group operates a risk management process which is integrated within the short and long-term business planning processes.
- The Treasury position of the Group, including cash and foreign exchange, is managed in accordance with the 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.

- The Group has established investment appraisal and authorisation procedures and its capital expenditure is reviewed against budgets which have been approved by the Board.
- The Group also routinely assesses the capability of its people to deliver the business objectives set and responds accordingly.

Processes are in place to ensure appropriate action is taken where necessary to remedy any deficiencies identified through the Group's 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 the significant risks faced by the Group;
- this has been in place for the Period and up to the date of approval of the Annual Report and Accounts;
- 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.

Political Contributions

Neither the Company nor its subsidiaries have made any political donations during the year.

Directors' Indemnity Insurance

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

Change of Control

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

Substantial Shareholdings

As at 1 July 2014, the Group had been notified, in accordance with the Disclosure and Transparency Rules (DTR 5), of the following substantial interests in the ordinary share capital of the Company (see table below):

Name of holder	At 26 April 2014 Number	At 1 July 2014 Number	At 1 July 2014 % held
Julian Dunkerton	26,088,944	26,088,944	32.22
James Holder	9,850,003	9,850,003	12.17
Standard Life Investments	7,300,250	7,308,607	9.03
Theo Karpathios	4,684,000	4,549,000	5.62
Old Mutual Global Investors	3,805,432	3,812,632	4.71
Oppenheimer Funds	3,549,310	3,549,310	4.38
Franklin Templeton Investments	2,897,500	3,075,000	3.80
Artemis Investment Management	2,716,731	2,757,711	3.41

Corporate Governance continued.

Share Capital

Details of the Company's share capital are set out in the Directors' Report on page 41.

The Directors' Report was approved by the Board of directors on 9 July 2014 and signed on its order.

Going Concern

The Group's business activities and growth strategy, together with factors likely to affect the future development, performance and position of the Group, are set out in the Strategic Report on pages 07 to 19 and Financial Review on pages 20 to 26.

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

Independent Auditors

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

Annual General Meeting ("AGM")

The AGM of the Company will be held at Cheltenham Ladies' College, Bayshill Road, Cheltenham, Gloucestershire, GL50 3EP on 19 September 2014 commencing at 11.30am. The notice of this year's AGM is included in a separate circular to shareholders and will be sent out at least 20 working days before the meeting. This notice is available to view under the 'Investors' section of the Company's website www.supergroup.co.uk. In accordance with the Code, all valid proxy appointments are properly recorded and counted, are made available at the AGM and published on the Company's website after the meeting.

The notice of this year's AGM sets out why the Board believes the directors should be re-elected. Details of the directors' service agreements and letters of appointment are given in the Directors' Remuneration Report on pages 59 to 77.

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 and employees as a whole and most likely to promote the success of the Company for the benefit of its shareholders as a whole. The directors unanimously recommend that shareholders vote in favour of each of the proposed resolutions, as the directors intend to do in respect of their own shareholdings.

Approved and signed on behalf of the Board.

Lindsay Beardsell
Company Secretary
9 July 2014

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

Audit Committee Report.

This report meets the requirements of the Code.

Introductory Letter

Dear shareholder,

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

- monitor the integrity of the Group's financial statements, the half year report and any formal announcements relating to the Group's financial performance, reviewing significant financial reporting judgements contained therein, together with compliance with accounting standards and other legal and regulatory requirements;
- review the Group's internal financial controls and internal control and risk management systems, by considering reports on their effectiveness from the Chief Financial Officer and the Chief Operating Officer and 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 the remuneration and terms of their engagement;
- review and monitor the external auditors' independence and objectivity, the effectiveness of the external audit process and the audit plan; and
- review the engagement of the external auditors to ensure that the provision of non-audit services by the external audit firm does not impair its independence or objectivity.

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

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

No matters were raised in the annual evaluation of the Audit Committee's performance.

The qualifications of each of the Audit Committee members are set out in the details of the Board of Directors on pages 38 to 39.

Minnow Powell
Audit Committee Chairman
9 July 2014

Audit Committee continued.

Audit Committee

The members of the Audit Committee during the year were:

Member	Audit Committee member since
Minnow Powell (Chairman)	1 December 2012
Ken McCall	24 May 2010
Euan Sutherland	1 December 2012

All of the Audit Committee members are non-executive directors. The Board considers them all to be independent and the biographies of each of the members are set out on pages 38 to 39. At least one member (Minnow Powell, the Audit Committee Chairman) has recent and relevant financial experience.

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

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

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

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

Internal Control and Risk Management

The Audit Committee has continued to review and discuss with management the Group's process for and evaluation and assessment of its internal controls and management of risk. The review focuses on the effectiveness of the risk management process including financial, operational, technical and compliance risks and related controls which are described on pages 48 to 49. The Audit Committee has noted the continued focus and improvement in the risk management process and the strengthening of internal controls during the year.

To assist with raising employee awareness of the Company's legal responsibilities to comply with data protection and competition law, a programme of e-learning has been launched across the business.

The identification and management of key risks for the Group is achieved through a risk register which is formally reviewed and updated by management on a regular basis. During the year, a more comprehensive review was undertaken to ensure that it was focused on real, current and significant business risks and ensure that mitigating actions were feasible. To enhance the process for risk management, the role of the Risk Committee was strengthened in 2013; members include the Chief Operating Officer, Chief Financial Officer, Group General Counsel and relevant senior managers. The Risk Committee meets on a monthly basis to review the risk register, assess the appropriateness of key risks and then make recommendations to the Board and Audit Committee.

In 2012 the Group developed a two-year plan to focus on principal areas to improve internal controls. Progress during the year is described below:

- Significant improvements to the depth and quality of senior management and a reorganisation and improvement in skills within the finance department, which has resulted in a substantial contribution to the development of the Group's risk management and internal control framework. The Group has further reviewed its senior management resource against future growth plans and has identified additional roles and individuals required to support that growth, including a Managing Director of International and Wholesale, Group General Counsel, Group Financial Controller, Head of International Retail and a Director of E-commerce.
- The upgrade of the core business infrastructure was a significant investment programme approved by the Board to be completed by 2015. The programme covered new systems, and replacement or upgrades to a number of the Group's core existing systems and facilities. The key projects included:
  - a new major distribution facility in Burton upon Trent which opened in December 2013;
  - a replacement payroll and HR system operational from April 2014;
  - a new Merchandise Management System (MMS) operational from March 2014;
  - a new Point of Sale (POS) system being rolled out across retail stores from June 2014 onwards; and
  - replacement finance and new business information reporting systems, which are currently being implemented and are planned to be operational by the end of 2014.

The Audit Committee continued to monitor progress on all of these core systems implementations and new facility investments throughout the year, ensuring that full and thorough risk assessments were in place and business disruption was minimised. Members of the management team have been invited to Audit Committee meetings to provide regular updates on project progress, key risks and the mitigating actions that are in place to ensure that the projects were implemented effectively and internal controls appropriately strengthened.

Given the significant IT improvements being undertaken by the Group, the Audit Committee has focused on the development of the IT control environment. Members of the management team have also provided reports on the Group's compliance with PCI Data Security Standard, IT security risks and updates on the development of Business Continuity Planning (BCP) and Disaster Recovery (DR) programmes. Progress is being made on IT security, BCP and DR to identify the key issues and appropriate responses with further work due to be completed in 2015.

In addition, the Audit Committee has reviewed other key areas of risk and internal controls including treasury, tax, credit control management and project governance.

Financial Reporting and Accounting Judgements

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

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

Audit Committee continued.

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

Area	Issue	How addressed
Acquisition accounting, contract termination and other exceptional items	Material items are outside the normal course of business and are adequately disclosed.	The Audit Committee reviewed management's assessment of the acquisition accounting for Germany including judgements taken in relation to fair values ascribed to assets and liabilities acquired, including identification of intangible assets and resulting goodwill. The Audit Committee considered the nature and size of costs categorised as exceptional to conclude whether they met the definition of an exceptional item, being material in size, unusual, or infrequent in nature. The Audit Committee considered contract terminations in Spain and the UK and agreed with management's conclusions that these were exceptional costs. The Audit Committee reviewed the exceptional items as disclosed in Note 13 to the Financial Statements and is satisfied that the categorisation is appropriate.
Deferred tax assets	The deferred tax asset recognised is based on a judgement as to the amount of future tax benefit that will flow to the Group.	Management has presented a paper to the Audit Committee on the expected recoverability of deferred tax assets held in the Group balance sheet for goodwill amortisation from subsidiary entities. The paper sets out the rationale for recognition of deferred tax assets in relation to the Wholesale business and non-recognition in the Retail business. The Audit Committee has considered the risks and disclosure given in Note 14 in the Financial Statements, and concluded that the position adopted by management is appropriate.

Other areas that have been discussed and considered by the Audit Committee in relation to the 2014 Annual Report are:

Area	Issue	How addressed
Provisions for inventory, returns, receivables and property	Management judgements and estimates are used to support the provisions.	For each provision, the Audit Committee considered the judgements made by management and assessed the available evidence, including historic trends and concluded that the provisions are appropriate.
Annual goodwill impairment review	The impairment review requires judgement to determine the recoverable amount.	In respect of goodwill, the Audit Committee considered the short-term forecasts and long-term growth rates as well as the weighted average cost of capital and concluded that the judgements used were suitable for use in the goodwill test.
Depreciation policy	Depreciation should reflect the useful economic life of an asset.	As a result of opening the new distribution facility in Burton upon Trent and the significant IT system investment programme being undertaken, management have updated the useful economic life for the asset categories applicable to these relevant asset categories effective November 2013. The Audit Committee has reviewed the useful economic life of these assets and is satisfied that they are appropriate.
Going concern	The appropriateness of preparation of the accounts on a going concern basis.	The Audit Committee reviewed the cash flow forecasts and concluded that it was appropriate to prepare the accounts on a going concern basis.

Fraud, Whistleblowing and Bribery

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

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

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

A review of the procedures in place for anti-bribery has been undertaken during the year to ensure these reflect the requirements of an international business. A programme of e-learning has been launched at the Company's head office which will be cascaded across the business. All of the Group's suppliers have signed up to the SuperGroup anti-bribery procedures and in May this year the Group held a conference for its suppliers where training on the anti-bribery procedures was given.

Internal Audit Effectiveness

The internal audit function has continued to develop and improve its effectiveness during the year. The ongoing review of an audit universe, and the outputs from the new 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. Annual review of the 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: legal and regulatory framework, accounts payable, e-commerce, and supplier management.

The effectiveness of internal audit is reviewed on an ongoing basis by the Audit Committee, by discussion and assessment with the management team on the issues identified by the internal audit reports and the regular follow-up at meetings on progress of the recommended actions. A formal review will be undertaken in 2014 after the year end in conjunction with the external audit review.

Audit Committee continued.

External Audit Effectiveness and Integrity of the Group's Relationship

The Audit Committee reviews, with the external auditors, the audit strategy and the outcome and findings of the annual external audit. In addition, the Audit Committee approves the scope and fees for the external audit and is responsible for recommending the appointment, reappointment and removal of external auditors.

Effectiveness of external audit

A review of the effectiveness of external audit in 2013 was undertaken by an internal survey of members of the Audit Committee, Chief Operating Officer and Chief Financial Officer, and the internal finance team. The Audit Committee noted that good progress had been demonstrated and was satisfied that external auditors continued to perform effectively. Further areas for improvement were identified from the review and it was agreed that progress would continue to be assessed during 2014.

Supervision of the external auditors

The Audit Committee oversees the external auditors by reviewing and approving the audit plan and ensuring that it is consistent with the scope of the audit engagement. The Audit Committee meets regularly with the external auditors both with and without management present. During the review of the audit plan, the Audit Committee discussed and agreed those financial statement risk areas identified by the auditors that required additional audit emphasis and discussed and challenged the auditors' assessment of materiality. The audit opinion on pages 79 to 84 provides a full explanation of the auditors' assessment of material misstatement, concept of materiality and scope of the audit.

Re-appointment of external auditors

Based on the assessment of effectiveness and independence of the external auditors, the Audit Committee has recommended the reappointment of PwC for the next financial year. The appointment of the external auditor will continue to be reviewed annually and a tendering process will be undertaken if the Audit Committee considers it appropriate. PwC have been the Group's auditors since the IPO in 2010 and, prior to this, as auditors to the legacy SuperGroup companies since 2008. The Audit Committee notes that under current regulations, the audit will need to be tendered no later than 2020.

Independence

Auditor independence is maintained by monitoring the nature and value of non-audit services carried out, and by ensuring that employees of the external auditors who have worked on the audit in the past two years are not appointed to senior financial positions within the Company. In addition, the rotation of the lead partner occurs every five years.

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

Non-audit services

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

Detail of all non-audit services provided during the year are set out within the note on Auditors' Remuneration on page 57 and are summarised in the table below:

	2014 £m	2013 £m
Audit fees	**0.3**	0.3
Non-audit fees:		
Tax compliance and advisory	**0.3**	0.2
Other	**0.1**	–
Total non-audit fees	**0.4**	0.2
Non-audit fees as a percentage of audit fees	**133%**	66%

Non-audit fees are more than 100% of audit fees in 2014 primarily due to ongoing tax advisory services and the appointment of PwC for other work. The Audit Committee approved the appointment for tax advisory and other services as this required an experienced understanding of the Group's structure and business to be able to provide appropriate assurance work.

Given the ongoing scale of tax fees paid, and the related threat to independence, the Audit Committee has agreed that tax advisory services should be tendered in the current year.

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

Approved and signed on behalf of the Board.

Minnow Powell
Audit Committee Chairman
9 July 2014

Nomination Committee Report.

The Nomination Committee is responsible for nominating candidates for Board positions, approving membership of the Executive Committee, and ensuring that the Company has the leadership and senior management to meet its growth ambitions.

Principal Functions

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

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

Committee Activities During the Year

The Nomination Committee met six times during the year. In addition to the core members of the Nomination Committee, Andrea Cartwright (Director of HR) attended each of the meetings.

In January 2014, the Board approved the appointment of Euan Sutherland to the Nomination Committee which has broadened its skills and experience as well as bringing the Nomination Committee in line with best practice.

The prime focus this year has been on recruiting the right people for key roles in order to ensure that the Company has the leadership skills and senior management capability to realise its growth potential.

The Nomination Committee has also monitored the performance of the senior team and reviewed the organisational structure on an ongoing basis. It also ensured that key individuals have been given support and mentoring where appropriate.

Succession plans for the executive directors were reviewed in October 2013 and will be reviewed on at least an annual basis.

The Nomination Committee approved the following appointments to the Executive Committee during the year:

- Hans Schmitt joined SuperGroup in June 2013 as Managing Director Wholesale and International. A biography for Hans Schmitt is set out on page 38.
- Lindsay Beardsell was appointed as Group General Counsel in August 2013 and is the Group Company Secretary.
- Jonathan Wragg was appointed as Director of E-Commerce in April 2014.

Hans Schmitt was subsequently appointed to the Board on 1 May 2014 on the recommendation of the Nomination Committee. The services of The Miles Partnership LLP were used to assist with the initial recruitment of Hans Schmitt. This business has no other connections with the Group.

None of the existing executive directors hold non-executive directorships, other than Shaun Wills who was appointed as non-executive director of Anatwine Limited in March 2014, a company in which SuperGroup holds a 35% investment. The Nomination Committee is satisfied that this does not conflict with his role as Chief Financial Officer of the Company.

The Nomination Committee will review the composition of the Board during 2014 in light of Hans Schmitt's appointment to the Board which means that the Group is no longer compliant with the Code in respect of the ratios of independent non-executive directors to executive directors. In its review, the Nomination Committee will also give consideration to diversity within the Board, taking particular note of the 'Women on Boards' initiative. In this context, the Nomination Committee takes the view that the role of women is important at all levels in SuperGroup. At the end of the year, 10% of the Board, 30% of the Executive Committee and 39% of senior managers were female.

Approved and signed on behalf of the Board.

Peter Bamford
Nomination Committee Chairman
9 July 2014

Directors' Remuneration Report.

1. Annual Statement (unaudited)

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

This year has been a busy year for the Remuneration Committee with the implementation of new legislation and a review of the Company's Executive Remuneration Policy.

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

1. **This Annual Statement**: summarising and explaining the major decisions and any changes in respect of Directors' Remuneration Policy;
2. **Directors' Remuneration Policy**: which sets out the basis of remuneration for the Group's directors which will become effective following approval at the AGM to be held on 19 September 2014; and
3. **Annual Report on Remuneration**: which sets out the remuneration earned by the Group's directors in the year ended 26 April 2014 and explains how the remuneration policy set out in the previous section will be implemented.

The Directors' Remuneration Policy will be subject to a binding shareholder vote and Annual Statement and the Annual Report on Remuneration will be subject to an advisory shareholder vote at the forthcoming AGM on 19 September 2014. In the future, the Directors' Remuneration Policy will be subject to a binding vote every three years (sooner if changes are made to the policy) and the Annual Statement and Annual Report on Remuneration will be subject to an annual advisory vote.

Performance and reward

As a result of this year's Group performance, all executive directors (with the exception of Julian Dunkerton and James Holder who have waived their respective awards) will receive annual bonus payments of 90% of salary out of a maximum of 100% of salary for the year ended 26 April 2014. No long-term incentive awards held by executive directors are due to vest in 2014 in respect of performance periods which ended in the year to 26 April 2014 (the first vesting date for awards held by executive directors is not until 2015).

Summary of key decisions in the year

The Remuneration Committee has continued to review the Directors' Remuneration Policy to ensure it promotes the attraction, motivation and retention of the executives required to successfully drive the strategy of SuperGroup.

The Company continues to experience fast paced growth and is relatively young having only become public in 2010. This has led to a need, over the last few years, to attract and retain executives capable of building sound infrastructure whilst simultaneously driving and managing the pace of growth; as well as protecting the entrepreneurial, innovative culture which has underpinned its success. The approach to remuneration has therefore needed to develop to ensure that SuperGroup attracts and retains the most talented executives in what is a highly competitive marketplace.

The Remuneration Committee is confident that the Directors' Remuneration Policy that has been proposed should incentivise the delivery of strong and sustainable financial results and create shareholder value.

Approved and signed on behalf of the Board.

Keith Edelman
Remuneration Committee Chairman
9 July 2014

Directors' Remuneration Report continued.

2. Directors' Remuneration Policy (unaudited)

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

This section sets out the Directors' Remuneration Policy which will be put forward for shareholder approval and become effective at the AGM on 19 September 2014 in accordance with section 439A of the Companies Act 2006.

Policy overview

The Company aims to provide a remuneration structure and approach that enables the attraction, retention and motivation of high calibre people with the capability to drive continued growth of the business and which is aligned to shareholder interests.

Where the Remuneration Committee has discretion in implementing the remuneration policy, that discretion will be exercised diligently and in a manner aligned with shareholder interests. Discretion will only be exercised within the boundaries and limits set out in the Directors' Remuneration Policy.

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

Summary of the Executive Director Remuneration Policy

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

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

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

Directors' Remuneration Report continued.

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 the strategy of the business 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 the Group personal pension plan. The Remuneration Committee may defer part of an executive director's annual bonus into SuperGroup shares for a specified period of time.
Maximum opportunity	Up to 150% of base salary.
Performance measures	Performance is normally assessed over one financial year. The annual performance bonus may be based on a mix of financial, personal and/or strategic business objectives relevant to the particular performance year and is aimed at securing a sustainable long-term business model. The performance criteria and performance targets are determined by the Remuneration Committee each year and include threshold levels for minimum award (below which no bonus will be awarded), on-target award and maximum award. The Remuneration Committee will set demanding performance targets to encourage stretch performance. These targets are considered to be commercially confidential and will therefore be disclosed in due course after the performance period has ended. A straight-line sliding scale between threshold (0% of opportunity), target (50% of opportunity) and maximum (100% of opportunity) is used to determine the level of award. Malus and clawback provisions apply.

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

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

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

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

Remuneration arrangements across the Group

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

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

Directors' Remuneration Report continued.

Executive directors' service agreements

The following table sets out a description of any obligations on the Company, contained in the 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	Julian Dunkerton – 12 March 2010 Susanne Given – 19 March 2012 James Holder – 12 March 2010 Hans Schmitt – 17 June 2013 Shaun Wills – 19 March 2012
Expiry date	No fixed expiry date.
Base salary	Contractual entitlement to receive a base salary and for a salary review to take place each year. The Company 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 SuperGroup products.
Annual bonus	Contractual entitlement to participate in the annual performance bonus scheme, subject to the Company's policy in relation to such a scheme and to the approval of the Committee.
Long-term incentive plan (PSP)	Contractual entitlement to be considered for participation in the PSP, subject to the Company's policy in relation to such a scheme and to the approval of the Remuneration Committee.

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

All executive director service contracts and letters of appointment are available for inspection at the Company's registered office during normal hours of business and will also be available at the Company's AGM to be held on 19 September 2014.

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

On 6 March 2014, Shaun Wills was appointed as a non-executive director of Anatwine Limited, a company in which SuperGroup Plc holds a 35% investment. No remuneration is currently paid in connection with this role.

Discretions retained by the Committee

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

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

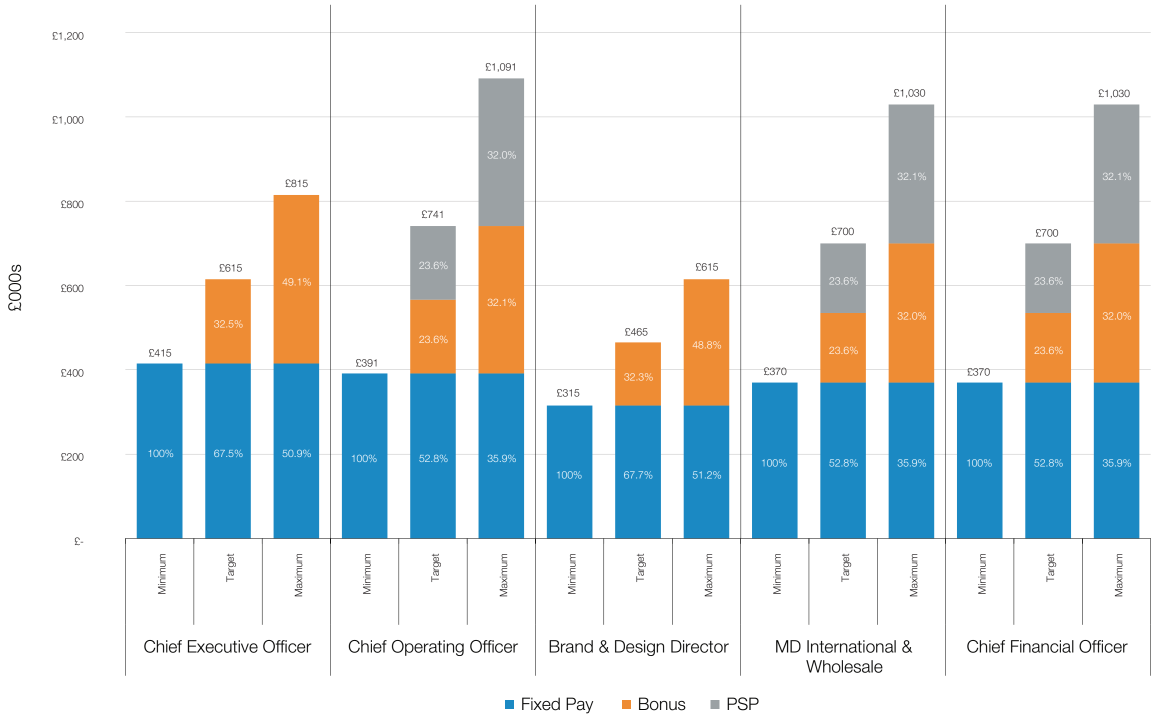
In relation to both the Company's PSP and annual bonus plan, the Remuneration Committee retains the ability to adjust the targets and/or set different measures if events occur (e.g. material acquisition and/or divestment of a Group business) which cause it to determine that the conditions are no longer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

The operation of the Company's sharesave scheme will be as permitted under HM Revenue and Customs' rules and the Listing Rules. Details of share awards held by executive directors at the end of the financial year are set out on pages 74 and 75 of the Annual Report on Remuneration. These remain eligible to vest based on their original award terms.

Directors' Remuneration Report continued.

Illustrations of application of the Directors' Remuneration Policy

The Group's 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 charts below show 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 2014.
- Estimated value of benefits.
- On-target bonus taken to be 50% of the maximum potential (100% of salary).
- On-target PSP award (excluding the Chief Executive Officer and Brand Design Director who, although eligible to participate in the PSP, do not currently receive annual awards) is taken to be 50% of the maximum potential (100% of salary).
- Consistent with the disclosure requirements, no share price appreciation has been assumed.

Approach to the recruitment and retention of executive directors

Principles

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

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

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

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

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

For external and internal appointments, the Remuneration Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Policy on payment for loss of office

The Company is committed to ensuring a consistent approach so that it does not pay more than is necessary in circumstances leading to loss of office. In the event of an early termination of a contract, the policy is to seek to minimise any liability. When managing such situations the Remuneration Committee takes a range of factors into account including contractual obligations, shareholder interests, organisational stability and the need to ensure an effective handover. Executive directors may be entitled to a payment in lieu of notice ("PILON") if notice is served by the Company. 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 the Company 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, the Company 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 the Company's share plans will be determined based on the relevant plan rules. The default treatment under the PSP is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, ill-health, injury, disability, retirement, sale of the employing company or business outside the Group or any other circumstances at the discretion of the Remuneration Committee, 'good leaver' status may be applied. For good leavers, awards will normally vest on their normal vesting date, subject to the satisfaction of the relevant performance conditions at that time and will be reduced pro-rata to reflect the proportion of the performance period actually served. However, in the event of the death of an executive director, the Remuneration Committee has discretion to determine that awards vest at cessation, subject to performance targets, with no service pro-rata reduction.

Directors' Remuneration Report continued.

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

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

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

Consideration of conditions elsewhere in the Company

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

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

Consideration of shareholder views

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

Summary of the Non-Executive Director Remuneration Policy

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

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

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

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

Name	Date of appointment or re-appointment	Expected date of expiry of current term
Peter Bamford	29 January 2013	28 January 2016
Keith Edelman	29 January 2013	28 January 2016
Ken McCall	29 January 2013	28 January 2016
Minnow Powell	1 December 2012	30 November 2015
Euan Sutherland	1 December 2012	30 November 2015

All non-executive director service contracts and letters of appointment are available for inspection at the Company's registered office during normal hours of business and will also be available at the Company's AGM to be held on 19 September 2014.

3. Annual Report on Remuneration

The following part of the Directors' Remuneration Report, together with the Annual Statement, will be subject to an advisory vote at the AGM to be held on 19 September 2014 and sets out how the Directors' Remuneration Policy will be implemented in 2015, and how it was implemented in 2014. This part of the report has been prepared in accordance with Part 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and 9.8.8R of the Listing Rules.

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

Implementation of the Remuneration Policy for 2015

Base salary (audited)

Executive directors' base salaries are normally reviewed annually, taking into account business and individual performance, salary levels at companies of a similar size, industry, global scope and complexity and the salaries paid to other employees across the Group.

Current base salary levels are as follows:

		From 27 April 2014[1]	From 29 April 2013[1]
Julian Dunkerton	Chief Executive Officer	**£400,000**	£400,000
Susanne Given	Chief Operating Officer	**£350,000**	£350,000
James Holder	Brand and Design Director	**£300,000**	£300,000
Hans Schmitt[2]	MD Wholesale & International	**£330,000**	–
Shaun Wills	Chief Financial Officer	**£330,000**[3]	£250,000

1. On appointment if later.
2. Hans Schmitt was appointed to the Board on 1 May 2014.
3. Shaun Wills' base salary was set at below market levels on his appointment in 2012. Following a review of his role and responsibility levels and considering his performance in the role after a period of circa two years, the Committee increased his salary from £250,000 to what it considers to be the market level (£330,000) with effect from 1 May 2014.

Directors' Remuneration Report continued.

Benefits in kind and pension (audited)

Benefits will continue to include a bi-annual health assessment, private medical insurance (for the individual and their family), sick pay, holiday pay, life assurance, car allowance and staff discount on SuperGroup products. Other benefits may be provided where appropriate.

The Group will continue to contribute 7.5% of salary into the Group personal pension plan for the Chief Operating Officer, Chief Financial Officer and MD Wholesale & International, subject to the relevant individual contributing 5% of base salary.

Annual bonus (audited)

The Company will continue to operate an annual bonus plan for FY15 based on the achievement of challenging financial metrics and personal/strategic objectives. Specific targets will not be disclosed in advance as they are commercially confidential, but will be disclosed in due course. The maximum bonus opportunity for the current executive directors will be 100% of base salary for FY15.

Long-term incentives (audited)

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

For FY15, the normal grant policy for the current executive directors (excluding Julian Dunkerton and James Holder) will be 100% of salary. Although Julian Dunkerton and James Holder are eligible to participate in the PSP, the Committee believes that their significant shareholdings in the Company are sufficient to incentivise them and align interests with longer term Company performance at the current time.

Consistent with the FY14 awards, performance for FY15 awards will be 70% based on sliding scale EPS and 30% based on TSR relative to a selected group of retailers as measured over the three year period ending the 2017 financial year end:

- 25% of the EPS related component of the award will vest for average annual EPS growth of 9.5% p.a. in excess of the Retail Price Index ('RPI'), increasing on a straight-line basis to 100% vesting for EPS growth of at least 14.5% p.a. in excess of RPI; and
- 25% of the TSR related component of the award will vest if the Company's TSR is ranked at the median of a comparator group increasing on a straight-line basis to 100% vesting at the upper quartile of the group. The comparator group for the FY15 awards will comprise the companies listed in the following FTSE AllShare subsectors: Apparel Retailers, Broadline Retailers, Clothing and Accessories, Furnishings, Home Improvement Retailers, Recreational Products & Services, Restaurants & Bars, Speciality Retailers and Toys at the start of the TSR performance period.

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

Non-executive directors (audited)

Fee levels for FY15 are as follows:

Name	Base Fee	Audit/ Remuneration Committee Chairmanship	Senior Independent Director	From 27 April 2014	Financial Year 2014
Peter Bamford	£165,000	–	–	**£165,000**	**£165,000**
Keith Edelman	£50,000	£10,000	£10,000	**£70,000**	**£70,000**
Minnow Powell	£50,000	£10,000	–	**£60,000**	**£60,000**
Ken McCall	£50,000	–	–	**£50,000**	**£50,000**
Euan Sutherland	£50,000	–	–	**£50,000**	**£50,000**

Directors' remuneration (audited)

The detailed emoluments received by the directors for the year ended 26 April 2014 are detailed below:

Director		Base salary/ fees	Benefits[1]	Pension contributions[2]	Annual bonus	Long-term incentives	Other payments	Total
Executive Directors								
Julian Dunkerton	2014	£400,000	£19,412	–	–	–	–	£419,412
	2013	£400,000	£19,406	–	–	–	–	£419,406
Susanne Given	2014	£350,000	£23,063	£26,250	£315,000	0[6]	–	£714,313
	2013	£350,000	£47,635	£26,250	£350,000	–	–	£773,885
James Holder	2014	£300,000	£15,766	–	–	–	–	£315,766
	2013	£300,000	£15,629	–	–	–	–	£315,629
Shaun Wills	2014	£250,000	£15,766	£18,750	£225,000	0[6]	–	£509,516
	2013	£250,000	£76,166	£17,188	£75,000	–	–	£418,354
Non-Executive Directors								
Peter Bamford	2014	£165,000	–	–	–	–	–	£165,000
	2013	£150,000	–	–	–	–		£150,000
Keith Edelman	2014	£70,000	–	–	–	–	–	£70,000
	2013	£62,500	–	–	–	–		£62,500
Ken McCall	2014	£50,000	–	–	–	–	–	£50,000
	2013	£50,000	–	–	–	–		£50,000
Minnow Powell	2014	£60,000	–	–	–	–	–	£60,000
	2013	£23,958	–	–	–	–		£23,958
Euan Sutherland	2014	£50,000	–	–	–	–	–	£50,000
	2013	£20,833	–	–	–	–		£20,833
Former Directors								
Theo Karpathios[3]	2014	–	–	–	–	–	–	–
	2013	£85,386	£5,504	–	–	–	£334,616	£425,506
Steven Glew[4]	2014	–	–	–	–	–	–	–
	2013	£44,802	–	–	–	–		£44,802
Indira Thambiah[5]	2014	–	–	–	–	–	–	–
	2013	£37,917	–	–	–	–		£37,917

1. Benefits for 2014 comprised a car allowance and medical insurance for all the executive directors and an accommodation allowance for the COO.
2. The COO and CFO are eligible to participate in the Company's Group personal pension plan under which the executive director contributes 5% of base salary and the Company contributes 7.5% of base salary.
3. Theo Karpathios stepped down from the Board on 14 August 2012. Details of payments made were disclosed in last year's Directors' Remuneration Report.
4. Steven Glew resigned as a director on 4 February 2013.
5. Indira Thambiah resigned as a director on 11 February 2013.
6. There are no long-term incentive awards which vested or will vest in respect of a performance period ending in the year under review.

Directors' Remuneration Report continued.

Additional information in respect of the remuneration table

Annual bonus

For FY14 the maximum annual bonus opportunity for executive directors was 100% of salary. The actual bonus payment represented 90% of the maximum opportunity and was determined by performance targets which are not disclosed as they are considered to be commercially confidential, but they are considered by the Remuneration Committee to be demanding. These targets will be disclosed in due course.

Performance share plan

No awards vested under the PSP in the year or will vest in respect of a performance period ending in the year under review, for executive directors.

Payments for loss of office (audited)

No director left office in the year and accordingly no compensation for loss of office was paid.

Payments to past directors (audited)

No payments were made to past directors during the year.

Post year end Board appointment (audited)

Hans Schmitt, Managing Director, Wholesale & International, was appointed to the Board of SuperGroup with effect from 1 May 2014. The main elements of his package, which will be consistent with the remuneration policy set out in the Directors' Remuneration Policy Report, are as follows:

- Salary: £330,000 p.a.;
- Pension: 7.5% of salary p.a. (subject to the individual contributing 5% of salary);
- Annual bonus: 100% of salary p.a. maximum; and
- PSP awards: 100% of salary p.a.

Scheme interests awarded during the year (audited)

PSP awards granted in the year

On 15 August 2013 the Chief Operating Officer and Chief Financial Officer received awards under the PSP. These awards were in line with the policy set out in the Policy Report and details of these awards are set out below.

Executive	Number of PSP awards[1]	Basis	Face value[2]	Performance condition	Performance period
Susanne Given	31,278	100% of base salary	£350,000	Vesting will be determined by EPS and TSR over the performance period	Three financial years ending 2015/16
Shaun Wills	22,341	100% of base salary	£250,000		

1. PSP awards are structured as nil-cost options.
2. Based on a share price of £11.19 which was the 10 day weighted average share price.

The performance condition for these awards is set out below:

Performance condition	% of award subject to condition	Targets	% of PSP award which will vest
Average annual earnings per share (EPS) growth in excess of the Retail Prices Index (RPI)	70%	Average annual EPS growth of 12% in excess of RPI	25%
		Average annual EPS growth of 18% in excess of RPI	100%
		Between 12% and 18% average annual EPS growth in excess of RPI	Straight-line between 25% and 100%
Total Shareholder Return (TSR) against comparator group of companies[1]	30%	Median	25%
		Upper quartile	100%
		Between median and upper quartile	Straight-line between 25% and 100%

1. The Committee retains the ability to adjust the EPS condition if events occur (e.g. material acquisition and/or divestment of a Group business) which cause it to determine that the condition is no longer appropriate and amendment is required so that the condition achieves its original purpose and is not materially less difficult to satisfy.
2. TSR comparator group: those companies listed in the following FTSE AllShare subsectors: Apparel Retailers, Broadline Retailers, Clothing and Accessories, Furnishings, Home Improvement Retailers, Recreational Products & Services, Restaurants & Bars, Speciality Retailers and Toys.

Directors' interests under the sharesave scheme

The Company operates an HM Revenue and Customs approved save as you earn (SAYE) scheme. All eligible employees, including the executive directors, may be invited to participate on similar terms for a fixed period of three years. During the previous year the following executive directors opted to participate in the scheme.

Executive	Number of options	Basis	Face value[1]	Exercise price	Performance condition	Vesting date
Shaun Wills	1,734	£250 per month contribution over a 3 year period	£11,227.65[1]	–	N/A awards vest subject to continued employment	01/12/2015

1. The share price used to determine the face value is based on the mid-market value on the day prior to when the option price was set.

Directors' Remuneration Report continued.

Directors' interests in shares (audited)

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

Executive	Scheme	At 28 April 2013	Granted during the year	Exercised during the period	At 26 April 2014	Date of award	Performance period	Normal vesting date/ exercise period	Share price on date of grant £	Exercise price £	Share price on date of exercise
Susanne Given	PSP	241,615	–	–	**241,615**	16/08/12	3 financial years ending 2014/15	16/08/15	£4.44	–	–
	PSP	–	31,278	–	**31,278**	15/08/13	3 financial years ending 2015/16	15/08/16	£11.35	–	–
TOTAL:		241,615	31,278	–	**272,893**						
Shaun Wills	PSP	115,054	–	–	**115,054**	16/08/12	3 financial years ending 2014/15	16/08/15	£4.44	–	–
	PSP	–	22,341	–	**22,341**	15/08/13	3 financial years ending 2015/16	15/08/16	£11.35	–	–
	SAYE	1,734	–	–	**1,734**	23/10/12	3 years	01/12/15	£6.54	£5.19	–
TOTAL:		116,788	22,341	–	**139,129**						

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.

In addition to the above, Hans Schmitt (appointed to the Board on 1 May 2014) currently holds PSP awards over 54,813 shares (vesting in 2016) and a restricted share award (structured as a nil cost option) over 10,742 shares, the latter of which was granted in order to retain and incentivise him as a key below Board employee at a time thought to be critical to the Group's future growth and strategy.

Share ownership

The beneficial and non-beneficial interests of the directors in the share capital of SuperGroup at 26 April 2014 are set out below:

Director	Interests in ordinary shares 28 April 2013	26 April 2014	Shareholding guideline achieved	Interests in shares PSP	SAYE	Total
Executive Director						
Julian Dunkerton	26,088,944	**26,088,944**	Yes	–		26,088,944
Susanne Given	Nil		No	272,838		272,838
James Holder	11,850,003	**9,850,003**	Yes	–		9,850,003
Shaun Wills	1,254	**1,254**	No	137,395	1,734	139,129
Non-Executive Director						
Peter Bamford	6,000	**6,000**	–	–	–	6,000
Keith Edelman	4,000	**4,000**	–	–	–	4,000
Ken McCall	5,000	**5,000**	–	–	–	5,000
Minnow Powell	1,496	**1,496**	–	–	–	1,496
Euan Sutherland	1,496	**1,496**	–	–	–	1,496

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

Relative importance of the spend on pay (unaudited)

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

	2014 £m	2013 £m	change
Employee remuneration costs (£m)	**60.1**	48.1	24%
Dividends (£m)	**nil**	nil	nil

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

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

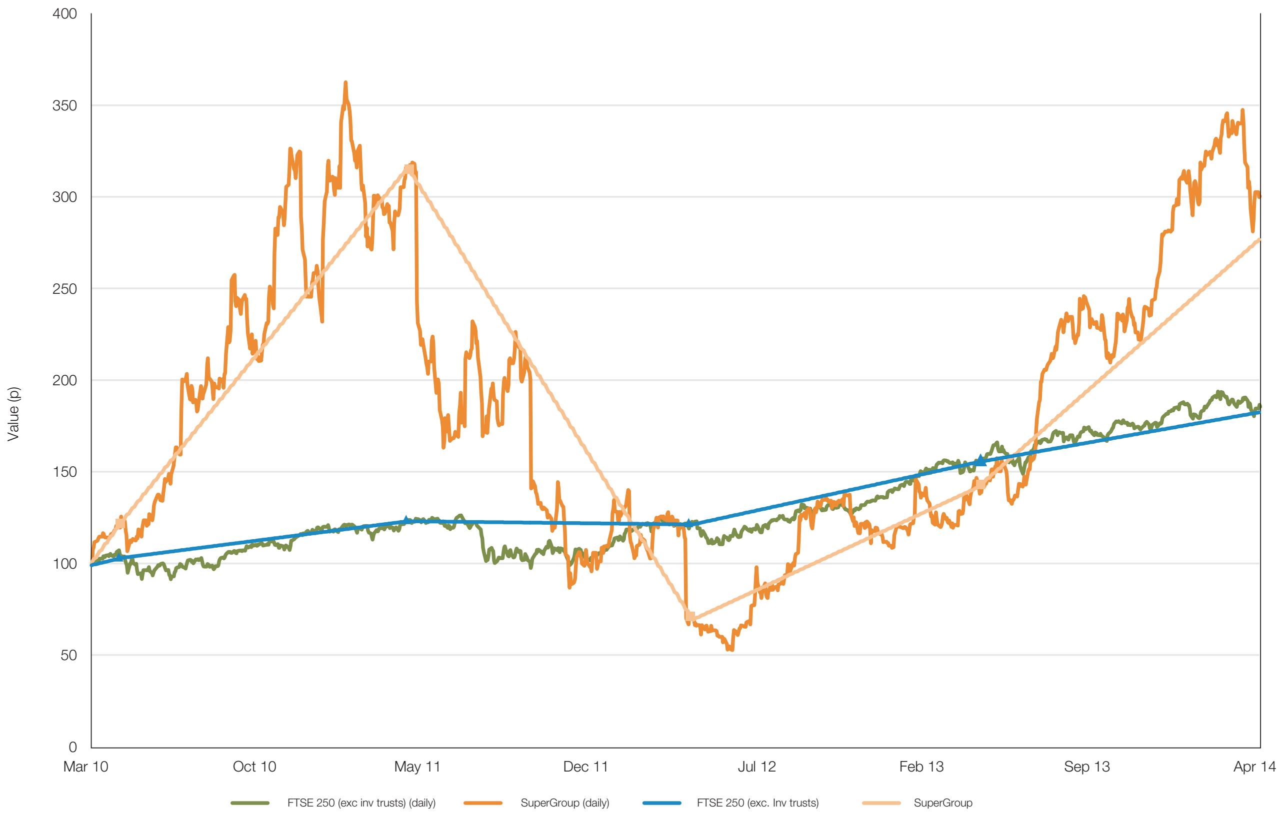
Element of remuneration		% change
Salary	Chief Executive Officer	nil
	Employees	1.12%
Taxable benefits	Chief Executive Officer	nil
	Employees	nil
Annual bonus	Chief Executive Officer	nil
	Employees	n/a*

* Bonus payments are only made to a small group of senior leaders and wholesale sales roles.

Directors' Remuneration Report continued.

Performance graph (unaudited)

The graph below shows the total cumulative shareholder return (TSR) for the Group compared with the TSR of the FTSE 250 (excluding Investment Trusts) over the period from the initial public offer to 26 April 2014. 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 beneath the chart sets out the Chief Executive Officer single figure over the past five years.



Single figure table (unaudited)

Year ending	Chief Executive	Total remuneration	Annual bonus (% of max)	Long-term incentives (% of max)
2014	Julian Dunkerton	£419,412	nil	nil
2013	Julian Dunkerton	£419,463	–	–
2012	Julian Dunkerton	£419,463	–	–
2011	Julian Dunkerton	£418,745	–	–
2010	Julian Dunkerton	£59,884[1]	–	–

1. For six week period to 2 May 2010.

Julian Dunkerton joined the annual bonus plan in FY13 but waived his award in FY14.

Membership and attendance

During the year ended 26 April 2014, the Remuneration Committee consisted of the following non-executive directors:

Keith Edelman
Euan Sutherland
Minnow Powell

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

Adviser to the Committee

During 2014 the Remuneration Committee received advice from New Bridge Street ('NBS') (a trading name of AON plc) on senior executive remuneration and employee share schemes. Neither NBS nor AON plc provided other services to the Company during the Period. NBS is a member of the Remuneration Consultants Group and complies with its code of conduct. The Remuneration Committee is comfortable that NBS's advice remains objective and independent. For the year under review NBS's total fees charged were £39,943.

Dilution

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

Statement of shareholder voting

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

	For	Against	Votes cast	Votes withheld
Total number of votes	57,421,590	6,833,315	64,254,905	35,320
% of votes cast	89.4%	10.6%	100%	

Approved and signed on behalf of the Board.

Keith Edelman
Remuneration Committee Chairman
9 July 2014

Statement of Directors' Responsibilities.

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

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

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

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

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

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

Each of the directors, whose names and functions are listed on pages 38 to 39 confirm that, to the best of their knowledge:

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

The Directors also confirm that:

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

The directors' responsibilities statement was approved by a duly authorised Committee of the Board of Directors on 9 July 2014 and signed on its behalf by Shaun Wills, Chief Financial Officer and Julian Dunkerton, Chief Executive Officer.

Shaun Wills
Chief Financial Officer
9 July 2014

Julian Dunkerton
Chief Executive Officer
9 July 2014

Independent Auditors' Report to the Members of SuperGroup Plc.

Report on the Financial Statements

Our opinion

In our opinion:

- The financial statements, defined below, give a true and fair view of the state of the Group's and of the Company's affairs as at 26 April 2014 and of the Group's profit and of the Group's and Company's cash flows for the year then ended;
- The Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- The Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Group financial statements and Company financial statements (the "financial statements"), which are prepared by SuperGroup Plc, comprise:

- the Group and Company balance sheets as at 26 April 2014;
- the Group statement of comprehensive income for the year then ended;
- the Group and Company statements of changes in equity and cash flow statements for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

Certain disclosures required by the financial reporting framework 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.

What an audit of financial statements involves

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

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.

Independent Auditors' Report to the Members of SuperGroup Plc continued.

Overview of our audit approach

Materiality

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Group financial statements as a whole to be £3.0 million. In arriving at this judgement we have had regard to 5% of profit before income tax, exceptional items and non-underlying items, because in our view, this is the most relevant measure of recurring performance.

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

Overview of the scope of our audit

The Group is structured into Retail, Wholesale and Central Cost segments. The Group financial statements are a consolidation of 20 reporting units, comprising the group's operating businesses within these segments and centralised functions.

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

In addition, we also conducted the statutory audits of three non-significant reporting units located in the UK such that the audit work was complete prior to finalisation of the Group financial statements. An audit of the financial information of three further reporting units was conducted by the PwC network firm in Belgium at our request.

The audits of these nine reporting units, together with our involvement in the work of PwC Belgium and additional procedures performed on centralised functions and at the group level, including consolidation and impairment testing, gave us the evidence we needed for our opinion on the Group financial statements as a whole. This resulted in audit coverage of 98% of group pre-exceptional profit before tax.

Areas of particular audit focus

In preparing the financial statements, the directors made a number of subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We primarily focused 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.

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

We considered the following areas to be those that required particular focus in the current year. This is not a complete list of all risks or areas of focus identified by our audit. We discussed these areas of focus with the Audit Committee. Their report on those matters that they considered to be significant issues in relation to the financial statements is set out on pages 51 to 57.

Area of focus	How the scope of our audit addressed the area of focus
Contract terminations and business combinations During the year, the group have continued with their strategy of reacquiring their brand rights to certain territories. For background of the transactions entered into during the year, refer to notes 13 and 33 to the financial statements. We focussed on this area as management are required to exercise judgement in determining whether the criteria had been met for a business combination or whether the transactions were a contract termination and appropriately expensed and classified. Where transactions were a business combination, we focussed on the judgements necessary in determining the valuation of assets and liabilities acquired and the resulting goodwill, and the presentation and disclosure of the transactions in the financial statements.	For each transaction, we obtained and read the legal contracts, and understood the business rationale for the transaction to evaluate management's assessment of whether it met the definition of a business combination or a contract termination. For contract terminations we agreed the costs incurred to legal documentation and bank statements and considered if they met the definition of exceptional costs in accordance with the Group's accounting policy. For the business combinations we: • understood each element of the transaction and whether it related to an identifiable asset or liability, or whether it was an item that should be expensed in the statement of comprehensive income, such as professional fees, deferred consideration linked to continued employment or losses on re-acquired rights; • considered the classification of costs as exceptional or underlying; • challenged assumptions formed around the fair value of consideration payable, including deferred cash payments and reassignment of debt; • obtained and evaluated the valuation of intangible assets, and performed procedures to obtain evidence of the value allocated to reacquired rights with reference to sales forecasts and amortisation periods; • evaluated the fair value ascribed to inventory with reference to current selling prices and challenged judgements formed around costs to sell with reference to actual costs; and • understood the taxation implications of the acquisition in Germany and challenged the recognition of deferred tax liabilities arising on the transaction. Having obtained audit evidence over the valuation of assets and liabilities acquired, we re-performed management's calculation of the resulting goodwill. We also performed procedures to determine that disclosure of each transaction in the financial statements is appropriate and complies with the relevant accounting standards.
Deferred tax assets There are significant deferred tax assets in the Group balance sheet relating to goodwill in certain subsidiaries which arose on a Group reorganisation in 2010. We focussed on the valuation and completeness of these deferred tax assets, due to uncertainty over their recoverability and ongoing HMRC enquiry. Refer to note 2 to the financial statements.	We updated our understanding of the Group reorganisation which occurred in 2010. We obtained and read correspondence with HMRC, including written notes of oral conversations, and the financial statements disclosures in order to update our assessment of the facts and circumstances that underpin the judgements made by management with respect to the valuation and completeness of deferred tax assets. We also assessed Board approved forecasts with respect to considering the availability of future taxable profits against which deferred tax assets can be utilised.

Independent Auditors' Report to the Members of SuperGroup Plc continued.

Area of focus	How the scope of our audit addressed the area of focus
Fraud in revenue recognition ISAs (UK & Ireland) presume there is a risk of fraud in revenue recognition because of the pressure management may feel to achieve the planned results. We focused on whether transactions had occurred that entitled revenue to be recognised.	We assessed the design and operating effectiveness of controls over revenue systems and tested key revenue and cash reconciliations as at 26 April 2014 and tested material manual journals. Data analysis techniques were used for internet and UK and Irish store revenue streams to reconcile to cash and identify non-standard revenue transactions. We performed additional audit procedures over other revenue streams by verifying to cash receipts and goods despatch documentation.
Risk of management override of internal controls ISAs (UK & Ireland) require that we consider this.	We assessed the overall control environment of the Group, including the arrangements for staff to "whistle-blow" inappropriate actions, and interviewed senior management and the Group's internal audit function. We examined the significant accounting estimates and judgements relevant to the financial statements for evidence of bias by the directors that may represent a risk of material misstatement due to fraud. We also tested journal entries.

Going Concern

Under the Listing Rules we are required to review the directors' statement, set out on page 50, in relation to going concern. We have nothing to report having performed our review.

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

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

Opinions on matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other matters on which we are required to report by exception

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

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law have not been 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 the Company's compliance with nine provisions of the UK Corporate Governance Code ("the Code"). We have nothing to report having performed our review.

On page 78 of the Annual Report, as required by the Code Provision C.1.1, the directors state 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 performance, business model and strategy. On pages 43 to 54 as required by C.3.8 of the Code, the Audit Committee has set out the significant issues that it considered in relation to the financial statements, and how they were addressed. Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- the statement given by the directors is materially inconsistent with our knowledge of the Group acquired in the course of performing our audit; or
- the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

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
- is otherwise misleading.

We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Members of SuperGroup Plc continued.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 78, the directors are responsible for the preparation of the Group and Company 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 Group and Company 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.

Andrew Lyon BSc FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
9 July 2014

Notes:

(a) The maintenance and integrity of the SuperGroup Plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.


SUPER®
DRY JPN.
極度乾燥
JPN
DATTACKER
INEERE
極度乾燥しなさい)
Superdry
Superdry
Superdry
Japan.


SUPERDRY
89
SUPER
DRY
GYM
SUPERDRY
SUPER
ATHLETIC
D.R.Y

Financial Statements.

Group and Company Financial Statements.

Group statement of comprehensive income

							Group
	Note	Underlying 2014 £m	Non-underlying and exceptional items £m	Total 2014 £m	Underlying 2013 £m	Non-underlying and exceptional items £m	Total 2013 £m
Revenue	4	430.9	–	430.9	360.4	–	360.4
Cost of sales		(173.6)	–	(173.6)	(150.4)	–	(150.4)
Gross profit		257.3	–	257.3	210.0	–	210.0
Selling, general and administrative expenses	7	(200.5)	(13.1)	(213.6)	(163.3)	(3.0)	(166.3)
Other gains and losses (net)	8	4.7	(3.7)	1.0	5.2	2.6	7.8
Operating profit	6	61.5	(16.8)	44.7	51.9	(0.4)	51.5
Finance income	12	0.6	–	0.6	0.3	–	0.3
Share of loss of investment	20	(0.1)	–	(0.1)	–	–	–
Profit before income tax		62.0	(16.8)	45.2	52.2	(0.4)	51.8
Income tax expense	14	(14.9)	(2.5)	(17.4)	(13.4)	(2.1)	(15.5)
Profit for the period		47.1	(19.3)	27.8	38.8	(2.5)	36.3
Attributable to:							
Owners of the Company		46.7	(19.3)	27.4	38.4	(2.5)	35.9
Non-controlling interests		0.4	–	0.4	0.4	–	0.4
		47.1	(19.3)	27.8	38.8	(2.5)	36.3
Other comprehensive income net of tax:							
Items that may be subsequently reclassified to profit or loss							
Currency translation differences		(0.8)	–	(0.8)	1.6	–	1.6
Total comprehensive income for the period		46.3	(19.3)	27.0	40.4	(2.5)	37.9
Attributable to:							
Owners of the Company		45.9	(19.3)	26.6	40.0	(2.5)	37.5
Non-controlling interests		0.4	–	0.4	0.4	–	0.4
		46.3	(19.3)	27.0	40.4	(2.5)	37.9
		pence per share		pence per share	pence per share		pence per share
Earnings per share:							
Basic	17	58.0		34.0	47.8		44.7
Diluted	17	57.2		33.6	47.4		44.3

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

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 94 to 134 inclusive are an integral part of the Group and Company financial statements.

Group and Company Financial Statements.

The Company number is 07063562.

Balance sheets

	Note	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
ASSETS					
Non-current assets					
Property, plant and equipment	18	**70.3**	63.7	**2.9**	2.8
Intangible assets	19	**46.7**	41.5	**8.1**	2.4
Investments in subsidiaries	20	**–**	–	**366.0**	363.9
Investments accounted for using the equity method	20	**0.3**	–	**–**	–
Deferred income tax assets	21	**30.4**	34.0	**1.3**	0.4
Total non-current assets		**147.7**	139.2	**378.3**	369.5
Current assets					
Inventories	22	**77.8**	72.5	**–**	–
Trade and other receivables	23	**54.3**	45.9	**38.4**	16.9
Derivative financial instruments	31	**–**	1.4	**–**	–
Cash and cash equivalents	24	**86.2**	54.5	**43.3**	14.7
Total current assets		**218.3**	174.3	**81.7**	31.6
LIABILITIES					
Current liabilities					
Borrowings	25	**0.1**	0.2	**78.7**	27.9
Trade and other payables	26	**58.9**	49.2	**4.3**	2.2
Current income tax liabilities	26	**11.9**	8.0	**–**	–
Derivative financial instruments	31	**2.2**	–	**–**	–
Total current liabilities		**73.1**	57.4	**83.0**	30.1
Net current assets/(liabilities)		**145.2**	116.9	**(1.3)**	1.5
Non-current liabilities					
Borrowings	25	**–**	0.2	**–**	–
Trade and other payables	26	**28.9**	29.1	**–**	–
Provisions for other liabilities and charges	27	**1.1**	0.9	**–**	–
Deferred income tax liabilities	21	**1.6**	2.0	**–**	–
Derivative financial instruments	31	**0.1**	–	**–**	–
Total non-current liabilities		**31.7**	32.2	**–**	–
Net assets		**261.2**	223.9	**377.0**	371.0
EQUITY					
Share capital	32	**4.0**	4.0	**4.0**	4.0
Share premium		**147.3**	140.1	**147.3**	140.1
Translation reserve		**(1.3)**	(0.5)	**–**	–
Merger reserve		**(302.5)**	(302.5)	**–**	–
Retained earnings		**411.4**	382.4	**225.7**	226.9
Other reserves	34	**0.7**	–	**–**	–
Equity attributable to the owners of the Company		**259.6**	223.5	**377.0**	371.0
Non-controlling interests	34	**1.6**	0.4	**–**	–
Total equity		**261.2**	223.9	**377.0**	371.0

The notes on pages 94 to 134 inclusive are an integral part of the Group and Company financial statements.

The financial statements on pages 88 to 93 were approved by the board of directors on 9 July 2014 and signed on its behalf by:

Julian Dunkerton
Chief Executive Officer

Shaun Wills
Chief Financial Officer

Group and Company Financial Statements.

Cash flow statements

	Note	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Cash flows from operating activities					
Profit/(loss) before income tax		**45.2**	51.8	**(3.7)**	(1.1)
Adjusted for:					
– Depreciation of property, plant and equipment	18	**19.1**	15.2	**1.8**	1.5
– Loss on disposal of property, plant and equipment	6	**1.7**	0.1	**–**	–
– Proceeds on disposal of fixed assets		**0.2**	–	**–**	–
– Amortisation of intangible assets	19	**3.2**	3.0	**0.4**	0.4
– Share of loss of investment		**0.1**	–	**–**	–
– Net impact of lease incentives		**(2.7)**	(3.2)	**–**	–
– Finance income	12	**(0.6)**	(0.3)	**(0.6)**	(0.3)
– Fair value loss/(gain) on derivative financial instruments	31	**3.7**	(2.6)	**–**	–
– Fair value loss on deferred contingent share consideration	13	**4.0**	2.5	**–**	–
– Long-term incentive plan	11	**1.1**	0.5	**1.1**	0.5
Changes in working capital:					
– Increase in inventories		**(2.6)**	(16.8)	**–**	–
– (Increase)/decrease in trade and other receivables		**(11.3)**	(2.8)	**(14.5)**	1.9
– Increase/(decrease) in trade and other payables, and provisions		**12.2**	(0.9)	**2.1**	0.4
Cash generated from/(used in) operations		**73.3**	46.5	**(13.4)**	3.3
Interest received	12	**0.6**	0.3	**0.6**	0.3
Tax paid		**(9.6)**	(8.5)	**–**	–
Net cash generated from operating activities		**64.3**	38.3	**(12.8)**	3.6

Group and Company Financial Statements.

Cash flow statements (continued)

	Note	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Cash flow from investing activities					
Acquisitions (net of cash acquired)	33	**(2.2)**	–	**(1.0)**	–
Purchase of property, plant and equipment	18	**(26.9)**	(14.9)	**(1.9)**	(0.9)
Purchase of intangible assets	19	**(6.9)**	(2.9)	**(6.1)**	(2.4)
Purchase of investments/associates	20	**(0.4)**	–	**(0.4)**	(3.0)
Net cash used in investing activities		**(36.4)**	(17.8)	**(9.4)**	(6.3)
Cash flow from financing activities					
Cash contributions received from landlords		**4.6**	3.0	**–**	–
Repayment of borrowings	25	**(0.3)**	(0.2)	**–**	–
Proceeds received from issuance of shares net of transaction costs		**–**	–	**–**	1.5
Net cash generated from financing activities		**4.3**	2.8	**–**	1.5
Net increase/(decrease) in cash and cash equivalents	30	**32.2**	23.3	**(22.2)**	(1.2)
Cash and cash equivalents, net of overdraft, at beginning of period	24	**54.5**	30.9	**(13.2)**	(12.0)
Exchange (losses)/gains on cash and cash equivalents	30	**(0.5)**	0.3	**–**	–
Cash and cash equivalents at end of period, net of overdraft	24	**86.2**	54.5	**(35.4)**	(13.2)

The notes on pages 94 to 134 inclusive are an integral part of the Group and Company financial statements.

Group and Company Financial Statements.

Statements of changes in equity

		Attributable to owners of the Company								
Group	Note	Share capital £m	Share premium £m	Translation reserve £m	Merger reserve £m	Retained earnings £m	Other reserves £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 29 April 2012		**4.0**	**138.6**	**(2.1)**	**(302.5)**	**346.0**	**–**	**184.0**	**–**	**184.0**
Comprehensive income										
Profit for the period		–	–	–	–	35.9	–	35.9	0.4	36.3
Other comprehensive income										
Currency translation differences		–	–	1.6	–	–	–	1.6	–	1.6
Total other comprehensive income		**–**	**–**	**1.6**	**–**	**–**	**–**	**1.6**	**–**	**1.6**
Total comprehensive income for the period		**–**	**–**	**1.6**	**–**	**35.9**	**–**	**37.5**	**0.4**	**37.9**
Transactions with owners										
Employee share award scheme		–	–	–	–	0.5	–	0.5	–	0.5
Shares issued	32	–	1.5	–	–	–	–	1.5	–	1.5
Total transactions with owners		**–**	**1.5**	**–**	**–**	**0.5**	**–**	**2.0**	**–**	**2.0**
Balance at 28 April 2013		**4.0**	**140.1**	**(0.5)**	**(302.5)**	**382.4**	**–**	**223.5**	**0.4**	**223.9**
Comprehensive income										
Profit for the period		–	–	–	–	27.4	–	27.4	0.4	27.8
Other comprehensive income										
Currency translation differences		–	–	(0.8)	–	–	–	(0.8)	–	(0.8)
Total other comprehensive income		**–**	**–**	**(0.8)**	**–**	**–**	**–**	**(0.8)**	**–**	**(0.8)**
Total comprehensive income for the period		**–**	**–**	**(0.8)**	**–**	**27.4**	**–**	**26.6**	**0.4**	**27.0**
Transactions with owners										
Employee share award scheme		–	–	–	–	1.1	–	1.1	–	1.1
Deferred tax – employee share award scheme		–	–	–	–	0.5	–	0.5	–	0.5
Shares issued	32	–	7.2	–	–	–	–	7.2	–	7.2
Reserves arising on business combination	34	–	–	–	–	–	0.7	0.7	0.8	1.5
Total transactions with owners		**–**	**7.2**	**–**	**–**	**1.6**	**0.7**	**9.5**	**0.8**	**10.3**
Balance at 26 April 2014		**4.0**	**147.3**	**(1.3)**	**(302.5)**	**411.4**	**0.7**	**259.6**	**1.6**	**261.2**

Group and Company Financial Statements.

Statements of changes in equity (continued)

Company	Note	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
Balance at 29 April 2012		4.0	138.6	227.0	369.6
Comprehensive income					
Loss for the period		–	–	(0.6)	(0.6)
Total comprehensive income for the period		–	–	(0.6)	(0.6)
Transactions with owners					
Employee share award schemes		–	–	0.5	0.5
Shares issued	32	–	1.5	–	1.5
Total transactions with owners		–	1.5	0.5	2.0
Balance at 28 April 2013		4.0	140.1	226.9	371.0
Comprehensive income					
Loss for the period		–	–	(2.8)	(2.8)
Total comprehensive income for the period		–	–	(2.8)	(2.8)
Transactions with owners					
Employee share award schemes		–	–	1.1	1.1
Deferred tax credit		–	–	0.5	0.5
Shares issued	32	–	7.2	–	7.2
Total transactions with owners		–	7.2	1.6	8.8
Balance at 26 April 2014		4.0	147.3	225.7	377.0

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

The notes on pages 94 to 134 inclusive are an integral part of the Group and Company financial statements.

Notes to the Group and Company Financial Statements.

1 Principal accounting policies

a) Basis of preparation

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

The current period ("2014") is for the 51 weeks and 6 days ended 26 April 2014 (2013: 52 weeks ended 28 April 2013 ("2013")).

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

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

b) Basis of consolidation

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

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

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

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

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

Intercompany transactions and balances are eliminated on consolidation.

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.

Notes to the Group and Company Financial Statements.

1 Principal accounting policies (continued)

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

d) Foreign currencies

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

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

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

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

e) Revenue recognition

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

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

Standalone store revenue

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

Concession revenue

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

Internet revenue

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

Wholesale revenue

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

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

Notes to the Group and Company Financial Statements.

1 Principal accounting policies (continued)

f) Other income

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

g) Finance income

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

h) Finance expenses

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

i) Leasing and similar commitments

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

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

Cash contributions

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

Rent-free periods

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

Lease premiums

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

j) Property, plant and equipment

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

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

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

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

The depreciation policy has been amended following the opening of the new distribution facility in 2014 and the relevant assets are depreciated over a useful economic life of ten years.

Notes to the Group and Company Financial Statements.

1 Principal accounting policies (continued)

k) Impairment

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

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

l) Intangible assets

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

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

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

m) Investments

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

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

n) Derivative financial instruments and hedging activities

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

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

o) Inventories

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

p) Trade receivables

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

Notes to the Group and Company Financial Statements.

1 Principal accounting policies (continued)

q) Cash and cash equivalents

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

r) Borrowings

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

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

s) Provisions and contingent liabilities

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

t) Employee benefit obligations

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

Payroll expense and related contributions

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

u) Share based payments

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

v) Trade and other payables

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

Notes to the Group and Company Financial Statements.

1 Principal accounting policies (continued)

w) 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.

x) Dividends

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

y) 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.

z) Retained earnings

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

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

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

ab) Segment reporting

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

ac) Cost of sales

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

Notes to the Group and Company Financial Statements.

1 Principal accounting policies (continued)

ad) Exceptional items

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

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

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

2 Critical accounting estimates and judgements in applying accounting policies

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

a) Recoverability of deferred income tax assets

The Group has recognised a significant deferred income tax asset in its financial statements which requires judgement for determining the extent of its recoverability at each balance sheet date. The Group assesses recoverability with reference to board approved forecasts of future taxable profits. These forecasts require the use of assumptions and estimates. The Group's subsidiaries will need to make taxable profits of at least £127.5m over the next 16 years (2013: £141.9m over 17 years) to obtain the full tax deduction against the amortisation of goodwill and intangible assets in those subsidiaries.

Discussions with HMRC in respect of the tax deductible intangibles arising on the March 2010 reorganisation are ongoing. Written confirmation has been received from HMRC that they will not challenge the commercial nature of the transactions. The amounts of intangible assets available for tax relief are yet to be agreed with HMRC. Following independent advice the directors consider that the related deferred tax asset in respect of these intangible assets continues to be considered recoverable.

b) Impairment of goodwill

The Group has tested goodwill for impairment which requires judgement when determining the recoverable amount. Further details of the impairment testing and the key assumptions are included in more detail in note 19.

c) Provisions

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

d) Acquisition accounting

In accounting for business combinations, the identifiable assets, liabilities and contingent liabilities acquired have to be measured at their fair values. In particular, some judgement is required in estimating the fair value of inventory with reference to current selling prices and costs to sell, and judgement in estimating the valuation of intangible assets with reference to forecast future sales under the pre-existing contract. Details concerning acquisitions and business combinations are outlined in notes 20, 33 and 34.

Notes to the Group and Company Financial Statements.

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

e) Exceptional items

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

3 New accounting pronouncements

The following new or recent standards, interpretations and amendments to standards have been adopted by the Group where appropriate or applicable to the Group for the financial year begining 29 April 2013:

- Amendment to IAS 1, 'Financial statement presentation', regarding other comprehensive income. The main change resulting from these amendments is a requirement for the Group to group items presented in 'other comprehensive income' on the basis of whether they are potentially reclassifiable to profit or loss subsequently.
- Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.
- IFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.
- IFRS 11, 'Joint arrangements', focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method.
- IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.
- IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 29 April 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

Notes to the Group and Company Financial Statements.

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 board members: "the CODM"). The CODM assesses the performance of the operating segments based on profit before income tax, before inter-segment royalties. The CODM considers the business from a customer perspective only, being Retail and Wholesale. The CODM reviews the balance sheet at a Group level. No separate balance sheet measures are provided between the Retail and Wholesale segments.

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

- Retail – principal activities comprise the operation of UK, Republic of Ireland and European 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 board is measured in a manner consistent with that of the IFRS financial statements.

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

Segmental information for the main reportable business segments of the Group for April 2014 and April 2013 is set out below:

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

Notes to the Group and Company Financial Statements.

4 Segment information (continued)

The following additional information is considered useful to the reader:

	Underlying 2014 £m	Re-measurements £m	Exceptional costs £m	Reported 2014 £m
Revenue				
Retail	285.5	–	–	285.5
Wholesale	145.4	–	–	145.4
Total revenue	430.9	–	–	430.9
Gross profit	257.3	–	–	257.3
Operating profit				
Retail	54.8	(2.0)	(3.6)	49.2
Wholesale	47.8	(1.7)	(5.1)	41.0
Central costs	(41.1)	(4.0)	(0.4)	(45.5)
Total operating profit/(loss)	61.5	(7.7)	(9.1)	44.7
Net finance income – Central costs	0.6	–	–	0.6
Share of loss of investment – Central costs	(0.1)	–	–	(0.1)
Profit/(loss) before income tax				
Retail	54.8	(2.0)	(3.6)	49.2
Wholesale	47.8	(1.7)	(5.1)	41.0
Central costs	(40.6)	(4.0)	(0.4)	(45.0)
Total profit/(loss) before income tax	62.0	(7.7)	(9.1)	45.2

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

	Retail 2013 £m	Wholesale 2013 £m	Central costs 2013 £m	Group 2013 £m
Total segment revenue	242.5	121.7	–	364.2
Less: inter-segment revenue	–	(3.8)	–	(3.8)
Revenue from external customers	242.5	117.9	–	360.4
Finance income	–	–	0.3	0.3
Profit/(loss) before income tax	46.8	37.1	(32.1)	51.8

Notes to the Group and Company Financial Statements.

4 Segment information (continued)

The following additional information is considered useful to the reader:

	Underlying 2013 £m	Re-measurements £m	Exceptional costs £m	Reported 2013 £m
Revenue				
Retail	242.5	–	–	242.5
Wholesale	117.9	–	–	117.9
Total revenue	360.4	–	–	360.4
Gross profit	210.0	–	–	210.0
Operating profit				
Retail	46.2	1.1	(0.5)	46.8
Wholesale	35.6	1.5	–	37.1
Central costs	(29.9)	(2.5)	–	(32.4)
Total operating profit/(loss)	51.9	0.1	(0.5)	51.5
Net finance income – Central costs	0.3	–	–	0.3
Profit/(loss) before income tax				
Retail	46.2	1.1	(0.5)	46.8
Wholesale	35.6	1.5	–	37.1
Central costs	(29.6)	(2.5)	–	(32.1)
Total profit/(loss) before income tax	52.2	0.1	(0.5)	51.8

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
	2014 £m	2013 £m
External revenue – UK	**254.8**	236.0
External revenue – Europe	**150.7**	105.3
External revenue – Rest of world	**25.4**	19.1
Total external revenue	**430.9**	360.4

Included within external revenue overseas is revenue of £45.2m (2013: £29.0m) generated by our overseas subsidiaries.

The total of non-current assets, other than deferred income tax assets, located in the UK is £71.2m (2013: £71.1m), and the total of non-current assets located in other countries is £46.1m (2013: £34.1m).

Notes to the Group and Company Financial Statements.

5 Balances and transactions with related parties

Directors' emoluments

Directors' remuneration is set out in the audited section of the Directors' Remuneration Report on pages 59 to 77.

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 59 to 77, 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 (2013: nil) on travel and subsidence through companies in which Julian Dunkerton has a personal investment. The balance outstanding at 26 April 2014 was £0.1m (2013: nil). This expenditure includes the provision of corporate travel and hotel services supplied on an arm's length basis. These interests have been disclosed and authorised by the Board.

In addition, as disclosed in prior years, the Group occupies two properties owned by J M Dunkerton SIPP pension fund whose beneficiary and member trustee is Julian Dunkerton. The properties are rented to the Group on an arm's length basis. The rent charge in the Group statement of comprehensive income is £0.1m (2013: £0.1m).

Company transactions with subsidiaries

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

	Management charges		Intercompany receivable	
	2014 £m	2013 £m	Balance sheet 26 April 2014 £m	Balance sheet 28 April 2013 £m
C-Retail Limited	6.3	7.1	8.5	7.9
Basset BVBA	0.1	0.1	–	0.1
DKH Retail Limited	11.6	4.8	17.0	4.9
Superdry Germany GmbH	0.3	–	0.6	–
SuperGroup Concessions Limited	0.1	0.6	0.1	0.6
SuperGroup Internet Limited	0.2	1.7	2.2	1.7
SuperGroup Retail Ireland Limited	0.1	0.2	0.1	0.2
SuperGroup Retail Spain S.L.U.	–	–	0.2	–
SuperGroup Europe BVBA	–	–	7.3	–
Snow & Surf BVBA	0.1	0.1	–	0.1

Company transactions with non-controlling interests are noted in note 33 regarding business combinations. An initial investment of £0.4m was made to investment accounted for using equity method accounting (note 20). There have been no further transactions in the period.

Notes to the Group and Company Financial Statements.

6 Operating profit

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

	Group 2014 £m	2013 £m
Depreciation on tangible assets – owned	19.1	15.2
Amortisation of intangible assets	3.2	3.0
Operating lease rentals for leasehold properties	34.7	27.0
Net foreign exchange losses/(gains)	1.0	(3.2)
Loss on disposal of property, plant and equipment – underlying	0.2	0.1
Exceptional items and re-measurements (note 13)	16.8	0.4

The total costs in relation to write-offs of property, plant and equipment is £1.7m, of which £1.5m is included in the £3.4m of set-up costs regarding the Retail distribution centre (note 13). £0.2m of losses on disposal are included in selling, general and administrative expenses.

7 Selling, general and administrative expenses

	Group 2014 £m	2013 £m
Staff costs	64.4	54.0
Operating lease payments	34.7	27.0
Depreciation and amortisation	22.3	18.2
Other (including rates, service charges and professional fees)	92.2	67.1
Total selling, general and administrative expenses	213.6	166.3

8 Other gains and losses (net)

	Group 2014 £m	2013 £m
Fair value (loss) / gain on foreign exchange forward contracts	(3.7)	2.6
Loss on disposal of property, plant and equipment	–	(0.1)
Other income (including proceeds from legal claims and royalty income)	4.7	5.3
Total other gains and losses	1.0	7.8

The non-underlying re-measurement loss of £3.7m (2013: £2.6m gain) is explained in note 13.

See note 13 re non-underlying adjustments which include write-offs in relation to fixed assets.

Notes to the Group and Company Financial Statements.

9 Auditors' remuneration

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

	2014 £m	Group 2013 £m
Audit services		
Fees payable to the Company's auditors for the audit of the Company and the consolidated financial statements	0.1	0.1
The audit of the Company's subsidiaries pursuant to legislation	0.2	0.2
Total audit fees payable to the Company's auditors and its associates	0.3	0.3
Fees payable to the Company's auditors and its associates for other services:		
Tax compliance	0.1	0.1
Tax advisory	0.2	0.1
All other services	0.1	–
Total fees payable to the Company's auditors and its associates for other services	0.4	0.2
Total auditors' remuneration	0.7	0.5

10 Employee benefit expense

	2014 £m	Group 2013 £m
Wages and salaries	57.9	49.0
Social security costs	4.8	4.0
Share awards	1.1	0.5
Pension costs – defined contribution scheme	0.6	0.5
Total employee benefit expense	64.4	54.0

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

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

	2014 No.	Group 2013 No.
Administration	514	384
Warehouse	53	197
Retail	1,661	1,441
Total average headcount	2,228	2,022

Directors' remuneration is detailed in the Directors' Remuneration Report on pages 59 to 77.

Notes to the Group and Company Financial Statements.

10 Employee benefit expense (continued)

Remuneration of key members of management, who are the executive directors, director of e-commerce, director of Europe, director of HR, director of International and Wholesale, director of IT and General Counsel and Company Secretary, recorded in the Group statement of comprehensive income is as follows:

		Group
	2014 £m	2013 £m
Short-term employee benefits	3.9	2.7
Post-employment benefits	0.2	0.1
Share based payments	0.8	0.4
Total remuneration of key members of management	4.9	3.2

11 Share based Long-Term Incentive Plans (“LTIP”)

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

Performance Share Plan

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

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

		Group & Company
	2014 No.	2013 No.
At start of the period	820,930	204,876
Granted	285,854	646,742
Exercised	(45,489)	–
Forfeited	(93,570)	(30,688)
Total number of outstanding share awards	967,725	820,930

None of the share awards were exercisable at the period end date (2013: nil).

Notes to the Group and Company Financial Statements.

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

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

Grant date	Type of award	Number of shares	Group & Company Vesting period
August 2013	Share awards	224,871	3 years
October 2013	Share awards	8,919	3 years
December 2013	Share awards	25,322	3 years
January 2014	Share awards	10,742	2 years
April 2014	Share awards	16,000	3 years

The fair value of the shares awarded at the grant date during the year is £3.3m (2013: £2.8m). 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 £5.0m.

A charge of £1.1m (2013: £0.5m) has been recorded in the Group statement of comprehensive income during the year.

Save As You Earn

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

12 Finance income

	Group 2014 £m	2013 £m
Bank interest	0.6	0.3
Total finance income	0.6	0.3

Notes to the Group and Company Financial Statements.

13 Non-underlying and exceptional adjustments

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

		Group
	2014 £m	2013 £m
Re-measurements:		
Deferred contingent share consideration	(4.0)	(2.5)
(Loss)/ gain on financial derivatives	(3.7)	2.6
Exceptional items:		
Set-up costs regarding the Retail distribution centre	(3.4)	(0.5)
Buy out of Spanish and UK agents	(3.3)	–
Buy out of German agent and business combination costs	(2.4)	–
Re-measurements and exceptional items	(16.8)	(0.4)
Taxation:		
Tax impact of non-underlying adjustments	1.8	(0.6)
Deferred income tax – exceptional (note 14)	(4.3)	(1.5)
Taxation on non-underlying adjustments	(2.5)	(2.1)
Total non-underlying adjustments	(19.3)	(2.5)
Re-measurements and exceptional items are included within:		
Selling, general and administrative expenses	(13.1)	(3.0)
Other gains and losses	(3.7)	2.6
Re-measurements and exceptional items	(16.8)	(0.4)

Notes to the Group and Company Financial Statements.

13 Non-underlying and exceptional adjustments (continued)

Re-measurements

a) Fair value re-measurement of deferred share consideration

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

IFRS 3 (revised) requires deferred contingent share consideration to be re-measured at each period end to reflect the estimated percentage completion of the targets and change in share price. The share price movement from £7.36 at April 2013 to £16.10 in February 2014, the date the shares were issued on the third anniversary of the acquisition, increased the liability by £3.9m (2013: the share price movement from £3.50 at April 2012 to £6.93 in February 2013, the date the shares were issued on the second anniversary of the acquisition, increased the liability by £0.8m. The movement on the remaining deferred contingent consideration to £7.36, at April 2013, increased the liability by £1.7m). The movements in the deferred contingent share consideration have been recorded in the Group statement of comprehensive income.

b) Loss/gain on financial derivatives

Loss/gain on derivatives are recognised as a non-underlying adjustment. See note 8.

Exceptional items

aa) Set-up costs regarding the Retail distribution centre

On the 15 April 2013 the Group announced that the Gloucester Retail and e-commerce distribution centres would close and the activities be moved to a site in Burton-upon-Trent. During the period £3.4m (2013: £0.5m) of set-up and dual running costs and write-off of assets was recognised.

ab) Buy-out of Spanish and UK agents

During the year the Group bought out Spanish and UK agents. Total costs, including deferred consideration and legal fees was £3.3m.

ac) Buy-out of German agent and business combination costs

On 31 October 2013 the Group completed a business combination (see note 33). As part of the business combination, a pre-existing agency relationship that was unfavourable to the Group was terminated and a loss was recognised of £1.8m. £0.6m of other related costs, including professional fees were also incurred.

Notes to the Group and Company Financial Statements.

14 Income tax expense

The income tax expense comprises:

		Group
	2014 £m	2013 £m
Current income tax		
– UK corporation tax charge for the period	11.7	11.2
– Adjustment in respect of prior periods	(0.2)	(0.1)
Overseas tax	2.1	0.9
Total current income tax	13.6	12.0
Deferred income tax		
– Origination and reversal of temporary differences	(0.6)	2.1
– Adjustment in respect of prior periods	0.1	(0.1)
Exceptional income tax expense	4.3	1.5
Total deferred income tax	3.8	3.5
Total income tax expense	17.4	15.5

The income tax expense on underlying profit is £14.9m (2013: £13.4m). The income tax credit on non-underlying and exceptional items is £1.8m (2013: £0.6m expense) and the exceptional income tax expense is £4.3m (2013: £1.5m), so the net position being disclosed as an exceptional tax charge in the period is £2.5m.

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

		Group
	2014 £m	2013 £m
Profit before income tax	45.2	51.8
Profit multiplied by the standard rate in the UK – 22.8% (2013: 23.9%)	10.3	12.4
Expenses not deductible for tax purposes	1.1	0.3
Fair value movement of deferred contingent share consideration	0.9	0.6
Non-qualifying additions	1.0	0.9
Adjustment in respect of prior years	(0.2)	(0.2)
Total income tax expense excluding exceptional items	13.1	14.0
Exceptional income tax expense	4.3	1.5
Total income tax expense including exceptional items	17.4	15.5

In addition to the above tax charged to the income statement, there was a tax credit to equity of £0.5m (2013: nil) in respect of deferred tax relating to employee share schemes.

As announced in the March 2013 Budget the UK corporation tax rate reduction from 23% to 21%, with effect from 1 April 2014, and a further reduction to 20%, with effect from 1 April 2015 was substantially enacted in July 2013. The deferred income tax balance as at 26 April 2014 has been re-measured resulting in an exceptional deferred tax charge of £4.3m.

Notes to the Group and Company Financial Statements.

14 Income tax expense (continued)

Net deferred income tax movement is as follows:

	Group 2014 £m	Group 2013 £m
Opening net deferred income tax	(32.0)	(35.5)
Charged to the statement of comprehensive income		
– Accelerated capital allowances	(1.0)	(0.8)
– Movement on goodwill and intangibles – change in corporation tax rate	3.7	1.4
– Movement on goodwill and intangibles – other	2.8	3.0
– Other temporary differences	(1.0)	(0.7)
– Revaluation of derivatives and forward exchange contracts	(0.8)	0.6
– Employee share award scheme included in equity	(0.5)	–
Closing net deferred income tax (note 21)	(28.8)	(32.0)

Included within note 13 is £4.3m (2013: £1.5m) of exceptional tax charges, of which £3.7m (2013: £1.4m) relate to the impact of the tax rate change on goodwill and intangibles. The remainder of £0.6m (2013: £0.1m) is included within other movements such as accelerated capital allowances and temporary differences.

In preparation for the listing of the business on the London Stock Exchange, a substantial reorganisation was undertaken with effect from 7 March 2010 and the Group's subsidiaries acquired net assets with a total fair value of £375m. Within this amount, £340m was identified as intangible assets and goodwill, of which the directors believe that £187m should be deductible against taxable profits over the useful economic lives of the respective assets. This gave rise to £52.4m of the exceptional deferred income tax credit booked in 2010. Based on this the directors consider that the Group's future cash tax expense should be reduced by approximately £2.8m per annum using the corporation tax rate of 20%.

The Group's income tax expense on underlying profit of £14.9m represents an effective tax rate of 24.0% for the period ended 26 April 2014. The Group's underlying effective tax rate of 24.0% is higher than the statutory rate of 22.8%, primarily due to depreciation of non-qualifying assets and non-allowable expenses.

Discussions with HMRC in respect of the tax deductible goodwill arising on the March 2010 reorganisation are ongoing. Written confirmation has been received from HMRC that they will not challenge the commercial nature of the transactions. The amounts of intangible assets available for tax relief are yet to be agreed with HMRC. Following independent advice the directors consider that the related deferred tax asset in respect of these intangible assets continues to be considered recoverable.

15 Loss attributable to SuperGroup Plc

The after tax loss for the 51 weeks and 6 days ended 26 April 2014 for the Company was £2.8m (52 weeks ended 28 April 2013: loss of £0.6m). There were credits to equity reserves of £1.1m, and £0.5m deferred tax, in respect of employee share schemes. The directors have approved the statement of comprehensive income for the Company.

16 Dividends

No dividends were paid in the year, and no dividends will be proposed at the Annual General Meeting on 19 September 2014 (2013: £nil).

Notes to the Group and Company Financial Statements.

17 Earnings per share

		Group
	2014 £m	2013 £m
Earnings		
Profit for the period attributable to owners of the Company	27.4	35.9
	No.	No.
Number of shares at year end	80,961,378	80,455,547
Weighted average number of ordinary shares – basic	80,580,959	80,280,115
Effect of dilutive options and contingent shares	1,072,360	769,189
Weighted average number of ordinary shares – diluted	81,653,319	81,049,304
Basic earnings per share (pence)	34.0	44.7
Diluted earnings per share (pence)	33.6	44.3

Underlying basic earnings per share

		Group
	2014 £m	2013 £m
Earnings		
Underlying profit for the period attributable to the owners of the Company	46.7	38.4
	No.	No.
Weighted average number of ordinary shares – basic	80,580,959	80,280,115
Weighted average number of ordinary shares – diluted	81,653,319	81,049,304
Underlying basic earnings per share (pence)	58.0	47.8
Underlying diluted earnings per share (pence)	57.2	47.4

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

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

Notes to the Group and Company Financial Statements.

18 Property, plant and equipment

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

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

	Land and buildings £m	Leasehold improvements £m	Furniture, fixtures and fittings £m	Computer equipment £m	Group Total £m
52 weeks ended 28 April 2013					
Cost					
At 30 April 2012	0.3	67.5	14.9	8.0	90.7
Exchange differences	–	0.2	–	–	0.2
Additions	–	10.0	3.9	1.1	15.0
Disposals	–	(0.3)	–	–	(0.3)
At 28 April 2013	0.3	77.4	18.8	9.1	105.6
Accumulated depreciation					
At 30 April 2012	–	19.8	3.9	3.2	26.9
Disposals	–	(0.2)	–	–	(0.2)
Depreciation charge	–	9.7	3.2	2.3	15.2
At 28 April 2013	–	29.3	7.1	5.5	41.9
Net balance sheet amount at 28 April 2013	**0.3**	**48.1**	**11.7**	**3.6**	**63.7**

Notes to the Group and Company Financial Statements.

18 Property, plant and equipment (continued)

		Company
	Computer equipment £m	Total £m
51 weeks and 6 days ended 26 April 2014		
Cost		
At 29 April 2013	5.4	5.4
Additions	1.9	1.9
At 26 April 2014	7.3	7.3
Accumulated depreciation		
At 29 April 2013	2.6	2.6
Depreciation charge	1.8	1.8
At 26 April 2014	4.4	4.4
Net balance sheet amount at 26 April 2014	**2.9**	**2.9**

		Company
	Computer equipment £m	Total £m
52 weeks ended 28 April 2013		
Cost		
At 30 April 2012	4.5	4.5
Additions	0.9	0.9
At 28 April 2013	5.4	5.4
Accumulated depreciation		
At 30 April 2012	1.1	1.1
Depreciation charge	1.5	1.5
At 28 April 2013	2.6	2.6
Net balance sheet amount at 28 April 2013	**2.8**	**2.8**

Notes to the Group and Company Financial Statements.

19 Intangible assets

	Trademarks £m	Website and software £m	Lease premiums £m	Distribution agreements £m	Goodwill £m	Group Total £m
51 weeks and 6 days ended 26 April 2014						
Cost						
At 29 April 2013	1.9	3.5	15.0	8.5	18.5	47.4
Exchange differences	–	–	–	(0.1)	(0.3)	(0.4)
Acquisitions	–	–	–	1.2	0.7	1.9
Additions	0.5	6.2	0.2	–	–	6.9
At 26 April 2014	2.4	9.7	15.2	9.6	18.9	55.8
Accumulated amortisation						
At 29 April 2013	0.6	0.9	1.5	2.9	–	5.9
Amortisation charge	0.2	0.4	1.1	1.5	–	3.2
At 26 April 2014	0.8	1.3	2.6	4.4	–	9.1
Net balance sheet amount at 26 April 2014	**1.6**	**8.4**	**12.6**	**5.2**	**18.9**	**46.7**

	Trademarks £m	Website and software £m	Lease premiums £m	Distribution agreements £m	Goodwill £m	Group Total £m
52 weeks ended 28 April 2013						
Cost						
At 30 April 2012	1.5	1.0	15.0	8.2	17.9	43.6
Exchange differences	–	–	–	0.3	0.6	0.9
Additions	0.4	2.5	–	–	–	2.9
At 28 April 2013	1.9	3.5	15.0	8.5	18.5	47.4
Accumulated amortisation						
At 30 April 2012	0.4	0.4	0.5	1.6	–	2.9
Amortisation charge	0.2	0.5	1.0	1.3	–	3.0
At 28 April 2013	0.6	0.9	1.5	2.9	–	5.9
Net balance sheet amount at 28 April 2013	**1.3**	**2.6**	**13.5**	**5.6**	**18.5**	**41.5**

Notes to the Group and Company Financial Statements.

19 Intangible assets (continued)

	Website and software £m	Company Total £m
51 weeks and 6 days ended 26 April 2014		
Cost		
At 29 April 2013	3.0	3.0
Additions	6.1	6.1
At 26 April 2014	9.1	9.1
Accumulated amortisation		
At 29 April 2013	0.6	0.6
Amortisation charge	0.4	0.4
At 26 April 2014	1.0	1.0
Net balance sheet amount at 26 April 2014	**8.1**	**8.1**

	Website and software £m	Company Total £m
52 weeks ended 28 April 2013		
Cost		
At 30 April 2012	0.6	0.6
Additions	2.4	2.4
At 28 April 2013	3.0	3.0
Accumulated amortisation		
At 30 April 2012	0.2	0.2
Amortisation charge	0.4	0.4
At 28 April 2013	0.6	0.6
Net balance sheet amount at 28 April 2013	**2.4**	**2.4**

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. Where the recoverable amount is less than the carrying value, an impairment results. During the year, the goodwill on the acquisition of SuperGroup Europe BVBA was tested for impairment, with no impairment charges resulting.

Goodwill attributable to SuperGroup Europe BVBA amounted to 18.0m (2013: £18.3m).

The recoverable amounts in 2014 were measured based on value in use (2013: based on value in use). Detailed forecasts for the next three years have been used which are based on approved annual budgets and strategic projections representing the best estimate of future performance.

Goodwill of £0.7m arose in the business combination in Germany during the year (note 33), within the Retail segment. The recoverable amount of the CGU has been determined on the basis of fair value less costs to sell. The consideration for the acquisition supports the valuation of goodwill, as does the proximity of the applicable impairment review date.

Notes to the Group and Company Financial Statements.

19 Intangible assets (continued)

Key assumptions

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

Pre-tax adjusted discount rates

Pre-tax adjusted discount rates are derived from the Group's weighted average cost of capital. A relative risk adjustment has been applied to the rate to reflect the risk inherent in the territories to which the cash flows arise. The pre-tax risk adjusted discount rate used for SuperGroup Europe BVBA of 11.7%, reflects the mix of geographical territories within which the CGU operates.

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 three years, a long-term average growth rate has been used; this is not greater than the average long-term retail growth rate in each of the territories where the CGU is based. This results in an average growth rate for SuperGroup Europe BVBA of 2.6%.

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 table below shows the assumptions used and the assumptions required in isolation in order for the estimated recoverable amount to equal the carrying value. The directors do not consider this to be reasonably possible.

		Group
	Assumptions used %	Assumption required %
Pre tax risk adjusted discount rate	11.7	19.4
Long-term growth rate	2.6	-5.6

The discounted forecast operating cash flows were €111m and a percentage change of 51.0% in isolation would be required in order for the estimated recoverable amount to equal the carrying value.

20 Investments

		Company
	26 April 2014 £m	28 April 2013 £m
Investments at beginning of period – net book value	**363.9**	360.9
Additions in the period	**2.1**	3.0
Investments at end of period – net book value	**366.0**	363.9

The total cost of investments is £405.1m (2013: £403.0m).

A long-term loan to existing subsidiary DKH Retail Limited of £0.7m was added to investments in the period. Long term funding for Superdry Germany GmbH by SuperGroup Plc of £1.0m was made in October 2013. An investment of £0.4m in Anatwine Limited was made in February 2014, which is reflected in the Company set of accounts. In the Group's set of accounts the carrying value of Anatwine during the period was £0.3m, after taking into account the loss of £0.1m during the year.

Notes to the Group and Company Financial Statements.

20 Investments (continued)

Subsidiaries

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

Subsidiary	Principal activity	Country of incorporation	2014 % shares
Basset BVBA	Clothing retailer in Belgium	Belgium	100
C-Retail Limited[2]	Clothing retailer in UK	UK	100
DKH Retail Limited[2]	Worldwide wholesale distribution	UK	100
Fragrances 55 Limited[2]	Holds fragrances licence	UK	100
Snow & Surf BVBA	Clothing retailer in Belgium	Belgium	100
SuperGroup Belgium NV[2]	Holds the investment in SuperGroup Netherlands BV	Belgium	100
SuperGroup Belgium Finance NV[2]	Provides finance to the Group	Belgium	100
SuperGroup Concessions Limited[2]	Clothing retailer in concessions	UK	100
SuperGroup Europe BVBA	Wholesale distribution in Benelux	Belgium	100
Superdry France SARL[2]	Clothing retailer in France	France	100
Superdry Germany GmbH[2]	Clothing retailer in Germany	Germany	70
SuperGroup France SARL	Clothing retailer in France	France	100
SuperGroup International Limited[2]	Contracting of overseas personnel	UK	100
SuperGroup Internet Limited[2]	Clothing retailer via the Internet	UK	100
SuperGroup Internet North America Limited[4]	Dormant	UK	51
SuperGroup Netherlands BV	Holds the investment in SuperGroup Europe BVBA	Netherlands	100
SuperGroup Netherlands Retail BV	Clothing retailer in the Netherlands	Netherlands	100
SuperGroup Retail Spain S.L.U.[1,2,3]	Clothing retailer in Spain	Spain	100
SuperGroup Retail Ireland Limited[2]	Clothing retailer in the Republic of Ireland	ROI	100
SuperGroup Mumessillik Hizmet ve Ticaret Limited Sirketi[2]	Manages supplier relationships in Turkey	Turkey	100
Tokyo Retail Limited[4]	Dormant	ROI	100

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

All shares held by the Company are ordinary equity shares.

Investments accounted for under the equity method

Set out below are the associates of the Group as at 26 April 2014, which, in the opinion of the directors, are not material to the Group. The associates as listed below have 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. During the year SuperGroup Plc invested £0.4m in Anatwine Limited for an effective shareholding of 35%. There were no other significant transactions with Anatwine in the year ended 26 April 2014.

The first reporting date of Anatwine is to 30 June 2014.

Notes to the Group and Company Financial Statements.

20 Investments (continued)

Nature of investment in associates held during the period is set out below:

Name of entity	Country of incorporation	Ownership interest % shares	Measurement method
Anatwine Limited	UK	35	Equity

Anatwine Limited is a UK registered entity, which earned no revenues in the period but has incurred costs, funded by investments in share capital.

As at 26 April 2014, the fair value of the Group's interest in Anatwine Limited, was £0.3m and the carrying amount of the Group's interest was £0.3m. SuperGroup has recognised 35% share of the loss for the period to 26 April 2014 (£0.1m).

Anatwine Limited is a private company and there is no quoted market price available for its shares.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates:

	2014 £m
Opening net assets	–
Investment in associates goodwill	0.4
Loss for the period	(0.1)
Closing net assets	0.3

21 Deferred income tax assets/(liability)

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Asset				
Accelerated capital allowances	(0.6)	(1.6)	–	–
Temporary differences	1.8	0.8	1.3	0.4
Recognition of lease incentives	3.1	2.6	–	–
Goodwill and other intangibles arising in subsidiary entities	25.6	32.6	–	–
Revaluation of derivatives and forward exchange contracts to fair value	0.5	(0.4)	–	–
Total deferred income tax assets	30.4	34.0	1.3	0.4
Liability				
Other intangibles	(1.6)	(2.0)	–	–
Total deferred income tax liability	(1.6)	(2.0)	–	–
Total net deferred income tax	28.8	32.0	1.3	0.4

Recognition of deferred income tax assets is based upon the expected generation of future taxable profits.

There are no unrecognised deferred income tax assets.

Notes to the Group and Company Financial Statements.

22 Inventories

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Finished goods	77.8	72.5	–	–
Net inventories	77.8	72.5	–	–

The cost of inventories recognised as an expense and included in cost of sales amounted to £162.7m (2013: £140.2m).

Inventory write-downs for each period are as follows:

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
At start of period	2.6	0.8	–	–
Write-downs	1.9	2.1	–	–
Utilised in period	(1.8)	–	–	–
Unused amounts reversed	(0.1)	(0.3)	–	–
Closing provision	2.6	2.6	–	–

23 Trade and other receivables

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Trade receivables	33.3	29.2	–	–
Less: provision for impairment of trade receivables	(0.8)	(0.9)	–	–
Net trade receivables	32.5	28.3	–	–
Other amounts due from related parties	–	–	36.0	15.5
Taxation and social security	–	–	1.3	0.8
Other receivables	1.4	3.6	0.1	0.1
Prepayments	20.4	14.0	1.0	0.5
Total trade and other receivables	54.3	45.9	38.4	16.9

Other receivables for the Group include £0.4m (2013: £2.0m) of cash contributions receivable from landlords.

Prepayments for the Group include £15.4m (2013: £12.0m) 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.

Notes to the Group and Company Financial Statements.

23 Trade and other receivables (continued)

The Group's trade receivables are summarised as follows:

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Not past due or impaired	23.8	16.7	–	–
Past due but not impaired	8.4	10.5	–	–
Impaired	1.1	2.0	–	–
Total trade receivables	33.3	29.2	–	–

The credit quality of trade receivables that are neither past due nor impaired are all assessed to be fully recoverable (2013: fully recoverable). Our internal credit rating system is based upon historical information about counterparty default risks. The analysis of these trade receivables by reference to external credit ratings is not available. £9.4m out of the £23.8m trade receivables not past due nor impaired relate to 16 well-established key accounts (2013: £9.7m out of the £16.7m relate to 19 well-established key accounts) that the Group has traded with for at least one year. The remaining £14.4m (2013: £7.0m) consist of many individual balances, each below £0.4m.

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

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Overdue 1 – 30 days	6.0	7.1	–	–
Overdue 31 – 60 days	1.5	1.6	–	–
Overdue 60 days +	0.9	1.8	–	–
Total trade receivables past due but not impaired	8.4	10.5	–	–

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

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
At start of period	0.9	0.5	–	–
Provision for receivables impairment	0.5	0.7	–	–
Receivables written off during the year as uncollectable	(0.1)	(0.2)	–	–
Unused amounts reversed	(0.5)	(0.1)	–	–
At end of period	0.8	0.9	–	–

Trade receivables of £1.1m (2013: £2.0m) were partially impaired and a provision of £0.8m (2013: £0.9m) has been recognised against the impaired trade receivables.

Notes to the Group and Company Financial Statements.

23 Trade and other receivables (continued)

The Group's impaired trade receivables are as follows:

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Current	–	0.2	–	–
Overdue 1 – 30 days	–	0.3	–	–
Overdue 31 – 60 days	0.1	0.3	–	–
Overdue 60 days +	1.0	1.2	–	–
Total trade receivables impaired	1.1	2.0	–	–

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

24 Cash and cash equivalents

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Cash at bank and in hand	86.2	54.5	43.3	14.7
Total cash and cash equivalents	86.2	54.5	43.3	14.7
Less: overdraft (note 25)	–	–	(78.7)	(27.9)
Total cash and cash equivalents net of overdraft	86.2	54.5	(35.4)	(13.2)

Cash and cash equivalents comprise cash at bank with major UK and European clearing banks and earn floating rates of interest based upon bank base rates. On 23 January 2014, the Group renewed the balance offset agreement with HSBC on the UK sterling, euro and US dollar accounts. At 26 April 2014, the Group had £16.7m (2013: £23.5m) deposited with HSBC Bank Plc, £20.9m (2013: £21.8m) deposited with Barclays Bank Plc, £20.1m (2013: £5.0m) deposited with Santander UK Plc, £20.1m (2013: nil) deposited with Lloyds Bank Plc and £1.9m (2013: £0.9m) deposited with Ulster Bank Ireland Limited. The remainder of the cash is deposited in other bank accounts. The Moody's credit rating as at 9 July 2014 for HSBC Bank Plc is Aa3 (2013: Aa3), Barclays Bank Plc is A2 (2013: A2), Santander UK Plc is A2 (2013: A2), Lloyds Bank Plc is A1 (2013: A2) and Ulster Bank Ireland Limited is Baa3 (2013: Baa2).

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

The Group had no secured liabilities (bank and collateralised borrowings) as at 26 April 2014 (28 April 2013: £nil).

25 Borrowings

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Non-current				
Other loans	–	0.2	–	–
Total non-current borrowings	–	0.2	–	–
Current				
Bank overdraft	–	–	78.7	27.9
Other loans	0.1	0.2	–	–
Total current borrowings	0.1	0.2	78.7	27.9
Total borrowings	0.1	0.4	78.7	27.9

The Group had no secured liabilities (bank and collateralised borrowings) as at 26 April 2014 (28 April 2013: £nil).

Notes to the Group and Company Financial Statements.

25 Borrowings (continued)

The bank overdraft for the company is included within the balance offset agreement with HSBC. Interest is not paid on the overdraft when it can be fully offset against cash balances held within the Group.

The Group's borrowings mature as follows:

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Within 1 year	0.1	0.2	78.7	27.9
Between 2 and 5 years	–	0.2	–	–
Total borrowings	0.1	0.4	78.7	27.9

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

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
6 – 12 months	0.1	0.1	78.7	27.9
1 – 5 years	–	0.3	–	–
Total borrowings	0.1	0.4	78.7	27.9

With the exception of the overdrawn bank accounts included within the offset arrangements, upon which no interest is charged, the Group has not drawn down any of its borrowing facilities as at 26 April 2014.

As at the year end date there was a £10.0m borrowing facility, which was wholly unused and due to expire in July 2014. The Group also has a bank guarantee facility in place with a £3.0m limit.

The Group was compliant with all banking covenants during the year.

Group	UK Sterling	Floating interest rates Euro/Dollar	Fixed interest rates Euro
As at 26 April 2014			
Other loans	–	–	2.7% - 4.4%
As at 28 April 2013			
Other loans	–	–	2.7% - 4.4%

	Carrying amounts as at Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m	Fair value as at Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Bank overdraft	–	–	78.7	27.9	–	–	78.7	27.9
Other loans	0.1	0.4	–	–	0.1	0.4	–	–
Total borrowings	0.1	0.4	78.7	27.9	0.1	0.4	78.7	27.9

The fair value of current borrowings approximates to their carrying amount, as the impact of discounting is not significant. The fair values of current and non-current borrowings are determined using discounted cash flows at the interest rate prevailing at the balance sheet date.

Notes to the Group and Company Financial Statements.

26 Trade and other payables

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Non-current				
Deferred cash contributions and rent-free periods	28.9	29.1	–	–
Total non-current trade and other payables	28.9	29.1	–	–
Current				
Trade payables	42.4	32.4	1.9	–
Taxation and social security	1.6	2.0	–	–
Income tax payable	11.9	8.0	–	–
Other payables	0.8	1.4	–	0.2
Accruals and deferred income	8.3	5.7	2.4	2.0
Deferred cash contributions and rent-free periods	4.9	4.4	–	–
Deferred contingent share consideration	0.9	3.3	–	–
Total current trade and other payables	70.8	57.2	4.3	2.2
Total trade and other payables	99.7	86.3	4.3	2.2

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

	Group 2014 £m	Group 2013 £m
1 – 2 years	4.9	4.4
2 – 5 years	14.2	13.1
Greater than 5 years	9.8	11.6
Non-current deferred cash contributions and rent-free periods	28.9	29.1

The maturity analysis of non-current deferred contingent consideration is as follows:

	Group 2014 £m	Group 2013 £m
1 – 2 years	–	–
Non-current deferred contingent consideration	–	–

Laundry Athletics LLP, which transferred its trade to DKH Retail Limited, is currently involved in a dispute between two of its manufacturers in Turkey over the use of an export company (Gisad Dis Ticaret ("Gisad")). The manufacturers had used Gisad to reclaim Turkish VAT on its behalf. Gisad has a €100m loan facility with Morgan Stanley International (Morgan Stanley) with an Export Receivables Assignment Agreement as security. This loan was called in during January 2009. The Group has retained a liability for the disputed sums. The total in dispute is £1.9m which has been withheld and remains as a liability within trade payables in the Group balance sheet.

Notes to the Group and Company Financial Statements.

27 Provision for other liabilities and charges

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Dilapidations and onerous lease provision at the start of the period	0.9	0.6	–	–
Charge in period	0.2	0.3	–	–
Utilised in period	–	–	–	–
Dilapidations and onerous lease provision at the end of the period	1.1	0.9	–	–

Dilapidations provisions will be utilised upon the exit or expiry of a property lease which is expected to be between 2014 and 2026. Onerous lease provisions are utilised over the remaining life of the lease.

28 Contingencies and commitments

Capital expenditure commitments

	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Property, plant and equipment	2.4	0.9	–	–
Total capital expenditure commitments	2.4	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 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Due within 1 year	38.4	31.1	–	–
Due in more than 1 year, but no more than 5 years	152.0	120.2	–	–
Due in more than 5 years	103.5	99.2	–	–
Total operating lease commitments	293.9	250.5	–	–

Notes to the Group and Company Financial Statements.

30 Net cash/(debt)

Analysis of net cash/(debt)

	2013 £m	Cash flow £m	Non-cash changes £m	Group 2014 £m
Cash and short-term deposits	54.5	32.2	(0.5)	**86.2**
Cash and cash equivalents net of overdraft	54.5	32.2	(0.5)	**86.2**
Other loans	(0.4)	0.3	–	**(0.1)**
Total net cash	54.1	32.5	(0.5)	**86.1**

	2013 £m	Cash flow £m	Non-cash changes £m	Company 2014 £m
Cash and short-term deposits	14.7	28.6	–	**43.3**
Overdrafts	(27.9)	(50.8)	–	**(78.7)**
Total net debt	(13.2)	(22.2)	–	**(35.4)**

Non-cash changes relates to exchange gains on cash and cash equivalents. The overdraft in the Company is part of an offset arrangement. No interest has been incurred

31 Financial risk management

The company and Group's activities expose it to a variety of financial risks including: market risk (including foreign currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain foreign exchange exposures.

Credit risk

Credit risk is managed on a Group basis except for credit risk relating to accounts receivable balances which each entity is responsible for managing. Credit risk arises from cash and cash equivalents, as well as credit exposures to Wholesale and to a lesser extent Retail customers, including outstanding receivables and committed transactions. For Wholesale customers, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. For those sales considered higher risk, the Group operates a policy of cash in advance of sale. 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.

Notes to the Group and Company Financial Statements.

31 Financial risk management (continued)

Foreign currency risk

The Group's foreign currency exposure arises from:

- transactions (sales/purchases) denominated in foreign currencies;
- monetary items (mainly cash receivables and borrowings) denominated in foreign currencies; and
- investments in foreign operations, whose net assets are exposed to foreign currency translation.

The Group is mainly exposed to US dollar and euro currency risks. The exposure to foreign exchange risk within each company is monitored and managed at Group level. The Group's policy is to economic hedge a portion of foreign exchange risk associated with forecast overseas transactions, and transactions and monetary items denominated in foreign currencies.

The Group's policy is to hedge the risk of changes in the relevant spot exchange rate. The Group uses forward contracts to hedge foreign exchange risk. As at 26 April 2014 and 28 April 2013, 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 valued at fair value.

Currency exposure arising from the net assets of the Group's foreign operations are not hedged.

At 26 April 2014 if the currency had weakened/strengthened by 10% against both the US dollar and euro with all other variables held constant, profit for the period would have been £2.0m (2013: £1.8m) 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
		2014		2013
	US Dollar £m	Euro £m	US Dollar £m	Euro £m
Financial assets				
Trade receivables	0.1	17.5	0.4	14.2
Cash and cash equivalents	1.4	12.5	5.7	6.3
Assets	1.5	30.0	6.1	20.5
Financial liabilities				
Trade payables	(1.1)	(10.2)	(1.8)	(6.9)
Liabilities	(1.1)	(10.2)	(1.8)	(6.9)
Net exposure	0.4	19.8	4.3	13.6

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.

Cash flow interest rate risk

The Group has financial assets and liabilities which are exposed to changes in market interest rates. Changes in interest rates impact primarily on deposits, loans and borrowings by changing their future cash flows (variable rate). Management does not currently have a formal policy of determining how much of the Group's exposure should be at fixed or variable rates and the Group does not use hedging instruments to minimise its exposure. However, at the time of taking new loans or borrowings management uses its judgement to determine whether it believes that a fixed or variable rate would be more favourable for the Group over the expected period until maturity. Sensitivity analysis has not been provided due to the low level of loans and borrowings within the Group. The Group's significant interest-bearing assets and liabilities are disclosed in notes 24 and 25.

Notes to the Group and Company Financial Statements.

31 Financial risk management (continued)

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
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
			2014			2013
	£m	£m	£m	£m	£m	£m
Assets						
Derivative financial instruments						
– forward foreign exchange contracts	–	–	–	–	1.4	–
Liabilities						
Derivative financial instruments						
– forward foreign exchange contracts	–	2.3	–	–	–	–

The level 2 forward foreign exchange valuations are derived from mark-to-market valuations based on observable market data as at the close of business on 26 April 2014.

Fair value losses of £3.7m (2013: gain of £2.6m) relating to the movement on open forward foreign exchange contracts have been recognised in other gains and losses.

The notional principal amount of the outstanding forward foreign exchange contracts at 26 April 2014 was £122.8m (2013: £40.9m).

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
	2014	2013	2014	2013
	£m	£m	£m	£m
Forward foreign exchange contracts				
– held for trading				
Outflow	(73.7)	(23.4)	–	–
Inflow	49.1	17.5	–	–
Net derivative exposure	(24.6)	(5.9)	–	–

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.

Notes to the Group and Company Financial Statements.

31 Financial risk management (continued)

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
	2014 £m	2013 £m	2014 £m	2013 £m
Derivative financial assets				
Forward foreign exchange contracts	–	1.4	–	–
Total derivative financial assets	–	1.4	–	–
Derivative financial liabilities				
Forward foreign exchange contracts	2.3	–	–	–
Total derivative financial liabilities	2.3	–	–	–

All financial derivative instruments are due within 18 months.

Trading derivatives are classified as a current asset or liability. The full fair value of a derivative is classified as a non-current asset or liability if the remaining maturity of the derivative is more than 12 months and as a current asset or liability, if the maturity of the derivative is less than 12 months.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders, and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital employed is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. The Group is in a net cash position at 26 April 2014.

The Directors have concluded that the company is best served by retaining current cash reserves to support growth. Consequentially, a recommendation will be made to the AGM that no dividend is payable for 2014 (2013: £nil).

Financial instruments by category

						Group
	Assets at fair value through profit and loss 2014 £m	Loans and receivables 2014 £m	Total 2014	Assets at fair value through profit and loss 2013 £m	Loans and receivables 2013 £m	Total 2013
Trade and other receivables excluding prepayments	33.9	–	33.9	–	31.9	31.9
Derivative financial instruments	–	–	–	1.4	–	1.4
Cash and cash equivalents	–	86.2	86.2	–	54.5	54.5
Financial instruments – assets	33.9	86.2	120.1	1.4	86.4	87.8

Notes to the Group and Company Financial Statements.

31 Financial risk management (continued)

Group

	Liabilities at fair value through profit and loss 2014 £m	Other financial liabilities at amortised cost 2014 £m	Total 2014 £m	Liabilities at fair value through profit and loss 2013 £m	Other financial liabilities at amortised cost 2013 £m	Total 2013 £m
Borrowings	–	0.1	0.1	–	0.4	0.4
Derivative financial instruments	2.3	–	2.3	–	–	–
Trade and other payables excluding non-financial liabilities	–	86.2	86.2	–	76.3	76.3
Financial instruments – liabilities	2.3	86.3	88.6	–	76.7	76.7

Company

	Loans and receivables 2014 £m	Loans and receivables 2013 £m
Trade and other receivables excluding prepayments	37.4	16.4
Cash and cash equivalents	43.3	14.7
Financial instruments – assets	80.7	31.1

32 Share capital

Allotted and fully paid 5p shares

Group and Company	Number of shares	Value of shares (£m)
26 April 2014	**80,961,378**	**4.0**
28 April 2013	80,455,547	4.0

441,917 ordinary shares of 5p each were authorised, allotted and issued in February 2014. The shares issued related to the deferred contingent share consideration (note 13) with a resulting increase in share premium of £7.1m.

16,500 ordinary shares of 5p each were authorised, allotted and issued in July 2013. The shares issued related to the compensation to terminate the agreement with the Spanish distributor (note 13) with a resulting increase in share premium of £0.1m.

47,414 ordinary shares of 5p each were authorised, allotted and issued in the period under the SuperGroup Share Plans.

Notes to the Group and Company Financial Statements.

33 Business combinations

During the year a 70% subsidiary of SuperGroup Plc, Superdry Germany GmbH ("Superdry Germany") completed a business combination with KUH Retail GmbH ("KuH"), a former distributor and former agent in Germany for the Group. The other 30% shareholder in Superdry Germany is Ranft Soller Holdings GmbH ("RSH"). RSH is the sole shareholder of KuH.

The business combination was completed on 31 October 2013 and involved KuH selling their trade and certain assets to Superdry Germany for the consideration as set out below. The trade and assets acquired principally consists of seven Superdry branded stores. As part of the transaction the pre-existing agency agreement between the Group and KuH was terminated in order that the Group would take back control of this territory.

The transaction will allow the Group to benefit from improved Wholesale margins, accelerate the roll-out of German stores by investing its own capital, and retain the local operational and management expertise.

Superdry Germany paid a total of £5.8m in consideration by a combination of cash and non-cash funding. Cash paid by SuperGroup Plc on acquisition was £1.0m. Deferred cash payable within one year was £2.1m. Fair value of other considerations was £2.7m.

Of the £2.1m deferred cash payable, £0.9m remains unpaid as at 26 April 2014. £2.2m of cash outflow has been recognised in respect of acquisition of business being £1.0m on acquisition and £1.2m to April 2014 in the Group cash flow statement.

The provisional fair value of assets acquired and liabilities assumed was as follows:

	(£m)
Intangible assets	1.2
Property, plant and equipment	1.2
Inventories	2.8
Provision for deferred tax	(0.1)
Total fair value of assets acquired and liabilities assumed	**5.1**
Goodwill on acquisition	0.7
Total consideration	**5.8**

Intangible assets relate to reacquired rights to the German territory. Goodwill represents expected synergies and is expected to be tax deductible.

Included within non-underlying and exceptional items are "Buy-out of German agent and business combination costs", which included £1.8m of cash termination fee, £0.1m of accrued termination fees plus legal and other costs.

The amounts included in the consolidated statement of comprehensive income since 1 November 2013 included revenue of £7.2m and there was a net loss of £0.3m over the same period. Had the transaction occurred on the first day of the financial year, then estimated contribution to Group revenues would have been £12.6m and net profits £0.5m.

In addition to the consideration of £5.8m, a deferred contingent consideration of £0.7m, payable in shares in SuperGroup Plc in the three years up to the third anniversary of the transaction, was agreed. The shares are payable contingent upon the continued employment of a key individual over this time period. In accordance with IFRS 3 (revised) this consideration is treated as a post-acquisition employment expense and accordingly £0.1m has been recorded in the statement of comprehensive income.

The Group has a call option that allows them to acquire the remaining 30% shareholding in Superdry Germany from RSH three years after the acquisition date. The call option is a financial instrument and is accounted for at fair value through the statement of comprehensive income. At the acquisition date and at 26 April 2014, the fair value of this call option is negligible.

Notes to the Group and Company Financial Statements.

34 Non-controlling interests and other reserves

Movement in non-controlling interests during the year are disclosed in the statement of changes in equity.

An increase in non-controlling interest of £0.8m and other reserves of £0.7m was recognised in respect of the business combination with regards to Superdry Germany.

		Group
	Non-controlling interest 2014 £m	Other reserves 2014 £m
Brought forward as at 29 April 2013	0.4	–
Arising on business combination during the period	0.8	0.7
Share of result for the year	0.4	–
Carried forward at 26 April 2014	1.6	0.7

35 Events after the reporting period

On 20 June 2014 the Group acquired the entire share capital of SMAC A/S, SMAC Norge A/S and SMAC Retail A/S former Scandinavian distributors. Due to the proximity of the acquisition date to the release of the annual report valuations of assets and liabilities acquired along with the disclosures required by IFRS 3 (Revised) have not been able to be prepared. Disclosure will be made in future annual financial statements. The book value of assets acquired was £1.4m and no material goodwill is expected to arise once the fair value exercise is complete.

Shareholder Information.

Company website

A full copy of this Annual Report and other information required by section 311A of the Companies Act 2006 can be found on the SuperGroup Plc website at www.supergroup.co.uk.

Annual General Meeting

The Annual General Meeting will be held at 11.30am on Friday 19 September 2014 at The Cheltenham Ladies' College, Bayshill Road, Cheltenham, Gloucestershire, GL50 3EP. The notice of the meeting is available on our website, and sets out the business to be transacted.

Registered office
Unit 60
The Runnings
Cheltenham
Gloucestershire
GL51 9NW

Registrars
Computershare Investor Services Plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Shareholder helpline: 0870 8893102

Bankers
HSBC Bank Plc
3 Rivergate
Temple Quay
Bristol
BS1 6ER

Barclays Bank Plc
PO Box 3333
One Snowhill
Snowhill Queensway
Birmingham
B3 2WN

Joint Brokers
Canaccord Genuity Limited
88 Wood Street
London
EC2V 7QR

Investec Bank Plc
2 Gresham Street
London
EC2V 7QP

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Financial PR
Instinctif
65 Gresham Street
London
EC2V 7NQ

Shareholder Notes.

SuperGroup Plc
annual report 2014