11 July 2013

SuperGroup Plc

Preliminary results for the 52 weeks ended 28 April 2013

"Investing for growth"

SuperGroup Plc ("SuperGroup" or "the Group"), owner of the Superdry brand, today announces preliminary results for the 52 weeks ended 28 April 2013 ("2013").

Financial highlights:

		2013	2012	Growth
Group revenue	£m	**360.4**	313.8	+14.9%
Group gross margin %	%	**58.3%**	57.0%	+130bps
Underlying operating profit margin	%	**14.4%**	13.6%	+80 bps
Underlying profit before income tax	£m	**52.2**	42.8	+22.0%
Profit before income tax	£m	**51.8**	51.4	+0.8%
Underlying basic earnings per share	pence	**47.8**	38.1	+25.5%
Basic earnings per share	pence	**44.7**	45.0	-0.7%
Year-end net cash	£m	**54.5**	30.9	+76.4%

Operational highlights:

- Retail sales like-for-like up 5.7% year-on-year.
- Total space in the UK and European store portfolio: 536,000 square feet, +13.8%.
- Net 56 international franchised and licensed stores opened in the year, taking the total to 162 (2012: 106).
- E-commerce sales increased by 27.8% and now contribute 11.2% of Group revenue (2012: 10.0%).
- Internet sales made to 122 territories through 16 Superdry websites.
- Announcement of a new distribution centre and appointment of a new third party logistics partner.
- Investment in high calibre senior management.
- Agreement to buy out the Group's Spanish distributor.

Julian Dunkerton, Chief Executive Officer of SuperGroup Plc, commented:

"The financial performance for the year represents a return to form for the Group. Investment in infrastructure and the strengthening of the management team, with some notable new hires, underpin our disciplined growth strategy.

The enduring appeal of the Superdry brand and the improvements and extensions to the ranges, in particular the progress made in womenswear, gives me confidence that there are significant opportunities for growth across all channels and geographies. I am pleased by the performance of 2013 ranges and the early reaction to 2014 product and remain confident in the prospects for the Group."

Note:

Underlying is defined as reported results adjusted to reflect the impact of the gain/loss recognised on fair valuing deferred contingent share consideration, 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 4. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

Enquiries:

SuperGroup Plc	Shaun Wills Tony Newbould	Chief Financial Officer Investor Relations Officer	Tel: 020 7457 2020 on the day
College Hill	Matthew Smallwood Mark Reed Justine Warren		Tel: 020 7457 2020

Business Review

Introduction

SuperGroup operates in the branded fashion clothing sector selling Superdry branded premium quality clothing and accessories for both men and women at accessible price points. The Group operates an expanding international business and continues to grow market share in the UK, Europe and beyond through its internet operation and store opening programme.

Group strategy

The Group's strategy is focused in five key areas:

1. expanding the UK and European standalone retail estate;
2. delivering an e-commerce platform that increases its penetration of Group revenue;
3. driving international franchised store expansion;
4. extending the product range; and
5. developing an infrastructure that delivers operational efficiency and a platform for growth.

Progress continues to be made in each of these areas and all are important contributors to the Group's growth.

Standalone stores

The Group operates 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 Western Europe; and the much larger flagship stores in key cities of up to 25,000 square feet. The Group is planning to add around 80,000-100,000 square feet during financial year 2014 and will take a pan-European approach to identifying store locations.

The Group has added 66,000 square feet during the year taking the total UK and European portfolio to 536,000 square feet (2012: 471,000 square feet). 12 new stores were opened including five stores that were extended, one relocated to a larger site, and one store closed at the end of its lease.

The success of Superdry products in the Group's 20 Cult stores resulted in the decision to re-brand the stores as Superdry and this was successfully completed ahead of peak Christmas trading in 2012. As a consequence of the re-branding Cult now only trades through the website Cult.co.uk.

E-commerce

The e-commerce sites are complementary to standalone stores and the Group now sells to 122 territories worldwide through its websites. During the year the Group added 10 local language sites: Canada (English and French), Denmark, Finland, Italy, Norway, Spain, Sweden and Switzerland (French and German). There are now 16 sites operating throughout the world, all fulfilled from the UK, and the Group will continue to open international sites in the forthcoming year. China represents an exciting opportunity and a transactional website is planned to be trialled during 2014. The site, which is currently under development, will also be fulfilled from the UK, which will allow it to carry the full range of Superdry products.

International franchised business

Through its global partners, Superdry opened 55 franchised stores of which 36 were in Europe. In addition, seven concession stores opened and there were three further licensed stores opened in the USA. It is anticipated that circa 50 franchised stores will open during 2014.

The Group will explore potential opportunities to buy out existing master franchise and agency agreements in Western Europe. This will allow the Group to accelerate store roll-out by investing its own capital, improve margins on the wholesale operation and retain the local operational and management expertise. Since the year-end, an agreement has been reached to buy out the distribution operation in Spain. The consideration is €2.3 million of which €0.3 million will be settled in shares. In relation to this transaction SuperGroup Plc will be issuing 16,500 ordinary shares to OSAKA 68 S.L. in July 2013, with the same number to be issued in July 2014.

Superdry's worldwide presence			**FY13**	**FY12**	**Movement**
UK/ROI:					
	Owned		85	79	6
	Franchise		3	5	(2)
	Concessions		69	71	(2)
Europe:					
	Owned		28	24	4
	Franchise		96	60	36
	Concessions		10	4	6
Rest of World:					
	Franchise:				
		Asia	17	9	8
		Middle East	15	8	7
		South/Central America	8	6	2
		Africa	3	1	2
	Concessions:				
		North America	4	4	0
		Asia	42	42	0
		Australia	1	0	1
	Licensed:				
		USA	13	10	3
		Australia	7	7	0
Total worldwide locations			**401**	**330**	**71**
Owned			113	103	10
Franchise			142	89	53
Concessions			126	121	5
Licence			20	17	3
Total			401	330	71

Product range

The Group continues to enhance its ranges through the constant refreshing of core products such as outerwear, hooded sweatshirts and casual tops, as well as the introduction of new categories and range extensions. The brand is increasing its consumer appeal through the introduction of more subtle branding, tailored product and tactical collaborations. Further developments have been made in the Timothy Everest range with the introduction of women's tailoring, which have received a positive reaction both from the customer and the fashion press.

The anticipated improvement in womenswear sales from the Spring/Summer 2013 range was realised with strong positive like-for-like sales growth in the final quarter of the financial year. The new ranges, with a distinctive feminine handwriting, have resonated with customers and further developments are planned with the Autumn/Winter 2013 range.

Accessories sales continue to grow strongly and, following last year's success with iPod/iPad covers and bags, further accessories have been added to the range, including the launch of a new watch collection in November 2012 and a premium range of cosmetics in February 2013.

Infrastructure

The Group continues to develop its infrastructure; this investment is critical to the future growth ambitions of the Group and will take a number of years to complete.

The Group is making good progress with the merchandising management system and point of sale system, both of which are planned to go live after peak Christmas trading 2013. During financial year 2014 there are planned system replacements for finance and human resources.

During April 2013 the Group announced that it had entered into a long term agreement with Clipper Logistics to provide an operational solution for the fulfilment of the Group's multi-channel retail activities from a new distribution centre in Burton-on-Trent. The capacity of the new warehouse will be 500,000 square feet and will support the Group's growth aspirations in its next phase of development. The new distribution centre is ideally located for national carrier networks to supply the Group's retail outlets more efficiently and to support fulfilment of the Group's internet operations, both in the UK and internationally. This operating capability will support planned growth for at least the next five years. The new facility will require a capital investment of circa £5m. After the initial set-up and transition phase this investment will deliver an opportunity for the Group to generate significant cost savings, improve operating margins and provide a platform for the Group to meet the increasing demands of e-fulfilment.

The business has been further strengthened during the year with the recruitment of a Director of IT and Director of HR who have joined the executive team. During June 2013 the Group appointed a Managing Director, International and Wholesale. In addition, the senior management teams have been strengthened by the recruitment of a Head of Logistics, a Head of UK and Ireland Retail, a Head of Women's Design and, since the year-end, a Group General Counsel and a Group Financial Controller.

Retail

Retail division		2013	2012 restated	Growth
		£m	£m	%
	External revenues	**242.5**	204.0	+18.9%
	Underlying operating profit	**46.2**	38.0	+21.6%
	Underlying operating margin (%)	**19.1%**	18.6%	+50bps
	Financial derivatives	**1.1**	(0.1)	
	Restructuring costs	**(0.5)**	-	
	Retail operating profit	**46.8**	37.9	+23.5%

The Group has made changes to the way it reports its divisional performances, details of which are included in the introduction of the Financial Review; the comparative figures below are restated for these changes.

The Retail division comprises Superdry branded retail outlets in the UK and Europe, as well as concessions in the UK and global e-commerce.

The division delivered revenue of £242.5m (2012: £204.0m), up 18.9% and representing 67% of total Group revenue (2012: 65%). Like-for-like sales for the year, including the European owned stores and e-commerce revenues, were 5.7% (2012: 2.8%).

Operating profit was £46.8m (2012: £37.9m). Underlying operating profit in the year was £46.2m (2012: £38.0m) and underlying operating profit margin was 19.1% (2012: 18.6%). The improvement in operating margin reflects the gross margin accretion that has been generated across the Group driven by sourcing gains through better buying and sales mix, offset in part by distribution costs. The existing warehousing and distribution operation, whilst fit for purpose, is not optimally efficient and has resulted in above industry average costs per unit. In recognition of this point, the Group has taken the decision to relocate the warehouse and replace its third party logistics partner.

The operational performance of the standalone stores has improved during the year through the introduction of a flexible store payroll model. Historically, stores teams contained a high number of full-time colleagues; this has now changed to a broadly equal split of full-time and part-time employees. This has enabled stores to schedule the right level of staff in-store at key periods, which has resulted in an improvement in productivity.

During the year 12 new stores were opened (including one relocation), one store closed, and there were extensions made to five stores, adding in total 66,000 square feet of retail space. The extensions include the opening of the second and final floor of Regent Street, taking the store to 25,000 square feet.

In the UK a net six stores were opened including one of 16,000 square feet at the new Trinity shopping centre in Leeds and a further store in Derby, which has led to the closure of the franchised stores in these cities. There are 85 stores (2012: 79 stores) in the UK trading from 489,000 square feet (2012: 432,000 square feet).

Outlet stores continue to be an important destination for price-conscious customers and support the Group’s clearance activity and represent around 8% of total Retail sales. The Group trades from 10 outlets (2012: 9 outlets) in the UK.

Four stores were opened in Europe including Oberhausen in Germany which has been modelled on the UK store footprint and trades from circa 5,000 square feet compared to the average European store at circa 1,600 square feet. 28 standalone stores (2012: 24 stores) now operate in Europe trading from 47,000 square feet.

The total number of standalone stores increased to 113 (2012: 103 stores) and at the year-end Retail traded from 536,000 square feet (2012: 471,000 square feet). The Group received £3.0m (2012: £7.7m) in cash as landlord contributions which were used to finance the associated store refit costs.

Internet traffic to the Superdry e-commerce sites has continued to grow, with the number of visitors, including from mobile devices, increasing by 39% to 29.9m visitors (2012: 21.5m visitors). Mobile phone and tablet apps, which were launched last year, have proved popular with customers recording 4.6m visits (2012: 1.3m visits). Improving key performance indicators, including average transaction values' have contributed to the continued success of the Group's e-commerce proposition. During the year internet revenues grew by 27.8% to 11.2% of total Group revenue (2012: 10.0%).

Wholesale

Wholesale division	**2013 £m**	2012 restated £m	Growth %
External revenues	**117.9**	109.8	+7.4%
Underlying operating profit	**35.6**	31.4	+13.4%
Underlying operating profit margin %	**30.2%**	28.6%	+160bps
Financial derivatives	**1.5**	0.4	
Wholesale operating profit	**37.1**	31.8	+16.7%

The Wholesale division comprises wholesale, franchise and licence arrangements as well as trade sales but excludes e-commerce sales.

The division delivered external revenue of £117.9m, up 7.4% (2012: £109.8m), representing 33% of total Group revenue (2012: 35%).

Operating profit in the year was £37.1m (2012: £31.8m), whilst underlying operating profit was £35.6m (2012: £31.4m). Underlying operating margin was 30.2% (2012: 28.6%). The improvement in operating margin of 160 basis points reflects gross margin accretion that has been generated across the Group, driven by sourcing gains through better buying, currency gains, and increased operating income. This is offset in part by: a higher level of marketing spend, an increase in the bad debt provision and costs associated with the operating the international showroom at Regent Street.

Wholesale revenue by territory:	**2013 £m**	2012 £m	Growth %
UK and Republic of Ireland	**34.7**	41.5	-16.4%
Europe	**67.0**	57.6	+16.3%
Rest of World	**16.2**	10.7	+51.4%
Total Wholesale revenue	**117.9**	109.8	+7.4%

The revenue growth in Wholesale has been driven by both increased order levels from existing franchisees and new franchised stores opened during the year. As reported last year, and as anticipated, the UK wholesale market has continued to decline as consumers elect to shop in Superdry stores and websites.

There are 142 Superdry branded franchise stores worldwide, 126 concessions (including 69 Retail concessions) and 20 licensed stores, operating in 60 countries. The Group opened 55 franchised stores during the year; 36 were in Europe, of which 15 were in Spain and 13 in France and 19 in the rest of the world. Stores were opened for the first time in the following countries: India (4), Norway (3), Greece (2), Lebanon (2) and one in each of Egypt, Georgia, Hungary, Philippines, Qatar and Thailand. In the UK the franchise stores in Derby and Leeds were closed leaving three franchise stores remaining.

Seven concession stores were opened in Europe and Australia and three licensed stores were opened in the United States taking the total to 13.

Current trading and outlook

Trading in the first nine weeks of the new financial year has been encouraging. Customers' reactions to the new spring/summer ranges have been positive and womenswear has performed well driving a further improvement in its sales participation.

During 2014 the Group's investment plans will require a capital expenditure of around £30 million and will include opening 80,000 - 100,000 square feet of owned retail selling space in the UK and Europe. Internationally the Group anticipates adding circa 50 franchised stores.

The board remains confident in the Group's prospects for this financial year.

Financial review

Introduction

The Group has made changes to the way it reports its divisional performances, details of which are included in note 3, segment information. The changes made provide greater transparency and allow for improved management of divisional performance and replace the previous methodology of reporting based upon the historical management of the corporate entities that comprise the Group. The principal changes are:

- inclusion of SuperGroup Europe retail stores in the Retail division;
- including all trade sales in Wholesale; and
- non-division specific central overheads have been moved to central costs.

	2013 £m	2012 restated £m	Growth %
Revenue:			
Retail	**242.5**	204.0	+18.9%
Wholesale	**117.9**	109.8	+7.4%
Group revenue	**360.4**	313.8	+14.9%
Underlying operating profit:			
Retail	**46.2**	38.0	+21.6%
Wholesale	**35.6**	31.4	+13.4%
Central costs	**(29.9)**	(26.7)	+12.0%
Underlying Group operating profit	**51.9**	42.7	+21.5%
Finance Income	**0.3**	0.1	
Underlying Group profit before income tax	**52.2**	42.8	+22.0%
Non-underlying and exceptional adjustments:			
Fair value movement on deferred share consideration	**(2.5)**	8.3	
Financial derivatives	**2.6**	0.3	
Restructuring costs - exceptional items	**(0.5)**	-	
Reported Group profit before income tax	**51.8**	51.4	+0.8%
Underlying operating profit margin:			
Retail	**19.1%**	18.6%	+50 bps
Wholesale	**30.2%**	28.6%	+160 bps
Group underlying operating profit margin	**14.4%**	13.6%	+80 bps

Note:

Underlying is defined as reported results adjusted to reflect the impact of the gain/loss recognised on fair valuing deferred contingent share consideration, 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 4. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

Adjustments to reported results

A number of adjusting items have been identified in establishing the underlying performance of the Group, which are either non-recurring items or accounting adjustments for derivatives. They are separated into non-underlying items and exceptional operating costs:

	2013	2012	Growth
	£m	£m	%
Revenue	**360.4**	313.8	+14.9%
Operating profit	**51.5**	51.3	+0.4%
Non-underlying items:			
(a) Loss/(gain) recognised on fair value of deferred share consideration	**2.5**	(8.3)	
(b) Gain on financial derivatives	**(2.6)**	(0.3)	
Total non-underlying items	**(0.1)**	(8.6)	
Exceptional operating costs (note 4)	**0.5**	-	
Underlying operating profit	**51.9**	42.7	+21.5%
Finance income	**0.3**	0.1	
Underlying profit before income tax	**52.2**	42.8	+22.0%

Notes: Non-underlying items

(a) Statement of comprehensive income adjustment to reflect the fair value movement in the share price for the deferred contingent share consideration related to the acquisition of SuperGroup Europe BVBA.

(b) The revaluation of forward foreign exchange contracts to fair value by using the year end spot rate.

Group operating profit

Underlying operating profit of £51.9m (2012: £42.7m) is up 21.5% and compares to an overall growth in revenue of 14.9%. Underlying operating profit margin at 14.4% (2012: 13.6%) has improved by 80 basis points.

The Group's gross profit of £210.0m (2012: £178.8m) is up 17.4% compared to an overall growth in revenue of 14.9%. Group gross profit percentage at 58.3% (2012: 57.0%) has increased by 130 basis points on the prior year.

The Group continues to increase its supplier base in order to manage risk and meet growth expectations. During the year, the number of suppliers increased to 79 (2012: 72) and this trend is expected to continue. Changes to sourcing in recent years have resulted in the supply base being focused in three principal territories: Turkey, China and India. This 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.

Underlying central costs were £29.9m (2012: £26.7m), an increase of £3.2m on the prior year. The Group continues to grow its store portfolio and invest in its infrastructure, which have been the key drivers in the cost base growth. Employee benefit expenses have risen by £4.1m reflecting the continued investment in human resource and the costs of the long term incentive plan.

Depreciation and amortisation has increased by £5.0m representing the additional stores opened, store extensions and store fixtures, and computer and office equipment.

Exceptional operating costs

Restructuring costs and provisions totalling £0.5m (2012: £nil) have been charged following the Group's announcement on 15 April 2013 to relocate the Retail and e-commerce distribution centre from Gloucester to Burton-on-Trent. The costs relate to provisions for redundancy, dilapidations, onerous leases and accelerated depreciation, and further exceptional costs will be incurred during financial year 2014.

Taxation

The Group's income tax expense on underlying profit of £13.4m (2012: £12.2m) represents an effective tax rate of 25.7% for the period ended 28 April 2013 (29 April 2012: 28.5%). This is higher than the statutory rate of 23.9% (2012: 25.8%) primarily due to depreciation and amortisation of non-qualifying assets.

The UK corporation tax rate reduction from 24% to 23%, with effect from 1 April 2013 is substantively enacted at the balance sheet date so the deferred tax balances at 28 April 2013 have been re-measured resulting in an exceptional deferred tax charge of £1.5m (2012: £3.2m).

During the year the Group paid more than £29m in UK taxes, which includes corporation tax, import duty, business rates, employer's national insurance and stamp duty.

In preparation for the listing of the business on the London Stock Exchange, a substantial reorganisation was undertaken with effect from 7 March 2010 and the Group's subsidiaries acquired net assets with a total fair value of £375m. Within this amount, £340m was identified as intangible assets and goodwill, 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 tax asset booked in 2010. Based on this the directors consider that the Group's future cash tax expense should be reduced by approximately £3.3m per annum using the corporation tax rate of 23%.

Earnings per share

Underlying basic earnings per share is 47.8p (2012: 38.1p). Basic earnings per share is 44.7p (2012: 45.0p) based on a basic weighted average of 80,280,115 shares (2012: 80,234,588 shares). The increase in the basic weighted average number of shares is due to 220,959 ordinary shares being issued during February 2013 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 £1.5m in share premium.

Underlying diluted earnings per share is 47.4p (2012: 37.9p). Diluted earnings per share is 44.3p (2012: 44.7p) based on a diluted weighted average of 81,049,304 (2012: 80,792,443) shares.

Cash flow and balance sheet

The Group had net cash balances of £54.5m (2012: £30.9m) at the end of the year. Cash generated from operations was £46.5m (2012: £56.5m); the year-on-year decline is largely due to higher non-cash adjustments for depreciation and the fair value adjustment on deferred contingent share consideration offset by an increase in working capital, principally driven by an increase in inventories. A reduction in investing activities driven by decreased capital expenditure compared to the prior year has resulted in a net increase in cash of £23.6m (2012: net decrease £1.3m). The business remains highly cash generative and it is anticipated that the Group will continue to enjoy a strong balance sheet that will enable investment in infrastructure, new stores and working capital to support future growth.

Net finance income of £0.3m (2012: £0.1m) arose from the cash reserves held throughout the year.

The net book value of property, plant and equipment is £63.7m (2012: £63.8m). During the year, £15.0m (2012: £36.6m) of capital additions were made, of which £10.0m (2012: £23.5m) relates to leasehold improvements across the Group. The year-on year decrease represents management's decision to review and temporarily slow the store opening programme. The balance is made up of furniture, fixtures and fittings (£3.9m) and computer equipment (£1.1m).

Landlord contributions of £3.0m (2012: £7.7m) were received during the year and will be amortised over the length of the respective leases. The decline in contributions received reflects the reduced number of stores opened during the year, a move towards rent-free periods being given as an incentive and opening of stores in prime locations where incentives are less prevalent.

Intangible assets which comprise goodwill, lease premiums, distribution agreements, trademarks, the website and software, were £41.5m at the year-end (2012: £40.7m)

Investment in inventories, trade receivables and trade payables increased by 59.8% during the year to £68.4.m (2012: £42.8m) and as proportion of Group revenue was 19.0% (2012: 13.6%).

Group inventory increased to £72.5m (2012: £55.5m), up 30.6%. The increase in inventory is predominantly represented by the planned arrival of the Spring/Summer 2013 range during February and March to ensure availability in-store for the season, compared to the prior year when deliveries were received during May.

Trade receivables (excluding prepayments) increased by 20.4% to £28.3m (2012: £23.5m) and were 7.9% (2012: 7.5%) of Group revenue. This increase is in line with the with the year-on-year growth in Wholesale revenue during the final quarter of the year.

Trade payables were £32.4m (2012: £36.2m) a decrease of 10.5% (2012: increase 47.8%) representing 9.0% (2012: 11.5%) of Group revenue. This movement reflects the timing of supplier payment runs around the year end. There had been an increase in payments made during the final period of the financial year compared to last year, as a result of the earlier stock intake, and is reflected in the decrease in creditor days.

Dividends
The board of directors remains of the view that the business is best served by retaining current cash reserves to support growth. Consequently a recommendation will be made at the Annual General Meeting that no dividend is payable in relation to 2013 (2012: £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.

Going concern
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.

Board approval
On 10 July 2013 the board of directors of SuperGroup Plc approved this statement.

Cautionary statement
This report contains certain forward-looking statements with respect to the financial condition, results of the operations and businesses of SuperGroup Plc. These statements and forecasts involve risk, uncertainty and assumptions because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements are relevant on the date of publication of this statement. Nothing in this statement should be construed as a profit forecast. Except as required by law, SuperGroup Plc has no obligation to update the forward-looking statements or to correct any inaccuracies therein.

Group Statement of Comprehensive Income

	Note	**Underlying 2013 £m**	**Non underlying and exceptional items £m**	**Total 2013 £m**	Underlying 2012 £m	Non underlying and exceptional items £m	Total 2012 £m
Revenue	3	360.4	-	360.4	313.8	-	313.8
Cost of sales		(150.4)	-	(150.4)	(135.0)	-	(135.0)
Gross profit		**210.0**	**-**	**210.0**	**178.8**	**-**	**178.8**
Selling, general and administrative expenses		(163.3)	(3.0)	(166.3)	(138.8)	8.3	(130.5)
Other gains and losses (net)		5.2	2.6	7.8	2.7	0.3	3.0
Operating profit	3	**51.9**	**(0.4)**	**51.5**	**42.7**	**8.6**	**51.3**
Finance income		0.3	-	0.3	0.1	-	0.1
Profit before income tax		**52.2**	**(0.4)**	**51.8**	**42.8**	**8.6**	**51.4**
Income tax expense	5	(13.4)	(2.1)	(15.5)	(12.2)	(3.1)	(15.3)
Profit for the period		**38.8**	**(2.5)**	**36.3**	**30.6**	**5.5**	**36.1**
Attributable to:							
Owners of the company		38.4	(2.5)	35.9	30.6	5.5	36.1
Non-controlling interests		0.4	-	0.4	-	-	-
		38.8	**(2.5)**	**36.3**	**30.6**	**5.5**	**36.1**
Other comprehensive income net of tax:							
Currency translation differences		1.6	-	1.6	(3.8)	-	(3.8)
Total comprehensive income for the period		**40.4**	**(2.5)**	**37.9**	**26.8**	**5.5**	**32.3**
Attributable to:							
Owners of the Company				37.5			32.3
Non-controlling interests				0.4			-
				37.9			**32.3**
		pence per share		**pence per share**	pence per share		pence per share
Earnings per share:							
Basic	9	47.8		44.7	38.1		45.0
Diluted	9	47.4		44.3	37.9		44.7

Note:
Underlying is defined as reported results adjusted to reflect the impact of the gain/loss recognised on fair valuing deferred contingent share consideration, 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 4. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

Group Balance Sheet

	Note	**2013**	2012
		£m	£m
ASSETS			
Non-current assets			
Property, plant and equipment	7	63.7	63.8
Intangible assets		41.5	40.7
Deferred income tax assets	5	34.0	38.0
Total non-current assets		**139.2**	**142.5**
Current assets			
Inventories		72.5	55.5
Trade and other receivables		45.9	42.6
Derivative financial instruments		1.4	-
Cash and cash equivalents	11	54.5	30.9
Total current assets		**174.3**	**129.0**
LIABILITIES			
Current liabilities			
Borrowings		0.2	0.2
Trade and other payables		49.2	47.4
Current income tax liabilities		8.0	4.4
Derivative Financial instruments		-	1.2
Total current liabilities		**57.4**	**53.2**
Non-current liabilities			
Borrowings		0.2	0.4
Trade and other payables		29.1	30.8
Provisions for other liabilities and charges		0.9	0.6
Deferred income tax liabilities	5	2.0	2.5
Total non-current liabilities		**32.2**	**34.3**
Net assets		**223.9**	**184.0**
EQUITY			
Share capital		4.0	4.0
Share premium		140.1	138.6
Translation reserve		(0.5)	(2.1)
Merger reserve		(302.5)	(302.5)
Retained earnings		382.4	346.0
Equity attributable to the owners of the Company		**223.5**	**184.0**
Non-controlling interests		0.4	**-**
Total Equity		**223.9**	**184.0**

Group Cash Flow Statement

	Note	2013	2012
		£m	£m
Cash flow from operating activities			
Profit before tax		51.8	51.4
Adjusted for:			
Depreciation of property, plant and equipment		15.2	11.1
Loss on disposal of property, plant and equipment		0.1	-
Amortisation of intangible assets		3.0	2.1
Net impact of lease incentives		(3.2)	(2.2)
Finance income		(0.3)	(0.1)
Fair value gain on derivative financial instruments	4	(2.6)	(0.3)
Foreign exchange losses on operating activities		-	0.3
Fair value loss/(gain) on deferred contingent share consideration	4	2.5	(8.3)
Long term incentive plan		0.5	0.7
Changes in working capital:			
Increase in inventories		(16.8)	(3.6)
Increase in trade and other receivables		(2.8)	(6.9)
(Decrease)/increase in trade and other payables, and provisions		(0.9)	12.3
Cash generated from operations		**46.5**	**56.5**
Interest received		0.3	0.1
Tax paid		(8.5)	(12.3)
Net cash generated from operating activities		**38.3**	**44.3**
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)		-	(0.3)
Purchase of property, plant and equipment		(14.9)	(36.8)
Purchase of intangible assets		(2.9)	(15.6)
Net cash used in investing activities		**(17.8)**	**(52.7)**
Cash flow from financing activities			
Cash contributions received from landlords		3.0	7.7
Repayment of borrowings		(0.2)	(0.3)
Net cash generated from financing activities		**2.8**	**7.4**
Net increase/(decrease) in cash and cash equivalents	11	**23.3**	**(1.0)**
Cash and cash equivalents at beginning of period		30.9	32.2
Exchange gain/(losses) on cash and cash equivalents		0.3	(0.3)
Cash and cash equivalents at end of period	11	**54.5**	**30.9**

Group Statement of Changes in Equity

	Share capital £m	Share premium £m	Translation reserve £m	Merger reserve £m	Retained earnings £m	**Total £m**	Non-controlling interests £m	**Total equity £m**
	Attributable to the owners of the Company							
Balance at 01 May 2011	**4.0**	**138.6**	**1.7**	**(342.3)**	**348.8**	**150.8**	**-**	**150.8**
Comprehensive income								
Profit for the period	-	-	-	-	36.1	36.1	-	36.1
Other comprehensive income								
Currency translation differences	-	-	(3.8)	-	-	(3.8)	-	(3.8)
Total other comprehensive income	**-**	**-**	**(3.8)**	**-**	**-**	**(3.8)**	**-**	**(3.8)**
Total comprehensive income for the period	**-**	**-**	**(3.8)**	**-**	**36.1**	**32.3**	**-**	**32.3**
Transactions with owners								
Employee share award scheme	-	-	-	-	0.9	0.9	-	0.9
Impairment of goodwill[1]	-	-	-	39.8	(39.8)	-	-	-
Total transactions with owners	**-**	**-**	**-**	**39.8**	**(38.9)**	**0.9**	**-**	**0.9**
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 relating to the deferred contingent share consideration	-	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**

[1] In the prior year an impairment of £39.8m, which relates to goodwill of £20.3m in C-Retail Limited, £16.2m in SuperGroup Concessions Limited and £3.3m in SuperGroup Retail Ireland Limited, has been recorded in the subsidiaries of the Group. Under the principles of predecessor accounting the impairment creates a movement between the merger reserve and retained earnings on consolidation.

Selected Notes to the financial information

1. Basis of preparation

The financial information contained in this announcement, which does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006, has been derived from the audited statutory accounts for the 52 weeks ended 28 April 2013 (“2013”) (2012: 52 weeks ended 29 April 2012 (“2012”)). The statutory accounts for the year ended 28 April 2013 will be filed with the Registrar of Companies in due course. The independent auditors’ report on these accounts is unqualified and does not contain any statements under s.498 (2) or (3) of the Companies Act 2006.

2. Significant accounting policies

Except as noted below, the financial information has been prepared using the same accounting policies as used in the preparation of the Group’s financial statements for 2012 and as discussed therein.

There are no IFRS’s or IFRIC interpretations that are effective for the first time for the financial year beginning 30 April 2012 that would be expected to have a material impact on the Group.

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 30 April 2012:

IAS 1 (amendments), ‘Financial statement presentation’ regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in ‘other comprehensive income’ (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendment is effective for the accounting period beginning 29 April 2013 and is not currently relevant to the Group.

IAS 19 (amendments), ‘Employee benefits’, amended in June 2011. The impact will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in OCI as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The amendment is effective for the accounting period beginning 29 April 2013 and is not applicable for the Group as it does not have any defined benefit pension schemes.

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 and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015. The group will also consider the impact of the remaining phases of IFRS 9 when completed by the board.

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. The Group has assessed IFRS 10’s full impact, which has not identified any significant changes, and adopted IFRS 10 for the accounting period beginning 29 April 2013.

IFRS 11, ‘Joint arrangements’, is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint venturer has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The Group has assessed IFRS 11's full impact, which has not identified any significant changes, and has adopted IFRS 11 for the accounting period beginning 29 April 2013.

IFRS 12, 'Disclosure of interest in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group has assessed IFRS 12's full impact, which has not identified any significant changes, and has adopted IFRS 12 for the accounting period beginning 29 April 2013.

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, 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. The Group has assessed IFRS 13's full impact, which has not identified any significant changes, and has adopted IFRS 13 for the accounting period beginning 29 April 2013.

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

As per the announcement of the 6 June 2013 the Group has changed the methodology of its segmental reporting in the period. The board believes that the revised segmental reporting provides a clearer understanding of the divisional performance of the Group and reflects the changes made in the period to the internal reporting of the divisions to the board. Primarily, these changes apply to the treatment of European retail sales which are now included in the Retail segment, trade sales which are now included in the Wholesale segment, and central costs which have been stripped out of the Retail and Wholesale segment.

The segmental analysis below has been reported on the new basis in addition to the historical basis for 2012.

The board 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; and

- 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.

Sales between segments are carried out at arm's length. 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 the 52 weeks ended 28 April 2013 and 29 April 2012 is set out below:

	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 before income tax	**46.8**	**37.1**	**(32.1)**	**51.8**

The following additional information is considered useful to the reader.

	Underlying 2013 £m	Financial derivatives £m	Gain recognised on fair value of deferred consideration £m	Restructuring 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	**51.9**	**2.6**	**(2.5)**	**(0.5)**	**51.5**
Net finance income – Central costs	0.3	-	-	-	0.3
Profit 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 before income tax	**52.2**	**2.6**	**(2.5)**	**(0.5)**	**51.8**

Note:
Underlying is defined as reported results adjusted to reflect the impact of the gain/loss recognised on fair valuing deferred contingent share consideration, 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 4. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

The following segment information has been restated using the revised segment methodology:

	Retail 2012 restated £m	Wholesale 2012 restated £m	Central costs 2012 restated £m	Group 2012 restated £m
Total segment revenue	204.0	113.0	-	317.0
Less: inter-segment revenue	-	(3.2)	-	(3.2)
Revenue from external customers	**204.0**	**109.8**		**313.8**
Finance income	-	-	0.1	0.1
Profit before income tax	**37.9**	**31.8**	**(18.3)**	**51.4**

The following additional information is considered useful to the reader.

	Underlying 2012 restated £m	Financial derivatives restated £m	Gain recognised on fair value of deferred consideration restated £m	Reported 2012 restated £m
Revenue				
Retail	204.0	-	-	204.0
Wholesale	109.8	-	-	109.8
Total revenue	**313.8**	**-**	**-**	**313.8**
Gross profit	178.8	-	-	178.8
Operating profit				
Retail	38.0	(0.1)	-	37.9
Wholesale	31.4	0.4	-	31.8
Central costs	(26.7)	-	8.3	(18.4)
Total operating profit	**42.7**	**0.3**	**8.3**	**51.3**
Net finance income – Central costs	0.1	-	-	0.1
Profit before income tax				
Retail	38.0	(0.1)	-	37.9
Wholesale	31.4	0.4	-	31.8
Central costs	(26.6)	-	8.3	(18.3)
Total profit before income tax	**42.8**	**0.3**	**8.3**	**51.4**

Revenues of £14.1m (2012: £16.3m) in the Retail segment are derived from concessions within department stores which are all under common ownership.

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:

	2013 £m	2012 £m
External revenue – UK	236.0	213.9
External revenue – overseas	124.4	99.9
Total external revenue	**360.4**	**313.8**

Included within external revenue overseas is revenue of £29.0m (2012: £48.0m) generated by our overseas subsidiaries.

4. Non-underlying and exceptional items

Non-underlying and exceptional items incurred during the period are as follows:

	2013 £m	2012 £m
Non-underlying and exceptional selling, general and administrative expenses		
Fair value movement of deferred contingent share consideration – non-underlying	(2.5)	8.3
Restructuring costs and provisions regarding the Retail distribution centre – exceptional	(0.5)	-
Total non-underlying and exceptional selling, general and administrative expenses	**(3.0)**	**8.3**
Non-underlying other gains and losses (net)		
Gain on financial derivatives	2.6	0.3
Total non-underlying other gains and losses (net)	**2.6**	**0.3**
Non-underlying and exceptional income tax expense		
Tax impact of non-underlying and exceptional items	(0.6)	0.1
Re-measurement of deferred tax asset – exceptional	(1.5)	(3.2)
Total non-underlying and exceptional income tax expense	**(2.1)**	**(3.1)**
Total non-underlying and exceptional items	**(2.5)**	**5.5**

Fair value movement of deferred contingent 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 £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 as a debit in the Group statement of comprehensive income.

Restructuring costs and provisions regarding the Retail distribution centre

On the 15th April 2013 the Group announced the restructuring of the Retail and e-commerce distribution centre which will be relocated to Burton-on-Trent. The £0.5m (2012: £nil) recognised in the year relates to provisions for redundancy, dilapidations, onerous leases and accelerated depreciation.

Gain on financial derivatives

The fair value of the forward foreign exchange contracts at the balance sheet date resulted in an asset of £1.4m (2012: liability of £1.2m). The £2.6m movement in the financial derivatives has been recorded in the Group statement of comprehensive income.

5. Income tax expense

The income tax expense comprises:

	2013	2012
Current tax:	**£m**	£m
UK corporation tax charge for the period	11.2	8.7
Adjustment in respect of prior periods	(0.1)	0.1
Overseas tax	0.9	0.8
Total current tax	**12.0**	**9.6**
Deferred tax:		
Origination and reversal of temporary differences	2.1	2.6
Adjustment in respect of prior periods	(0.1)	(0.1)
Exceptional income tax expense	1.5	3.2
Total deferred tax	**3.5**	**5.7**
Total income tax expense	**15.5**	**15.3**

The income tax expense on underlying profit is £13.4m (2012: £12.2m). The income tax expense on non-underlying and exceptional items is £0.6m (2012: £0.1m credit) and the exceptional income tax expense is £1.5m (2012: £3.2m).

Factors affecting the income tax expense for the period:

	2013	2012
	£m	£m
Profit before income tax	**51.8**	**51.4**
Profit multiplied by the standard rate in the UK – 23.92% (2012: 25.83%)	12.4	13.3
Expenses not deductible for tax purposes	0.3	0.4
Fair value movement of deferred share consideration	0.6	(2.2)
Non-qualifying additions	0.9	0.5
Prior year adjustment	(0.2)	0.1
Total income tax expense excluding exceptional items	**14.0**	**12.1**
Exceptional income tax expense	1.5	3.2
Total income tax expense including exceptional items	**15.5**	**15.3**

Net deferred income tax movement	**2013**	2011
	£m	£m
Opening net deferred income tax	(35.5)	(41.2)
Charged to the statement of comprehensive income:		
Accelerated capital allowances	(0.8)	(0.5)
Movement on goodwill and intangibles	4.4	6.9
Other temporary differences	(0.7)	(0.8)
Revaluation of derivatives and forward exchange contracts	0.6	0.1
Closing net deferred income tax	**(32.0)**	**(35.5)**
Represented by:		
Accelerated capital allowances	1.6	2.3
Other intangibles	2.0	2.5
Temporary differences (losses)	(0.8)	(0.6)
Recognition of lease incentives	(2.6)	(1.9)
Goodwill and other intangibles arising in subsidiary entities	(32.6)	(37.5)
Revaluation of derivatives and forward exchange contracts to fair value	0.4	(0.3)
Closing net deferred income tax	**(32.0)**	**(35.5)**

6. Dividends

No dividends were paid in the year, and no dividends will be proposed at the Annual General Meeting on 10 September 2013 (2012: £nil).

7. Property, plant and equipment

The Group made improvements to leasehold buildings and acquired fixtures and fittings at a total cost of £13.9m during the 52 weeks ended 28 April 2013 (£31.8m for the 52 weeks ended 29 April 2012).

8. Capital expenditure commitments

The Group is committed to capital expenditure on property, plant and equipment of £0.9m as at 28 April 2013 (£0.9m as at 29 April 2012).

9. Earnings per share

	2013	2012
	No.	No.
Number of shares at year end	80,455,547	80,234,588
Weighted average number of ordinary shares - basic	80,280,115	80,234,588
Effect of dilutive options and contingent shares	769,189	557,855
Weighted average number of ordinary shares – diluted	**81,049,304**	**80,792,443**
Earnings		
Profit for the period attributable to the owners of the Company (£m)	35.9	36.1
Basic earnings per share (pence)	**44.7**	**45.0**
Diluted earnings per share (pence)	**44.3**	**44.7**

Underlying basic earnings per share	**2013**	**2012**
	No.	**No.**
Underlying profit for the period attributable to the owners of the Company (£m)	38.4	30.6
Weighted average number of ordinary shares – basic	80,280,115	80,234,588
Underlying basic earnings per share (pence)	**47.8**	**38.1**
Weighted average number of ordinary shares – diluted	81,049,304	80,792,443
Underlying diluted earnings per share (pence)	**47.4**	**37.9**

SuperGroup Plc will be issuing 16,500 ordinary shares to OSAKA 68, S.L. in July 2013 as part of the consideration in respect of the Group's buy back of the distribution operation in Spain.

Note:
Underlying is defined as reported results adjusted to reflect the impact of the gain/loss recognised on fair valuing deferred contingent share consideration, 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 4. All references to underlying are after making these adjustments. Retail and Wholesale segments are presented before inter-segment royalties.

10. Related parties

Directors of the Group and their immediate relatives control 47.3% of the voting shares of the Group.

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 (2012: £0.1m) and the balance outstanding as at 28 April 2013 is £nil (2012: £nil).

11. Net cash

Analysis of net cash	2012	Cash flow	Non cash changes	**2013**
	£m	£m	£m	£m
Cash and short-term deposits	30.9	23.3	0.3	54.5
Cash and cash equivalents	**30.9**	**23.3**	**0.3**	**54.5**
Other loans	(0.6)	0.2	-	(0.4)
Total net cash	**30.3**	**23.5**	**0.3**	**54.1**