Financial Statements
SUPERDRY PLC

For 52-week period ended 27 April 2024

Group Information

Group Registration Number	07063562
Registered Office	Unit 60 The Runnings Cheltenham Gloucestershire GL51 9NW United Kingdom
Current Directors & Date of Appointment	Julian Dunkerton, CEO (02/04/19) Giles David, CFO (15/07/24) Shaun Packe, COO (15/07/24)
Company Secretary	Jennifer Richardson (01/07/23)
Previous Directors & Date of Resignation	Peter Sjolander (15/07/24) Alastair Miller (15/07/24) Georgina Harvey (15/07/24) Lysa Hardy (15/07/24) Helen Wier (15/07/24) Shaun Wills (31/03/24)
Financing Providers	Bantry Bay Capital Limited 8-12 York Gate London NW1 4QG United Kingdom Hilco Capital Limited 84 Grosvenor Street London W1K 3JZ United Kingdom
Solicitors	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT United Kingdom
Auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB United Kingdom

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Strategic Report

Principal activities and Business Review

Superdry is a leading global fashion retailer renowned for its production of sustainable, innovative and premium products which are distributed to a global customer base via multiple channels, including owned stores, websites and wholesale.

This has been a difficult period for Superdry, and our challenges have been well documented. Despite the progress made on our cost reduction initiatives, and steps taken to create an operating model suitable for the needs of the organisation over the longer-term, the weaker-than-expected financial performance necessitated further action in the form of the restructuring, equity raise and delisting, outlined to the market in April 2024. Without the implementation of these measures, and in particular the restructuring plan, it was the view of the Directors that the Group, and other companies within the Group, would have needed to enter into administration, or an equivalent insolvency process.

The approval of the package of measures by shareholders post the financial year end at the General Meeting on 14 June 2024, and subsequent approval of the restructuring plan in the courts following a sanction hearing held on 17 June 2024, puts the business in a stronger position to deliver its recovery and return the business to growth. The additional £10m of gross proceeds from the equity raise has also provided greater comfort to the Directors that the Group will have sufficient liquidity headroom to implement its turnaround plan.

Superdry remains committed to its mission of being the #1 Premium Sustainable Style Destination, which is underpinned by delivery of our four core objectives:

- Inspire through product and style;
- Engage through social;
- Lead through sustainability; and
- to Make it Happen.

Despite the recent de-listing from the London Stock Exchange, in the interests of transparency the Directors have prepared the Group financial statements for the financial period ended 27 April 2024 with additional material and disclosure, above the threshold requirement. These accounts are also prepared in accordance with UK-adopted international accounting standards.

Financial Performance

Group revenue for the period decreased 22% to £488.6m (FY23: £622.5m), reflecting the continued underperformance of our Wholesale division, but also impacted by softer performance from our Retail segment.

Wholesale was down 36% to £117.0m (FY23: £182.5m). Whilst to some extent this was expected due to strategic decisions taken by the business, the decline is also reflective of the continued underperformance of the channel and the challenges we have faced in trying to restructure that segment to deliver growth.

Our Retail segment showed lower levels of decline in the period, down 16% to £371.6m (FY23: £440.0m), driven predominantly by a combination of declining Store and Ecommerce sales. Ecommerce was down 18% on the prior year to £146.0m (FY23: £178.0m) and impacted by the well-documented external and macro-economic factors, but also by a profit-focused reduction in spend on digital marketing. Stores performed more robustly than our other segments but were down 14% to £225.6m (FY23: £262.0m) with sales impacted by unseasonal weather and timing of promotions. Both our Retail channels were also impacted by heavy discounting from competitors.

Notwithstanding the softer sales performance, a significant success of the period has been the steps taken to reduce costs. The Directors and wider management team have placed great emphasis on the delivery of our cost efficiency programme, with in excess of £40m of savings realised within the year. This has resulted in significant reductions across our selling and distribution and central costs, further validating our ongoing efforts to right-size our operating cost base. Continuing to bring down costs remains an area of ongoing prioritisation for the Group.

Gross margin improved by 2.2 percentage points to 55.0%, largely driven by changing channel mix and price inflation, offset by markdown participation to clear aged stock. FY24 net inventories of £79.6m (FY23: £112.5m) were down 29% on the same period last year. On a unit basis, and in line with our strategic programme to clear aged stock, inventories have continued to come down from a peak of c.18.9m units at FY19, reaching 7.2m units at the period end.

The adjusted loss before tax of £48.3m (FY23: £21.7m) is a reflection of the softer Retail trading and underperformance of Wholesale, a non-repeating FX gain of £10.6m from the prior year and increased finance costs of £20.0m (FY23: £10.2m). Finance costs are up on the prior period due to higher arrangement fees on loans and a higher net interest expense, coupled with higher rates of lease liability interest following Bank of England base rate rises.

Adjusting item expenses of £16.9m (FY23: £56.8m) are primarily comprised of the income received from the sale of intellectual property of £65.5m, offset by the impairment of store right of use assets of £39.7m, restructuring costs of £9.6m, the impairment of intangible assets of £24.6m and the impairment of store property, plant and equipment of £4.1m. The agreements and income received of £65.5m relate to the sale of Superdry intellectual property in certain countries in the APAC region for £36.8m, to the Cowell Fashion Group, as well as the agreement for the sale and joint venture in India with Reliance Brands, which resulted in net proceeds of £28.7m following the investment in the joint venture entity. These agreements received shareholder approval in May 2023 and November 2023, respectively.

The tax expense on the adjusted loss is £2.5m (FY23: £69.6m). This is driven by the tax accounting impact of tax losses for which no tax benefit has been recognised and tax rate differentials in overseas subsidiaries. The tax charge on adjusting items is £nil (FY23: £nil).

This results in a statutory loss before tax of £67.7m (FY23: £148.1m).

Liquidity & Finance

Cash and liquidity management has remained a critical area of focus and challenge and over the course of the year the Group has taken a number of steps to improve the financial stability of the business. This has culminated in a significant restructuring plan set out to the market in April 2024 but has included several further steps throughout FY24 that have been significant in ensuring the business avoided potential insolvency.

In May 2023, we completed our first IP sale as shareholders approved the disposal of Intellectual Property in the Asia Pacific region to our strategic partner, Cowell Fashion Group, for a consideration of £36.8m. In October 2023, we announced a joint venture and agreement for the disposal of intellectual property in the South Asian region to our franchise partner in India, Reliance Brands and we are continuing to explore the potential for the raising of funds through transactions relating to our brand and intellectual property.

Our recapitalisation has also been supported by a 19.1% equity raise, completed in May 2023, with net proceeds totalling £11.0m, as well as a further equity raise, which was approved by shareholders post the financial year end, and which was critical in providing the Group with the appropriate degree of funding certainty to enter into its restructuring plan. This second equity raise took place in June 2024 and took the form of a placing and has generated gross proceeds of £10m. Both these raises were fully supported and underwritten by Julian Dunkerton, Superdry's CEO and Co-Founder.

The Group has two outstanding financing facilities, an asset backed lending facility with Bantry Bay Capital and a secondary facility with Hilco Capital. The initial arrangement with Hilco was agreed in August 2023 and unlocked up to a further £25m of borrowing to help mitigate the headroom cap on our Bantry Bay agreement. The additional facility has been critical in enabling management the flexibility to access additional capital during the Autumn / Winter buying season, the peak of our working capital cycle. To that end, in March 2024 we announced the extension and a further £10m increase to this secondary lending facility designed to further support the implementation of the restructuring plan and cost reduction programme. This agreement, along with our facility with Bantry Bay has been amended further still, with an extension for both to June 2027, as part of the restructuring measures passed by shareholders and the board in June 2024. Bantry Bay and Hilco both consented to the launching of the Restructuring Plan and remain supportive of the Group.

Net cash and cash equivalents were £27.3m at the period end (FY23: £22.4m). Our net debt is £(12.9)m, compared to our closing FY23 figure of £(25.6)m and reflects the completion of the APAC transaction and equity raise, offset by the £40.2m balance at year-end on our ABL facility, movements in working capital, lease repayments and increased finance costs.

Whilst our efforts here have been significant, cash and liquidity management remain in sharp focus, and we will continue to assess further opportunities to simplify our operating model and provide further liquidity for the business as and when they arise.

Stores

Store revenue was down 14% on the same period last year to £225.6m. Stores have been impacted by the unseasonal weather, with the extreme weather events of the summer and milder autumn impacting both footfall and conversion. From an operational perspective, we continue to assess the optimum level of stores across our jurisdictions and seek to attain a core profitable store estate, which was supported by the Restructuring Plan in June 2024, combined with a new disciplined approach to store densities and option fill.

Ecommerce

In addition to our stores, we have 16 Superdry-branded websites, translated into 19 languages. Ecommerce revenue is a combination of sales made through our own websites and those made online through third party sites.

Our Ecommerce segment has been impacted by the well-documented macro and external factors, as well as a profit focused reduction in spend on digital marketing and price inflation across the UK, Republic of Ireland and mainland Europe. As a result, Ecommerce sales declined by 18% to £146.0m.

Operationally, and as outlined as part of the restructuring plan, it is the intention of the business to implement a new third-party ecommerce platform to replace its existing proprietary system, which will enable a revitalised and more efficient e-commerce strategy in the UK and internationally. This platform will also enable the testing of new product ranges which will provide enhanced analysis of product performance.

Wholesale

Wholesale performance has continued to lag the rest of the Group with the segment down 36%, to £117.0m with performance impacted by the financial difficulties experienced by key partners, which has resulted in lost accounts.

Outside of the UK, Republic of Ireland and Europe, the decline in Wholesale can be attributed to strategic decisions taken by the business. The combined closure of our US operations and transactions to sell brand rights in foreign territories have both had an anticipated negative impact on sales, and account for most of the decline.

The Group aims to create and implement a region-specific market entry plan that ensures a balanced mix of distribution channels for each area, and which utilises the expertise of our local and regional partners.

People

Our people are the key to our future success. The Group is dedicated to a People Strategy with the primary goal of becoming an employer of choice. This strategy aims to promote a high-performing culture where talent thrives, and a sense of belonging is fostered.

We have had a challenging year, but we are focused on colleague engagement to ensure Superdry remains a great place to work. We are also managing and developing our talent to ensure delivery of our business objectives and listening to our teams to create a workspace where everyone can be authentic to themselves.

Superdry is dedicated to equal opportunities in recruitment and employment regardless of gender and we will continually seek innovative ways to improve our gender balance and ensure that all colleagues can advance their careers, regardless of gender.

Outlook

Despite the challenging market conditions, we are focused on enacting our restructuring and turnaround plan, leveraging our brand strength and enhancing our digital presence to secure our long-term future and return the business to profitability.

The restructuring efforts are designed to deliver a viable and sustainable future, whereby rightsizing the cost base provides a platform for future growth. The restructuring plan has been approved by shareholders and sanctioned in the courts, with the support of 99% of creditors.

From a product perspective, we will continue to seek to introduce new product lines that resonate with consumers, and which emphasise quality, style, and sustainability. Our commitment to sustainable practices will be reflected in our supply chain, product materials, and packaging, aligning with the growing consumer demand for eco-friendly products. We are currently on the CDP 'A List' for climate disclosure, putting us among the top 1.5% of businesses reporting, and this is something we will endeavour to continue. By embedding sustainability into our brand DNA, we aim to attract a broader customer base and differentiate ourselves in the marketplace.

On a medium-to-long term view, whilst recognising that there is a complex pathway in the interim to navigate, the Group is targeting revenue of between £350 million and £400 million, a gross margin slightly ahead of current levels, and mid to high-single digit EBITDA margin (on a pre-IFRS 16 basis). More immediately, we continue to anticipate volatility in the consumer retail market, influenced by global economic uncertainties and shifting consumer trends. We are mindful of these external and macro factors, and we expect profitability to continue to be impacted by weaker trading. As a management team, we continue to focus on the delivery of our restructuring programme and further opportunities to reduce the fixed cost base of the business.

Principal Risks & Uncertainties

Our principal risks and uncertainties are assessed on an ongoing basis. Specific principal risks and uncertainties include:

- Our ability to meet our liquidity needs is dependent on the availability of adequate financing from the banks and capital markets, healthy trading conditions and the ongoing support of our stakeholders.
- Macroeconomic headwinds continue to impact the wide range of markets that we operate in, and we are exposed to the changing economic and political environments that impact consumer spending, leading to increased operational costs, and which can also impact profitability.
- Superdry's ability to achieve success depends on a relevant commercial product strategy that is aligned to brand position, consumer segmentation and focus on commercial opportunities.
- Compromise to our key technological and / or physical assets would significantly impede our ability to trade, particularly during the peak trading period from November to January. Key assets include our Ecommerce platform, Distribution Centres, Critical IT Systems, Head Office and large stores.
- Elevated stock levels represent a risk in terms of shortfall in cash flow and additional storage costs. Conversely, stock availability represents a risk.

Performance across our global, omni-channel proposition represents a risk. Specifically:

- Retail store performance represents a risk and, in line with market trends, the ongoing consumer preference shift towards digital shopping channels has seen declining consumer visits to stores and declining profitability in the physical retail environment, also resulting in a number of loss-making sites with onerous lease terms.
- Wholesale performance continues to be at risk from a turbulent macroeconomic environment which is impacting the financial health of our wholesale partners who are more cautious about committing to forward orders.
- Ecommerce performance represents a significant growth opportunity; however, it represents a risk in terms of reliance on the channel to offset lost store sales in the short-term and delivery of medium and long-term business objectives. For example, we will be unable to achieve these objectives if the consumer is moving faster than we can adapt and if our Ecommerce platforms trail in the wake of competition.
- Control failure in key controls could lead to financial loss and heightened risk of fraud and error.
- Our financial results could be impacted by changes in exchange rates. Most of our stock purchases are made using foreign currency (mainly $US) and therefore, our costs are exposed to foreign exchange movements.
- We need to recruit, develop, and retain the calibre of leadership that will enable us to succeed.
- If the wrong strategy is developed, or the strategy is not implemented effectively (e.g. cost reduction programme, including the inability of the Group to efficiently exit a sufficient number of store leases, or suitably optimise our estate), this could significantly impact the success of the business.
- There is a risk our information security is breached causing data and / or systems compromise. This could lead to fraud, impact our ability to trade, attract regulatory scrutiny, litigation or fines and cause damage to the brand.
- Failure by suppliers to adhere to our Ethical Trading Code of Practice could erode our reputation as a responsible brand. We have seen an increase in regulatory guidance on green claims over the last 18 months, with some organisations being investigated. Failure to demonstrate our credentials in this area could also lead to reputational damage.
- Climate related matters also represent a risk to the business. For example, physical risks which are relevant to our Sourcing department and associated countries of origin (e.g. extreme weather events that impact our upstream logistics network) and transitional risks that are relevant to all geographies (e.g. failing to keep up with changes in technology) that impact our ability to meet our net zero targets. In addition, unseasonal weather patterns also represent a risk in terms of demand for our products at particular points in the year and our ability to sell in-season clothing.

Statement by the directors on the performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

Section 172 Statement

Throughout FY24, the Board continued to act, in good faith, to promote the long-term success of the Group under section 172(1) of the Companies Act 2006, whilst having regard to the matters set out in sub-sections (1)(a) to (f).

The Board recognises that the medium and long-term success of the Group and its social licence to operate are linked to value creation for the Group's stakeholders. Whilst it aims to act in the best interests of all stakeholders, such interests often conflict one another; the Board will therefore pursue decisions that it believes will help to deliver our strategy. This, in turn, serves the interests of the Group and its stakeholders for the longer term. The following pages outline how the Board engaged with our stakeholder groups during FY24 to ensure their priorities inform decision-making. On 15 July 2024 the Group de-listed from the London Stock Exchange and whilst the business remains a public limited company and maintains enhanced stakeholder engagement, there are several areas that are no longer relevant for the delisted Group.

Our stakeholders and the engagement processes

Stakeholder/why they are important	What matters to them	Engagement processes	How feedback reaches the Board
Shareholders			
Providers of capital and have a financial interest in our performance	• Financial results • Dividends and earnings per share • Environmental, social and governance matters • Strategy • Efficiency • Remuneration • Diversity & Inclusion	• Annual General Meeting • General Meeting • Annual/interim results • Corporate website • Consultation with investors and advisory agencies • Investor sustainability indices (e.g. CDP) • Stock market news • Direct liaison through corporate brokers • Social media • Group Secretary and Investor Relations inboxes	• Investor Relations updates and analysis • Face-to-face meetings and correspondence with investors • In-person engagement at the AGM & GM and at investor events • Media reports • Reports from investor advisory agencies
Environment			
Central to our mission and to our sustainability objectives and initiatives	• The impact of the Group's operatio ns on the environment, e.g., CO2 emissions, use of plastic packaging, organic cotton production, sustainable farming practices	• Sustainable Development Goals • Sustainable stories on our websites • Social media • Engagement with organic cotton farmers – please refer to the Sustainability Report and targets on pages 21 to 34 • Awards/recognition of our work	• Sustainability reports and presentations • Supply chain reports and 'deep dives' • Sustainability news on Workplace (internal communications platform)
Community/wider society			
Help us to be a responsible business as we pursue our mission, sustainability ambitions and targets, and our governance objectives	• Corporate governance • Health and safety • Employment and conditions • Charitable donations • Environment • Sustainability	• 'Family and friends' events • Student placements and work experience • Recruitment Process • Support for local charities	• Health and Safety reports • Reports and presentations to the Board by the SD Voice (employee engagement group) • Sustainability news on Workplace

Section 172 Statement

Stakeholder/why they are important	What matters to them	Engagement processes	How feedback reaches the Board
Customers – retail and trade			
Our customers are vital to our performance	Value for money Accessibility of product Garment quality and reliability Design Customer service Store or website experience Sustainability and ESG matters	Direct contact in stores Global Sales Meeting for wholesale and franchise partners Monitoring and reporting of sales, footfall, website traffic and internet search analyses Customer satisfaction surveys Customer services Social media and websites Annual Report KPIs	Financial, sales, trading and footfall reports, analysis and KPIs Trading analysis and sales data is shared with the Board on a weekly basis Customer ratings and feedback Internal KPIs to measure brand awareness Previews of seasonal collections
Colleagues			
People are central to the successful delivery our strategic objectives	Employment Pay and benefits Job security Work/life balance Mental health Equality and diversity Career opportunities Sustainability Health and safety	SD Voice meetings and feedback from colleagues on performance. Diversity and Inclusion Forum Workplace Staff events such as virtual meetings and town hall events (SD Live) ‘Threads’ magazine for store colleagues Sustainability Warriors – employee representatives who consult on sustainability strategy progress and initiatives Senior Leadership Group	People reports SD Voice reports and presentations to Board Diversity and inclusion reports. Health and safety reports Workplace

Section 172 Statement

Stakeholder/why they are important	What matters to them	Engagement processes	How feedback reaches the Board
Creditors			
Landlords & other creditors are vital to Superdry success	• Ensuring that they are paid	• Regular meetings with landlords as part of the restructuring process	• Reports to the Board
Suppliers and contractors			
We recognise that relationships with suppliers and contractors are important to our financial performance	• Payment terms • Fair contractual arrangements • Communication • Success of Superdry • Anti-bribery and corruption • Ethical behaviour • Corporate governance • Sustainability	• Supplier conferences • Face-to-face meetings and visits • Day-to-day contact between colleagues and suppliers • Modern Slavery Statement • Superdry Supply Chain Ethical Trading page of corporate website and Ethical Trading Code of Practice • Respect programme • Contact with Superdry Legal or Property teams	• Operational updates in CEO Review • Supply chain deep dives at Board meetings • Risk Committee updates to the Audit Committee • Ethical compliance audits and reports to the Audit Committee
Media			
How the media reports on our activities impacts wider perceptions of Superdry	• Reports and stories • Regular communication • Sustainability	• News releases/stories • Stock market announcements • Interviews • Visits and meetings • Social media • Websites	• Reports circulated to the Board from our communications advisers
Government and regulators			
Open and transparent interactions with government and regulators help us maintain high standards of business conduct	• Compliance with law and best practice • Corporate governance • Health and safety • Modern slavery • Data security • Policies and procedures	• Meetings/briefings • Consultations • Dialogue with trade bodies • Specialist advisers • Interactions with tax authorities	• Legal, governance and risk reports • Legal and regulatory briefings • Deep dives on areas of risk as they arise

APPROVED AND SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:
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Giles David
Chief Financial Officer

20 September 2024

Report of the Directors

Directors

The directors who have served during the year end and up to the date of signing the annual report and accounts are below:

J Dunkerton
G David – appointed 15 July 2024
S Packe – appointed 15 July 2024
H Weir – resigned 15 July 2024
P Sjölander – resigned 15 July 2024
A Miller – resigned 15 July 2024
G Harvey – resigned 15 July 2024
L Hardy – resigned 15 July 2024
S Wills – resigned 31 March 2024

Following the Group delisting on 15 July 2024, the Non-Executive Directors all resigned. The Group is in the process of recruiting an Independent Chair and two Independent Non-Executive Directors. Between the Independent Chair and the two Independent Non-Executive Directors, at least one will have retail and brand expertise, and another will have relevant and recent financial experience.

Group Secretary

Ruth Daniels resigned as Group Secretary on 30 June 2023, with Jennfier Richardson being appointed as Group Secretary on 1 July 2023.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. A directors' 'run off insurance' was also implemented for the outgoing directors. The Group arranged and maintained Directors' and Officers' liability insurance throughout the financial year.

Directors' responsibilities statements

The directors are responsible for preparing the Strategic report, the Report of directors and the financial statements in accordance with applicable law and regulations.

Group law requires the directors to prepare financial statements for each financial year. Accordingly, the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. Group law requires that 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 and profit or loss of the Group and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply then consistently;
- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and therefore take reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Group's auditor is unaware of that information.

Subsidiaries and branches

Superdry plc is a UK incorporated company but has a number of overseas subsidiaries as well as branches in Austria, Italy, Norway, Portugal and Switzerland.

Results and dividends and future developments of the Group

Our financial statements for FY24 are on pages 52 to 57. No interim dividends were paid to shareholders during the period.

Given the uncertain macroeconomic outlook and the need to maintain liquidity, the Board continues to believe it is not prudent to recommend dividends in the near term and, therefore, do not recommend the payment of a final dividend in respect of FY24 (FY23: nil). In addition, under the terms of our loan facility with Bantry Bay, the Company is restricted from declaring, making or paying dividends to shareholders without prior permission, which cannot be unreasonably withheld. The future developments of the Group is addressed in the Strategic Report on pages 4 to 9.

Financial risk management

The financial risk management policies and objectives of the Group are disclosed in note 30.

Employees and employee engagement statement

The Group is an inclusive employer, with a focus on diversity and inclusion. It gives full and fair consideration to application for employment of individuals with disabilities and continued employment for anyone who incurs a disability whilst employed by the Group. All employees (regardless of disability) have equal opportunities and access to training, career development and promotion. The Group's approach to employee engagement and communication is set out in the s172 statement on pages 10 to 13 of these accounts.

Statement of engagement with suppliers, customers and others in a business relationship with the Group

The Group's approach to engagement with suppliers, customers and others in a business relationship with the Group is set out in the s172 statement on pages 10 to 13 of these accounts.

Corporate Governance Statement

The Group formally delisted from the London Stock Exchange on 15 July 2024, prior to this the Group complied with the UK Corporate Governance code 2018 (the 'Code'). The Board believed that the Group complied with all principles and provisions of the Code in full with the exception of the below:

- Provisions 12, 21, 22 and 23(b): an internal review of Board, Committee and individual directors' performance, including the Chair, was scheduled for March 2024, however given the continued focus of Board to steer the Group through its liquidity challenges this was not completed.
- Provision 13: this provision was partially complied with during the year.

As the Group has now delisted, the intention is for Wates Corporate Governance Principles to be applied for Large Private Companies (in accordance with The Companies (Miscellaneous Reporting) Regulations 2018 & published on the Financial Reporting Council (FRC) in December 2018 and available on the FRC website). The Group is in the process of setting up its new governance regime and will provide a thorough report and review of its compliance with the Wates Corporate Governance Principles in FY25 Annual Report and Accounts.

Details of the Group's engagement with stakeholders are contained in the Strategic Report.

Streamline energy and carbon reporting

The Group's disclosures are included in the Sustainability Report on pages 21 to 34.

Going concern

The financial position of the Group, its cash flows and liquidity position are set out in the financial statements. Furthermore, the Group financial statements include the Group's objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and exposure to credit and liquidity risk.
The financial statements continue to be prepared on the going concern basis. This conclusion is based on the Group's current forecasts, sensitivities and mitigating actions available. With the continued challenges in the macro environment, coupled with the headroom on the ABL facility and covenants, the Directors note that until key mitigations can be actioned with certainty, there exists a material uncertainty related to Going Concern (please refer to note 1b to these accounts on pages 58 to 60).

Background and context

Like many businesses in the retail sector, the Group has been through a period of unprecedented challenges over recent years. The global pandemic resulted in the enforced closure of stores, with many trading days lost. Despite a resurgence of store visits across the global estate, footfall has still not recovered to pre-pandemic levels.

Borrowing Facilities

In December 2022, the Group refinanced its existing asset backed loan ('ABL') of up to £70m with a new ABL facility of up to £80m, limited by levels of inventory and receivables held at any point in time, with specialist lender, Bantry Bay, including a term loan of £30m. This facility was due to expire in December 2025.

In March 2023 the Group reached agreement with Cowell Fashion Co. Ltd, a Group listed on the South Korean stock exchange, to sell the Superdry's intellectual property in certain countries in the APAC region for $50m before fees and taxes, significantly bolstering the liquidity position. The shareholder vote on this transaction was concluded on 30 May 2023 and has therefore been reflected in the FY24 report and accounts. It was also agreed with the Group's lenders to increase the borrowing availability over the period until the funds were received on the IP sale to provide additional funding. The net proceeds (£36.8m) were received from the APAC deal in March and May 2023.

In May 2023 the Group successfully completed an equity raise with net proceeds totalling £11.0m.

In August 2023 a second lien ABL financing facility was agreed with Hilco Capital Limited of up to £25m.

In October 2023 the Group signed a Joint Venture (JV) agreement with Reliance Brands Holding UK Ltd for the sale of Superdry's intellectual property and related trademarks in India, Sri Lanka and Bangladesh to the JV entity of which the Group retains a 24% share. The gross consideration for the sale from Reliance Brands was £30.4m, of which Superdry received approx. £28.7 million net of fees and taxes, in November 2023.

At the year-end April 2024, £30.0m (which is the term loan element of the facility) of the Asset Based Lending Facility with Bantry Bay had been drawn down. The Group had also drawn £10.2m on the Hilco facility making total borrowings of £40.2m, with the Group net debt position at £12.9m (note 29). The maximum drawdown on the ABL facilities in FY24 was £57.0m in the period September to October 2023, in line with the peak working capital requirements of the Group.

Post year end in June 2024 the financing agreements with Bantry Bay and Hilco were amended and extended to be co-terminus to June 2027. The facility limit with Hilco was increased with an aggregate amount of £20m of additional facility at specific points in the Group's cashflow cycle. Covenants relating to cashflow from operations and EBITDA were included in the new facility documents. Further details on the financing facilities can be found in Note 23, along with the post balance sheet events in Note 34.

The Russian invasion of Ukraine occurred in the second half of FY22, and whilst the Group was not directly impacted, the lasting effects of this on supply chains, the resultant input price inflation and the consequential impact on consumer confidence has increased the uncertainty in our forecasts, and therefore further challenges our ability to achieve the brand reset and the financial objectives in our plan.

On 16 April 2024 Superdry plc announced that its UK subsidiary C-Retail Limited was launching a Restructuring Plan. The Restructuring Plan ('RP') is a key element of the Group's turnaround plan that is intended to help the Group deliver its new, more financially sustainable, target operating model. The RP was sanctioned, post year end, by the court on 17th June 2024.

The Restructuring Plan, post the sanctioning, includes;

- rent reductions on 39 UK sites;
- the extension of the maturity date of loans made under the Group's debt facility agreements with Bantry Bay and Hilco to June 2027;
- confirmation from Hilco that the conditions to making the seasonal incremental facility described above have been satisfied; and
- material cash savings from rent and business rate compromises over the 3 year period of the Restructuring Plan.

The restructuring plan was also conditional on the Group receiving the proceeds of an equity raise to ensure that the Group has the necessary liquidity headroom to deliver its turnaround plan. These funds were received in June 2024 and provided a gross injection of £10m into the business.

As part of the RP assessment for both the equity raise and court led creditor process, the Board reviewed a detailed Target Operating Model. This laid out a range of actions needed to ensure sufficient liquidity headroom in particular.

- returning the underlying Retail channel to positive like-for-like revenue growth through internal initiatives such as improved product ranges, a reallocation of marketing spend, and also an improvement in the external environment;
- an improvement in gross margins through initiatives such as improved promotional strategies;
- a more efficient and focused operating cost base appropriate for the Group's target revenue base, benefitting from a number of initiatives including the delisting.

Base Case

The Group's going concern assessment covers at least a 12-month period from the date of approval of these financial statements, with the models covering a longer period, derived from the Group's medium term financial plan (the 'Plan'). The impact of the Target Operating Model and RP process has been reflected across our financial plans, the most significant of which have been noted above. Furthermore, the underlying assumptions in this revised set of projections are set out below:

- All trading channels benefit from ongoing product improvements, operational initiatives and marketing activity to support the brand reset which began in October 2020, the full benefit of which is not yet realised, given the challenging macroeconomic environment. This benefit is offset by pressure on all trading channels as a result of the cost-of-living crisis impacting consumer spending.
- Store trading is predicted to decline year-on-year with negative like-for-like forecasts over the duration of FY25 and through FY26. The net number of stores is expected to reduce which will impact top-line revenues but drive greater profitability as loss making stores are exited and others are regeared either through negotiation or as part of the RP process.
- Ecommerce revenues are projected to grow into FY25 driven by new 3rd party site openings, a new Superdry website, the annualization of charging for delivery and returns on our own sites and the resultant returns rate reduction.
- Wholesale revenues are projected to decline significantly into FY25 as a result of lower order book placings for autumn winter and spring summer reflecting the stock overhang from previous years. FY26 wholesale revenue is projected to stabilise as a result of changes made to the operating model and a reversal of the over stocking issues discussed above.
- A significant cost saving programme across all areas of the business more than offsets inflationary pressure through FY25 and FY26. Cost saving measures include store estate optimisation, head office, logistics and distribution savings, better procurement and continued range reduction.

In assessing the Group's going concern status the Directors considered the base case (with the assumptions outlined above) and a reasonably possible downside scenario involving a reduction in revenue, and a requirement for additional financing in line with our working capital cycle without any mitigating actions.

Reverse Stress Test

Given the base case reflects the results of the turnaround plan and due to the current macroeconomic uncertainties already discussed, there is uncertainty around the Group achieving its targets and therefore a scenario has been modelled that assumes a reduction in the sales plan and not achieving the full scope of the cost out programme. These have been modelled as a reverse stress test. The reverse stress test models the decline in sales that the Group would be able to absorb before requiring additional sources of financing in excess of those that are committed or a breach of covenants.

The reverse stress test scenario shows that, without any mitigating factors or contingency (as described below), a reasonably feasible downside scenario of a 7.6% decline in sales over a 12-month period would result in a breach of cashflow financial covenants. This equates to £32m sales loss with no mitigations.

Note that the facility availability is dependent on the position of receivables and inventory at each reporting month-end. However, the Group continues to manage its cash flow and is considering further options to improve liquidity along the lines of those already delivered to mitigate any potential shortfall.

This assessment is linked to a robust review of the principal risks facing the Group, and the reverse stress test reflects the potential impact of these risks being realised.

The Target Operating Model contains a balanced forecast for the business' trading and cost plan. It does not include all potential mitigating actions available to the Group. To ensure maximum headroom the Board are looking to deliver a further £20m improvement in headroom via a combination of actions namely:

- Expanded IP sales encompassing further territories, structural changes and extended terms;
- Sale and leaseback of freehold properties;
- Improved collection performance from aligning commercial and finance teams and objectives;
- Improved payment terms from stock suppliers
- Recovery of trapped cash from financial transaction suppliers
- Tax recoveries and grants from UK and overseas
- Further cost reduction and process simplification at head office

If successful, this plan would afford at least a further 7.6% reduction in sales performance over a 12 month period whilst still retaining liquidity /covenant headroom.

Post balance sheet events

Post balance sheet events including C-Retail Ltd.'s restructuring plan pursuant to Part26A of the Companies Act 2006, amendment to the Group's borrowing facilities with Hilco and Bantry Bay, the delisting of Superdry plc from the London Stock Exchange and rights issue by Superdry plc are set out in note 34 to these accounts.

Sustainability Report

With the aim of creating a better future - not just for the brand but also for the planet - we have evolved in our journey towards becoming the #1 Premium, Sustainable Style Brand.

We continue to measure our performance through seven core KPIs across three core pillars capturing our most material risks and opportunities. Our FY24 Sustainability Report will provide greater detail on the ambitious initiatives underpinning our KPIs and will be available on the Superdry website later in the year. Using low-impact materials is our commitment to ensure our choice in materials demonstrates balanced improvement in carbon, water, and chemical impacts.

- Sustainably sourced products accounted for 64% (2023: 62%) of our volume bought, driving 67% of full-price retail sales.
- We continued to invest heavily in organic cotton production, training 12,258 farmers across India and Turkey. These farmers produce enough cotton to supply 100% of our total cotton footprint; and
- We mapped our water footprint for 100% of our product and have noted a 2% increase in the average footprint per garment since 2020. We have seen an increase in water usage this year due to our deliberate choice to convert more farmers to organic cotton. This has led to a rebase in our target for FY25 as we continue to support this vital program.

	Baseline	Last Year	Achieved		Target
	FY20	FY23	FY24 (Actual)	FY24 (Target)	FY25
KPI 1: % Total volume of cotton bought converted to organic, low-impact or recycled alternatives	16%	62%	64%	55%	65%
KPI 2: # Cotton farmers converting to organic practices	869	12,787	12,258	12,000	5,000*
KPI 3: % Total volume of product with mapped water footprint (% saving in average water footprint per garment)	0%	100% (-18%)	100% (+1.8%)	100% (-20%)	100% (-15%)

Low-impact material KPI performance. (* Rebased)

Moving to net zero is about zero waste packaging as well as reducing full direct and indirect emissions 50% by 2030, and 90% by 2040; both our near term and net zero targets have been validated by SBTI with the goal of limiting the global temperature rise to 1.5°c.

- 99% of our single-use packaging was reusable, recyclable, or compostable. For 2025 we will focus on primary packaging being 100% reusable, recyclable or compostable.
- We currently source Polybags made from 100% recycled plastic, as part of a closed-loop system.
- We revised our net zero target, aligning with market-leading Science Based Target (SBT) initiative methodologies, with near- and long-term decarbonisation pathways of -50% by 2030 and -90% by 2040 for Scope 3. Through completing the SBTI validation process, we have improved the way we report our Scope 1-3 carbon emissions and have agreed to an even more challenging Scope 1 and 2 target (-83.65% by 2030). We are working hard to eradicate fossil fuels at Superdry.

- We achieved a 58% reduction in our absolute SBT-validated Scope 3 emissions compared to our FY20 baseline year, exceeding our target for FY30 seven years early
- We exceeded our target for renewable energy despite a continually challenging energy markets, although our FY25 target will be revised to include electricity only, due to the uncertainty of buying renewable gas In Europe. Instead, we will work on decarbonisation plans for the retail estate.

	Baseline	Last Year	Achieved		Target
Sustainable KPI	FY20	FY23	FY24 (Actual)	FY24 (Target)	FY25
KPI 4: % Packaging moved to recyclable, reusable, or compostable alternatives	75%	99%	99%	99%	100%
KPI 5: % Renewable energy used in stores, offices, and distribution partner sites	55%	93%	90%	90%	100%
KPI 6: Scope 1, 2 and full Scope 3 emissions, TCO_2e, all SBTi categories (% reduction)	321,905 (rebase)	190,690 (-40%)	134,896 (-58%)	257,414 (-20%)	241,285* (-25%)

Move to net zero KPI performance. (*Revised after SBTI validation.)

Communicating our journey with Integrity represents a major part of our strategy and includes working closely with our suppliers and other partners to drive our goals forward.

- We made significant steps in enrolling more workers in our Respect and Dignity training programme, with an 8% growth as we amplified trained workers in both Turkey and India. Our KPI for this initiative demonstrates our commitment to continue beyond baseline compliance to our Code of Practise, embedding strong systems for gender equality, grievance handling and remedial processes.
- The continued focus on ESG has resulted in several accolades in FY24, most notably being ranked 9th in our sector in the 2024 Financial Times European Climate Leaders table, a pan-European survey. Superdry also achieved a CDP score of A- in 2024; placing the Group in the top 25% of the sector and being one of the few companies in its peer group to show continued improvement since 2019.

	Baseline	Last Year	Achieved		Target
Sustainable KPI	FY20	FY23	FY24 (Actual)	FY24 (Target)	FY25
KPI 7: # Workers in our third-party supply chain actively engaged in our Respect and Dignity training program.	8%	28%	36%	35%	50%

Communicate with integrity KPI performance.

Sustainability Disclosure

This section covers the financial period FY24 from 29 April 2023 to 27 April 2024.

It contains the necessary information including an overview on the Group's position, performance, and the impact of our sustainability strategy by and on our operations. It includes disclosures on issues relevant to the Group's value chain, including climate and the environment, and respect for human rights.

Overview

Growing expectations for responsible conduct from stakeholders presents substantial opportunity to *Lead through Sustainability* and the KPIs defining our strategy capture our most material risks and opportunities.

As a brand that produces garments, our value chain has an impact on the planet and people. We continue to maintain investment in our sustainability initiatives through our own business and value chain to help deliver our KPIs, recognising the substantial opportunity in achieving our strategic objectives, and the substantial opportunity that the fashion industry must drive change.

We continue to prioritise transparent and credible disclosures through our own reporting, and through credible third-party reporting frameworks including the CDP and Fashion Revolution Transparency Index (FRTI).

We rely on great partners to help deliver our initiatives, which in turn aim to positively contribute to the communities within which we operate. Details of these partners and how we work to align our KPIs with the United Nations Sustainable Development Goals (SDGs) is available on our website.

An overview of our value chain

Superdry designs, produces, transports, markets and sells garments, footwear and accessories, which are then in turn used (and loved) by our customers. Eventually they are disposed of, recycled, or reused.

Our third-party supplier's source raw materials in line with our strategy and manufacture our garments in 73 tier 1 third party-owned production sites and 92 tier 2&3 specialist process, fabric and trim sites located in India, Sri Lanka, Turkey, China, Cambodia, and Vietnam. Production is overseen by three sourcing offices covering each territory to ensure we can quickly respond to opportunities and risks.

64% of volume bought was classified as 'Sustainably Sourced' in FY24, driving 67% of full-price retail sales – all of which requires certification to prove its content in line with industry standards. This provides greater opportunity to drive greater traceability through our supply chain, beyond Tier 1 facilities to the farmers included in our organic in-conversion training programme.

Delivering our KPIs

We invest significant resource in core programmes of work to help drive our strategy forward and have a robust governance framework in place to ensure effective oversight, ownership and accountability of our human rights, environmental and climate risks and opportunities.

We have invested in a dedicated sustainability function located in our head office and each regional sourcing office, responsible for monitoring and reporting compliance of our environmental and ethical policies and delivering our core sustainability strategy and KPIs.

Sustainability is also embedded into our business through cross-functional teams which deliver initiatives that work towards our KPIs.

Sustainability KPIs, including those related to our climate targets, are reported to our CEO and Board on an annual basis. Monthly updates on KPI progress are reported to our Chief Operating Officer (COO) who is responsible for global sourcing and sustainability.

CEO	• Approves our sustainability strategy.
Chief Operating Officer (COO)	• Approves targets for our sustainability strategy. • Reviews KPI progress monthly.
Head of Sourcing, Ethical and Sustainability	• Delivers our sustainability strategy. • Reports KPI progress to COO monthly.
Sustainability team (six people)	• Monitors compliance with environmental and ethical policies. • Delivers sustainability initiatives through partnerships and cross-functional collaboration in line with the sustainability strategy.
Sustainability Warriors (50 people)	• Internal activists, a collective voice to drive change across the brand.

Using low-impact materials (KPIs 1-3)

Using teams established with members from our design, sourcing, production, and local office teams, these KPIs are monitored monthly in line with the processes below. More information on the individual initiatives driving our KPIs is available in our Sustainability Report.

KPI	Measurement	Verification	Materiality
1: % Total volume bought converted to organic, low-impact or recycled alter natives*	• % total volume bought for retail and wholesale customers. • Organic, low-impact and recycled are defined using the Textile Exchange's Preferred Fibre benchmark. • Further information available in our Environmental Policy, published on the Group's corporate website.	• All relevant factories hold certification in line with our Organic and Recycled Content Standards and Environmental Policy. • All PO Lines certified in line with Organic and Recycled Content standards.	• By replacing cotton and synthetic fibres with product containing organic, low-impact, or recycled alternatives Superdry can significantly reduce its water, carbon, and chemical footprint. • Product accounts for over 60% of our total Scope 3 emissions – and therefore forms a significant climate opportunity and risk. • Decarbonisation of our product is critical to achieving our Science Based Target. • Organic cotton accounts for 1.4% of cotton grown globally. Investment in production is required to support the growth of the industry.
2: Number of cotton farmers converting to organic practices	• Farmers in conversion or already converted to organic cotton, actively engaged through third-party in-person training on organic agronomic practices funded by Superdry.	• 100% farmers enrolled in the Organic Cotton Accelerator (OCA)'s Farmer Programme. • OCA validates GMO status, training impacts and organic premium payment. • All farmers registered with India's APEDA Tracenet database, certified in line with organic requirements.	
3: % Total volume of product with mapped water footprint (% saving per garment)	• Water footprint mapped in litres water used per garment, from raw material to end of life. • 312 Superdry products mapped using Higg Product Module representing 125m garments bought between FY20 and FY24. • Products selected representative of common fabric and garment types through multiple styles. • Average water usage per garment in FY20 was 898 litres, in FY24 914 litres: an increase of 1.8% due to our Farm project work.	N/A	

Move to Net Zero (KPIs 4-6)

These KPIs are delivered by teams established with members from our logistics, sourcing, wholesale, retail, property, and local sourcing office teams.

- Packaging (KPI 4) is reviewed seasonally in line with the plan with the sourcing team. We achieved 99%, with the last 1% to be delivered by 2025.
- Multiple teams focussed on delivering initiatives with significant impact on our carbon footprint help deliver KPIs 5 and 6 – including those monitoring airfreight and converting our third-party factories to renewable energy.

KPI	Measurement	Verification	Materiality
4: % Packaging moved to recyclable, reusable, or compostable alternatives	• Metric tonnes of packaging components by composition. • Recyclable plastics defined by Ellen MacArthur Foundation's Global Commitment.	Packaging used is reported to Clarity and Envanence who report our obligations under The Producer Responsibility Obligations (Packaging Waste) Regulations 2007 and equivalent European regulations.	• We require packaging to protect our product from factory to consumer. • Damage of product results in wastage. • Packaging is often single-use and can be disposed of into waste streams without proper controls in place.
5: % Renewable energy used in stores, offices, and distribution partner sites **6:** Scope 1, 2 and full Scope 3 emissions, TCO2e, all SBTi categories (% reduction)	See 'Our Greenhouse Gas emissions'.	• Full verification statement by Bureau Veritas to the ISO 14064-3:2019 standard available on corporate.superdry.com.	• Our retail stores and offices are in our direct control so represent a significant climate opportunity. • The fashion industry is estimated to be responsible for 10% of global carbon emissions - more than international flights and maritime shipping combined (European Environment Agency 2023); achieving our Science Based Target is therefore our responsibility as a leading fashion brand.

Scope 1: Direct use of fuels within our owned Group facilities. Scope 2: Purchased electricity, steam, heating, and cooling for own use within our owned Group facilities. For Scopes 1 and 2, we report our emissions data using a ‘financial control’ approach, which means we include emissions from all parts of the business where we have direct financial and operating policies, including our owned and operated retail stores and office space. Scope 3: Indirect emissions associated with upstream and downstream activities in our value chain. We calculate our direct emission figures using actual consumption data from smart meters and accurate meter reads/invoicing. In FY24, 10% of our direct emissions were calculated from estimated source data.

Our Greenhouse Gas Emissions

Last year we publicly committed to align our carbon strategy with the latest climate science to play our part in meeting a 1.5°C future.

We updated our original carbon reduction target, originally set in 2019, to an aligned Science Based Target (SBT). Our Science based targets were verified by the SBTI and have resulted in some changes in our reported baseline and in the way we report all three scopes going forward.

Our short (near) term target to 2030	Our long-term target to 2040
Superdry commits to reduce absolute scope 1 and 2 GHG emissions 83.65% by FY2030 from a FY2020 base year*. Superdry also commits to continue active annual sourcing 100% renewable electricity through FY2030. Superdry further commits to reduce absolute scope 3 GHG emissions 50% within the same timeframe.*The target boundary includes land-related emissions and removals from bioenergy feedstock.	To reach net-zero GHG emissions across the value chain from a FY20 base year. Decarbonising our business by 90% and investing in up to 10% Certified Emission Reduction offsets, only after meeting our long-term goal.

As a core part of our short-term goal, we will continue to annually source 100% renewable electricity, and invest in Voluntary Emission Reduction offsets, to neutralise 100% of our remaining Scope 1 & 2 emissions from 2025.

Our current performance

Our SBT-aligned pathway tracks a straight-line 5% annual absolute reduction in Scope 3 emissions between 2020 and 2030.

We are currently tracking above our targeted FY24 reduction of -20%, currently at -58%. This is driven by our reduction in Scope 3 emissions which account for 99.9% of our total footprint.

We have beaten our original SBTI Scope 3 2030 target by over 18,000 tonnes CO2e.

Scope	Metric	% Change vs. baseline	FY24	FY23*	FY22*	FY21*	(revised) Baseline FY20
1 & 2	Tonnes CO2e	-54%	393	234	310	407	854
3 (SBTI)		-58%	134,503	190,456	241,572	268,676	321,052
Total		-58%	134,896	190,690	241,882	269,083	321,906

Our SBTI targets cover 100% of direct emissions and 96.91% of Scope 3 emissions

*FY21, FY22 and FY23 have been restated to account for a joint venture in FY20.

Our Direct Energy Consumption and Emissions (Scopes 1, 2)

Market-Based Emissions

During the process of SBTI target validation, we have corrected an omission in our baseline year which had not correctly accounted for a joint venture In FY20. Consequently, Scope 1, 2 & 3 emissions for FY21-FY23 have been restated.

Since FY20 we have seen a -54% decrease in our total (absolute) market-based Scope 1 and 2 emissions for FY24, tracking above the original planned reduction of -25% (5% year-on-year). However, our new targets will require further Scope 1 reductions from FY25.

The remaining emissions are purely Scope 1 (gas) in the US and Europe, as well as global refrigerant usage from the maintenance of current air conditioning stock.

We have struggled to find green gas contracts In FY24 and are now reporting as per SBTI guidelines, only reporting green gas contracts as zero emissions. Refrigerant emissions have also increased in the year, but these will be subject to Voluntary Emission Reduction offsets from 2025.

Scope 2 emissions continue to be 100% renewable in our directly owned stores and offices since 2018, with an emission factor of 0gCO2e/kWh. We have purchased additional certified renewable energy credits to cover wider Scope 2 purchased energy (heating and cooling) and converted to 100% Renewable Gas Guarantee of Origin (RGGOs) certified gas contracts in our Head Office.

Our normalised market-based Scope 1 and 2 emissions show greater efficiency on our baseline year due to a revised baseline, because of the Inclusion of a joint venture In FY20, changing by -34% to 0.80 tCO2e/£m compared to FY20.

Scope	Metric	% Change vs. baseline	FY24	FY23*	FY22*	FY21*	Baseline FY20*
1	Tonnes CO_2e	85%	393	234	309	193	212
2	Tonnes CO_2e	-100%	0	0.2	0.3	213	642
Total	Tonnes CO_2e	-54%	393	234	310	407	854
Total	Tonnes CO_2e/£1m sales	-34%	0.80	0.38	0.51	0.73	1.21

(*Restated)

Market based emissions: Sales used to calculate efficiency provided prior to publication (June 2024) at £488.6m. The proportion of energy consumption reported relating to the UK and offshore area is 51.1% (201 tCO2e). In FY23 this was 28% (50.3 tCO2e). This significant change is due to an increase in refrigerant replacement, which fluctuates based on HVAC requirements.

Location-Based Emissions:

We have reduced our Scope 2 location-based emissions by 17% on an absolute basis since FY20 by proactively managing energy consumption across our stores and offices.

The Increase In our scope 1 emissions Is due to inclusion of refrigerant which fluctuates in usage.

Scope	Metric	% Change vs. baseline	FY24	FY23*	FY22*	FY21*	Baseline FY20*
1	Tonnes CO_2e	85%	393	234	309	193	212
2		-46%	4096	4572.	4787	4783	7622.
Total		-42.7%	4489	4806	5097	4977	7834
Total	Tonnes CO_2e/£1m sales	-17.4%	9.19	7.72	8.36	8.95	11.12

(*Restated)

Location-based emissions uses a ‘grid average’ greenhouse gas (GHG) emission factor based on the average mix of all generating technologies in the countries in which we operate. Provides insight into carbon intense grid electricity emissions and identifies where our largest climate impacts are. Sales used to calculate efficiency provided prior to publication (June 2024) at £488.6m. The proportion of location-based carbon emissions reported relating to the UK and offshore area for FY24 is 49.1% (2,203 tonnes CO2e). In FY23 it was 45% (2,151 tonnes CO2e).

Streamlined Energy and Carbon Reporting (SECR)

Our global energy efficiency (per m2) shows a nearly 30% reduction against our baseline year of 2017. In addition to using Building Management Systems (BMS) to control energy use in 55% of our stores (trading as of 30 April 2024.), we have also closed store entrances globally, reducing the need for overdoor heating.

We have achieved our 2025 target of 25% efficiency (against our original FY17 baseline) as the impact of completing installation of LED bulbs in a number of stores at the end of FY24 is realised.

	Metric	% Change vs. baseline	FY24	FY23	FY22	FY21	FY20	Baseline FY17
Absolute Global Energy Use	KWH	-31.0%	18,530,081	20,492,504	21,832,170	19,336,659	24,946,000	26,837,273
Global Energy Efficiency	KWH/M^2	-29.7%	159.1	179.0	176.7	150.5	183.0	226.4
Global Energy Efficiency	KWH/£1,000 Sales	6.2%	37.9	32.9	36.3	34.7	35.4	35.7

Energy Use: The proportion of energy consumption reported relating to the UK and offshore area for FY24 was 52.6% (9,754,242 kWh purchased electricity, heating, and cooling, and 83,328 kWh gas). In FY23 this was 53% (10,863,400 kWh purchased electricity, heating, and cooling, and 71,930 kWh gas).

Sales used to calculate efficiency provided prior to publication (June 2024) at £488.6m.

Our global energy consumption inventory comprises of 90.7% purchased electricity, 3.19% heating and cooling and 6.11% direct combustion of natural gas.

We have reported on all energy and carbon emission sources required under both the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the 2018 Regulations) implementing Government policy on Streamlined Energy and Carbon Reporting (SECR).

Our Indirect Emissions (Scope 3) – Our product, supply chain and wider impacts

Our indirect emissions account for 99.9% of our total footprint.

In line with SBT rules we are prioritising categories where we have greater control over emissions reduction in our target but continue to report on all categories for transparency. We have planned a straight line 5% reduction between 2020 and 2030. So far, we have achieved a 58% reduction, tracking above plan, driven by:

- Buying smarter, reducing our buy volumes by 48% compared to FY20 and selling through stock we have in our warehouse. This impacted categories 1, 4, 9, 11, 12.
- Reducing the carbon impact of our materials by converting 64% of our garments to low-impact materials, from a base of 16% in FY20, while also increasing the use of renewable electricity in factories to 80% of garments bought from a 0% baseline in FY20. This has impacted category 1.
- Reduced business travel and working from home across all offices post Covid (categories 6, 7)
- We have excluded working from home from SBTI targets as per their guidelines (category 7), so these are now reported separately.
- Improvements made in calculations and a greater visibility in emission factors used: we have expanded our use of open-source factors to improve the transparency of our footprint (all categories with *).
- For the first time our basis of reporting will also be made public alongside our Scope 1 - 3 results. This is available on our website.

Scope 3	Included in SBTI	% Change vs. baseline	FY24	(Restated) FY23*	(Restated) FY22*	Baseline Revised FY20
Category 1: Purchased Goods & Services	Yes	-58%	118,610	169,807	214,692	280,309
Category 2: Capital Goods*	No	-88%	592	4,094	6,745	5,113
Category 3: Fuel and Energy-Related Activities*	Yes	-7%	1,613	1,774	1,905	1,742
Category 4: Upstream Transportation and Distribution*	Yes	-72%	7,181	11,378	16,495	25,220
Category 5: Waste generated in operations*	Yes	-74%	44	42	94	168
Category 6: Business Travel*	Yes	-82%	625	881	1,604	3,429
Category 7: Employee Commuting *	Yes	-33%	2,021	1,816	1,949	3,023
Category 7: Working from Home*	No	642%	374	404	294	50
Category 8: Upstream Leased Assets*	Yes	-40%	165	257	316	276
Category 9: Downstream Transportation and Distribution*	No	-58%	577	1,078	4,044	1,370
Category 10: Processing of sold products	No				Not applicable	
Category 11: Use of sold products	No	-51%	52,546	64,874	80,755	107,190
Category 12: End-of-life treatment of sold products	No	-56%	1,654	2,685	2,991	3,743
Category 13: Downstream leased assets*	No				Not applicable	
Category 14: Franchises*	Yes	-38%	4,244	4,500	4,517	6,885
Category 15: Investments*	No	–	411	643	–	–
Total Scope 3	No	-57%	190,656	264,235	336,402	438,518
Total SBT targeted emissions		-58%	134,503	190,456	241,572	321,052

*FY22 and FY23 have been restated to account for a joint venture in FY20.

Our full Scope 3 emissions, including SBT targeted categories.

Methodology Statement:

All emissions disclosed in tables above have been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (revised edition), WRI/WBCSD GHG Protocol Scope 2 Guidance 2015, WRI/WBCSD Corporate Value Chain (Scope 3). This methodology aligns to the criteria of the Science Based Targets Initiative (SBTi) so that this data has been used to track a Science Based Target.

We used emission factors published by Department for Business Energy and Industrial Strategy (BEIS) and Department for Environment, Food and Rural Affairs (DEFRA) as well as databases from AIB and Climate Transparency.

This year, we completed an annual verification of our Scope 1, 2 and 3 emissions declared within tables above. This verification was undertaken by Bureau Veritas to the ISO 14064-3:2019 standard. Their full statement of verification can be seen at corporate.superdry.com. Data is reported for FY24, which runs from 1 May 2023 to 30 April 2024. Further information on our basis of reporting is also available on our website.

Communicate with Integrity (KPI 7)

Working closely with our suppliers, this team is led by our local offices with oversight from our Head Office sustainability function to ensure global consistency.

Our core KPI in this area is our Respect programme, which is based on the UN Guiding Principles (UNGP) and promotes an inclusive and equitable work environment for all employees, particularly women.

KPI	Measurement	Verification	Materiality
7: Number of workers in our third-party supply chain actively engaged in our Respect and Dignity program.	Worker numbers declared in ethical audits.	Ethical audits completed annually by third-party partners including Bureau Veritas, Social Compliance Services Limited and The Reassurance Network.	62% of the 45,623 people in our supply chain are women.

Policies and due diligence

While our Respect KPI represents the opportunity to go beyond compliance, our approach to working with our partners and supply chain relies on clear policies and due diligence to effectively manage the risks and opportunities associated with a garment supply chain.

Our human rights and environmental policies provide our foundation for defining risk and opportunity through our business and supply chain, defining minimum standards, ways of working and due diligence required through our business and supply chains in line with UK and international laws and standards.

All suppliers (owned and licensed) are required to comply with relevant local legislation as well as our own business principles. Forming part of our contractual terms of business, all suppliers of Superdry branded product are required to sign up to our Supplier Manual comprising our human rights and environmental policies, due diligence processes and strategic sustainability targets. Suppliers are assessed and provided with feedback on sustainability and ethical performance as part of a cross-functional scorecard twice a year.

Human rights, environmental, and climate risks to the business are updated quarterly; The human rights, environmental, and climate risks resulting from our business activities, on our value chain, its communities, and the planet are reviewed annually and published on our website.

Our statement on human rights

We respect and uphold human rights wherever we operate and are aware that risks can arise within our own business and supply chains. Our approach to human rights is guided by the UN Guiding Principles on Business and Human Rights (UNGPs), and we adopt the principles of leveraging change and utilising effective due diligence and remedial actions to detect and manage risk. Our Code of Practice, aligned with the ETI Base Code, represents our foundational requirements. Alongside wider human rights policies which work with local laws, this ensures that a minimum standard of protection is afforded to our colleagues. It is the standard for our supply chain partners to uphold in relation to their employees.

Supporting our human rights commitment is our Modern Slavery Statement. This is published in line with the UK's Modern Slavery Act (2015) and California's Transparency in Supply Chains Act (2010) and is available on our website.

Supply chain due diligence

We are seeing significant positive shifts in our supply base – from compliance to adopting our sustainability goals within factories.

We have established mechanisms to closely monitor and manage these risks – from the selection of factories for production, ongoing monitoring of their compliance with our policies and, if required, responsible exit should any major non-conformities be identified and not remedied. We have a dedicated ethical trading function, including labour standards experts in each key sourcing territory, and strict standards in place to ensure manufacturers are operating factories that meet our baseline Code of Practice requirements.

In FY24, 97% of our Tier 1 factories were ranked in line with or above, social and environmental compliance – a 3% increase since last year. The 3% who fall below our social and ethical requirements are actively engaged in improvement over a defined period through our Intensive Care Programme (ICP) or exited in line with our Responsible Exit Process. The programme involves targets and milestones agreed between the supplier and Superdry leadership teams and local experts – additional training is then delivered by third-party specialists, with regular visits to monitor improvement.

In line with the ETI Corporate Transparency Framework and to demonstrate our commitment to communicate with integrity, Superdry publish Tier 1 factory list information through Open Supply Hub, driving greater accountability, awareness and continuing our journey towards a transparent supply chain.

How we grade fair and safe conditions in our supply chain

Blue Grade 12%
Leading social and environmental compliance and sustainability systems including a minimum of two of the below:

- Active partner in our Respect programme.
- Installing solar panels.
- Certified energy efficiency; and
- Procuring cotton from Superdry 'in-conversion' farms.

Green Grade 25%
Leading social and environmental compliance.

Yellow Grade 60%
Performs in line with social and environmental compliance requirements.

Orange Grade 3%
Falls below our social and ethical requirements, actively engaged in improvement over defined period (IC) or exited.

Red Grade 0%
Critical Failure: urgent resolution, or exit.

Independent Auditor's Report to the members of Superdry Plc

1. Opinion

We have audited the financial statements of Superdry plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 27 April 2024 which comprise the Group Statement of Comprehensive Income; the Group and Parent Company Balance Sheets; the Group and Parent Company Statements of Changes in Equity; the Group and Parent Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and UK-adopted International Accounting Standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 27 April 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Material uncertainty relating to going concern

We draw attention to note 1b to the financial statements and the detailed information on pages 58 to 60, which indicates that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The Group made a post-tax loss, after adjusting items, of £67.7m for the year.

In December 2022, the Group refinanced its existing asset backed lending facility ('ABL') of up to £70m with a new ABL facility of up to £80m, including a term loan of £30m, with specialist lender, Bantry Bay. The total facility is restricted by levels of inventory and receivables held at any point in time. This facility was due to expire in December 2025. In August 2023, a second lien ABL financing facility was agreed with Hilco Capital Limited ('Hilco') of up to £25m. Post year end, on 17 June 2024, the ABL facilities with Bantry Bay and Hilco were amended and extended to June 2027.

Within the accounting period the Group completed an equity raise with net proceeds totaling £11.0m and additionally finalised agreements to sell intellectual property related to the Superdry brand in certain APAC countries and in India, Sri Lanka, and Bangladesh which collectively generated net cash proceeds of £62.7m.
On 16 April 2024 the Group announced that its subsidiary, C-Retail Limited, was launching a restructuring plan pursuant to Part 26A of the Companies Act 2006 which would involve the restructuring of its UK property estate and retail cost base. At the same time, the Group also announced an equity raise and its intention to delist from the London Stock Exchange.
Post year end, on 17 June 2024, the restructuring plan was sanctioned by the Court and in July 2024 the Group's listing of its ordinary shares on the London Stock Exchange was cancelled with the delisting becoming effective on 15 July 2024. On 15 July 2024, the Company issued 200,000,000 new ordinary shares at 5 pence each raising gross proceeds of £10.0m, all shares were issued to Julian Dunkerton, the Group's CEO and largest shareholder, giving him ultimate control of the Group.

At 27 April 2024, £30.0m (which is the term loan element of the facility) of the ABL Facility with Bantry Bay had been drawn down. The Group had also drawn £10.2m on the Hilco facility resulting in total borrowings of £40.2m, with the Group net debt position being £12.9m (note 29). The maximum drawdown on the ABL facilities in FY24 was £57.0m in the period September to October 2023, in line with the peak working capital requirements of the Group.

The macro-economic conditions within the retail sector and the economy as a whole remain challenging and in addition to the restructuring plan and refinancing the Group has sought to implement further operational and cost-saving measures.

Against this background, the Group's medium-term financial forecasts have been used as a basis for the going concern assessment which covers the 12-month period from the date of approval of these financial statements. The medium-term forecasts assume that the Group will be successful in reducing costs across the business such that it can continue to operate within its ABL facilities. However, given the current uncertainty in the retail sector there remains uncertainty in relation to the key judgements and assumptions that underpin the Group's financial forecasts.

The Directors have considered the adoption of the going concern basis of accounting as a key judgement and estimate and note that there is a high level of uncertainty as a result of the current economic outlook and business performance.

These factors along with the other matters as set forth in note 1b to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the relevant controls around going concern models.

- Gaining an understanding of management's going concern models and the financing facilities available to the Group, including repayment terms and covenants.
- Obtaining evidence that the budgets and forecasts have been authorised by the Board.
- Checking the mathematical accuracy of management's cashflow models and agreeing opening balances to 27 April 2024 actual figures.
- Reviewing the structure, integrity and accuracy of the underlying financial models
- Critically challenging whether the assumptions in management's base model appear realistic, achievable and consistent with other internal and external evidence, including market and industry data. This included assessing the likelihood of achievement of management's future plans and cost saving measures to improve its cash flow position. In performing this assessment, we assessed the riskiest assumptions in management's forecasts on which to perform further testing and sensitivities.
- Checking management's covenant compliance calculations to determine whether there is a risk of breach.
- Assessing whether the assumptions applied in management's forecasts are consistent with those applied elsewhere in the financial statements, such as in relation to the assessment of property related provisions, goodwill impairment and deferred tax recognition.
- Comparing forecast sales with recent historical information to consider the accuracy of forecasting and consider post year-end sales patterns to assess whether they are consistent with those assumed in the base model.
- Assessing the forecast monthly cash headroom and covenant headroom in management's forecasts and considering the impact of this on the appropriateness of the sensitivities performed.
- Testing management's sensitivity analysis and reverse stress test and performing our own analysis based on further sensitising of the models to take account of reasonably possible scenarios that could arise from the risks identified.
- Assessing and challenging the feasibility of mitigating actions available to the Directors, should these be required, if the forecast performance is not achieved.
- Assessing the consistency, adequacy, and specificity of disclosures in the Viability statement and elsewhere in the financial statements.
- Challenging the appropriateness of the Group and Parent Company's disclosures over the going concern basis and the material uncertainty arising with reference to our knowledge and understanding of the assumptions taken by the Directors and recent FRC guidance.

Given the significance of the going concern basis to the Group and Parent Company's financial statements we consider this to be a key audit matter.
We draw attention to note 1b to the financial statements which sets out details of the reverse stress test performed by management as part of their assessment of viability and going concern. This indicates that the reverse stress test scenario shows that, without any mitigating factors or contingency, a reasonably feasible downside scenario in sales would require funding in excess of the available facility at certain points in the year. Management's reverse stress test scenario indicates that a 7.6% (£32m) reduction in forecast revenues over a 12-month period would result in a breach of available facilities.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

4. Summary of our audit approach

Key audit matters	**Group** • Going concern (see section 3 above) • Impact of control deficiencies • Impairment of property related assets, goodwill and intangible assets • Inventory provision **Parent Company** • Impairment of investment in subsidiaries and expected credit losses on intercompany loans
Materiality	**Group** • Overall materiality: £4.88m • Performance materiality: £2.68m **Parent Company** • Overall materiality: £4.83m • Performance materiality: £1.32m
Scope	Our audit procedures covered 89%% of revenue, 93% of total assets and 91%% of loss before tax.

5. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group and Parent Company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Group and Parent Company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

In addition to the matter described in the Material uncertainty related to going concern section discussed above we have determined the matters described below to be the key audit matters to be communicated in our report.

Impact of control deficiencies

Key audit matter description	The Group’s control environment continues to require significant improvement. Whilst management have started to implement a controls improvement and finance transformation project, progress has been hampered during the year as a result of a focus on issues related to liquidity and refinancing. Whilst some progress has been made during the year, control weaknesses remain, particularly around management review controls, balance sheet reconciliations, inventory, the operation of system interfaces and general IT control deficiencies relating to access and change management controls. The weaknesses identified are indicative of the ongoing control issues within the Group as highlighted above. Due to the pervasiveness of the control deficiencies and their potential impact on the financial statements, we consider this to be a key audit matter.
How the matter was addressed in the audit	We adopted a fully substantive audit approach, with no reliance on internal controls. We planned and performed our audit in order to respond to the pervasive risks arising from the deficiencies in the control environment. In response to the assessed risks we: • Performed agreed upon procedures prior to the year end to review progress in addressing balance sheet reconciliations and in order to identify any additional risks. • Applied a lower performance materiality (being 55% of overall materiality) than would be ordinarily used if the control environment had been deemed effective. This increased the volume of substantive testing completed. • Tested a number of transactional balances at an elevated risk level and applying an increased level of sample testing. • Discussed progress made in addressing control improvements with Internal Audit and key members of the finance and IT teams and considered the implications for our audit. • Utilised senior members of the audit team to perform audit testing directly in the more complex areas of accounting, including inventory variance accounting, IFRS 16, store and goodwill impairments, going concern, and the audit of the Group’s consolidation. • Applied data analytics in our testing, particularly with regards to revenue and inventory where there are large volumes of transactional data and to the testing of journals. • Interrogated spreadsheets to detect formula errors and other anomalies Including in relation to management’s excel going concern and impairment models.

	Given the complexity in this area, this work has been performed by more senior members of the audit team.
Key observations	There is still considerable work to be done by management to address deficiencies within the control environment and improvements are less advanced than previously planned, partially due to a refocus on issues of liquidity.

Impairment of property related assets, goodwill and intangible assets	
Key audit matter description	As a result of the macro-economic factors, reduction in consumer disposable income and changing patterns of retail consumer behaviour, particularly in relation to physical stores and the wholesale business, the Group identified that there were indications of impairment in relation to property related assets and goodwill. Property related assets comprise store assets and IFRS 16 right of use assets, onerous lease contracts and related PPE. As required by IAS 36 (Impairment of Assets) the Group has performed an impairment review of all such assets. As a result of the review of property related assets, a total net impairment charge of £43.8m (2023: £41.0m) has been recognised in the financial statements of which £4.1m relates to store assets (2023: £3.4m) and £39.7m relates to right of use assets (2023: £37.6m). An onerous lease charge of £1.2m (2023: £2.3m charge) has also been recognised in these financial statements. In relation to goodwill, a total net impairment charge of £16.7m (2023: nil) has been recognised in the financial statements of which £2.7m relates to the retail segment and £14m relates to the wholesale segment. As described in note 2 to the financial statements, the impairment review involves management judgements and estimates in relation to the value in use of the property related assets (being the net present value of the forecast related cashflows). The values derived are then compared to the book value of the related assets to determine whether impairment is required. In making this assessment management determined each property or store to be a cash generating unit (CGU). The store asset impairment review process involves management making several estimates to determine the value in use of the stores, which is determined based on forecast future trading performance). There continues to be uncertainty and, as a result, significant judgement arises in assessing the Group's future performance including the determination of an appropriate discount rate and an assessment of the likely impact of high inflation and reduced consumer disposable income.

	Furthermore, the impairment and onerous property related contract model is complex and is prepared using Excel spreadsheets which increases the scope for error. This exercise involves a high level of management judgement and is therefore, given the carrying value of store assets and onerous property contract provisions, deemed to be a significant risk with a high degree of estimation uncertainty. Due to the factors explained above, we have identified valuation and disclosure of property related assets as one of the most significant matters in the Group audit and it is therefore considered to be a key audit matter.
How the matter was addressed in the audit	We obtained an understanding of how management performed their impairment testing of property related assets and their approach to valuation. We critically assessed the methodology applied by management with reference to the requirements of IAS 36 and tested the integrity of the value in use calculations and the calculated impairments by CGU. We challenged the significant assumptions within management's models through: • Critically challenging whether the assumptions in management's forecasts appear realistic, achievable, and consistent with other internal and external evidence, including market and industry data. • Assessing whether management's calculations, including the methodology upon which they are based, have been made in accordance with IAS 36 'Impairment of Assets' for any impairment recognition or reversal of impairment and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. • Testing whether the assumptions applied in management's forecasts were consistent with those applied elsewhere in the financial statements, such as for going concern and goodwill impairment. • Engaging our modelling experts to assess the validity and integrity of management's model. • Comparing the discount rate used with that independently calculated by our internal valuation expert. • Challenging management's allocation of central costs within their forecast models. • Challenging management's sensitivity analysis and performing our own analysis based on further sensitising of the models to take account of reasonably possible scenarios that could arise from the risks identified. • Critically evaluating the appropriateness of the disclosures made, including in respect of the key source of estimation uncertainty and sensitivity analysis.

	We assessed whether the disclosures within the financial statements are consistent with IAS 36.
Key observations	Our audit work in relation to property related assets concluded that the Group's impairment models had been prepared in accordance with IAS 36. Our audit work in relation to the goodwill impairment model identified inconsistencies with IAS 36. As a result of our challenges to management on the model, an increase to the wholesale segment goodwill was recorded of £14m. The impairment models and the Group's forecasts on which they are based are subject to significant management judgement as to the future performance of the Group, the ability to manage costs and a return to profitability. Given that store impairment and onerous contract provision is a critical accounting estimate, and the uncertainties involved in forecasting the Group's future trading performance the disclosures in note 2 to the financial statements regarding the key judgements and sensitivities underlying the forecasts provide important information in relation to the impact of a reasonably possible change in key assumptions.

Inventory provision	
Key audit matter description	As at 27 April 2024, the Group held £79.6m of inventory (FY23: £112.5m). The inventory provision was £2.6m (FY23: £3.8m), representing 3.2% (FY22: 3.3%) of the balance (see note 20 to the financial statements). The Group accounting policy for providing for slow moving inventory is based upon the ageing of inventory by season, with a percentage provision applied which reflects the actual historical rate of losses made. In addition, specific provisions are made for known product ranges which management considers unlikely to be sold at a margin through regular clearance channels. The valuation of inventory involves management judgement in recording provisions for slow moving or obsolete inventory. Inventory is material to Group accounts, and provisioning against balances is subject to management judgement. In particular, provisioning not linked to ageing (the obsolescence is formulaic, and the methodology is unchanged from prior year) is subject to judgement as it involves assessment of future performance of stock lines through different sales channels.

	Based on the trading within the period and challenges in selling through older inventory, there is a risk that the provision against inventory balances in insufficient and accordingly we have identified this as one of the most significant matters in the Group audit and therefore determined this to be a key audit matter.
How the matter was addressed in the audit	In responding to the risk, we: • Obtained an understanding of the relevant controls that the Group has established regarding the inventory provision. • Compared the methodology applied in calculating the slow-moving inventory obsolescence provision to the Group's policy and recalculated the provision, with reference to the policy. • Used data analytics on transactional activity to obtain a listing of slow moving, obsolete and damaged inventory and evaluated whether appropriate provisions had been made for these items and challenged management over any items not provided for. • Applied data analytics to identify inventory that had been sold for below cost in the period and considered the implications for the provisioning model. • Reviewed the elements of the provisioning model driven by seasonality data and recalculated the provision in line with management's methodology. • Determined the accuracy of the data used in the inventory provision calculation by testing the season ageing of a sample of inventory items back to supplier invoice. • Challenged management on the appropriateness of specific provisions in the light of the latest available evidence. • Tested the sell through of inventory by category including reviewing the terms of any bulk selling arrangements including management's planned disposal for disposal of surplus inventory. • Evaluated the appropriateness of management's assumptions by benchmarking against other retailers, reviewing post year-end sales data and reviewing historical trends.
Key observations	From the work performed above, we did not find any issues with the inventory provision

Impairment of investment in subsidiaries and expected credit losses on intercompany loans – Parent Company	
Key audit matter description	The carrying value of the investment in subsidiaries (note 17 to the financial statements) of £12.3m (2023: £74.3m) and the intercompany receivables (note 21 to the financial statements of £162.0m (2023: £241.1m) held on the Parent Company balance sheet have been

	assessed for impairment by reference to IAS 36 'Impairment of Assets' and IFRS 9 'Financial instruments' respectively. See note 2 of the financial statements. The Group's market capitalisation declined significantly during the year (prior to the post year end de-listing) and at year end was below the carrying value of the Parent Company's investment in subsidiaries. Judgement is therefore required as to whether the investment value should be impaired and whether the intercompany receivables are recoverable. In assessing the recoverability of the intercompany receivables, management has considered a range of possible credit loss outcomes in their model. In assessing the carrying value of the investment in subsidiaries, the Board's medium-term plan has been used to estimate the value-in-use of each of the subsidiaries held. This is the same medium-term plan used for the store impairment, onerous property related contract provision, going concern and long-term viability assessments. As discussed in our material uncertainty related to going concern and our key audit matters relating to goodwill and intangible assets and the store asset impairment and onerous property related contract provision, the forecast performance of the business is subject to uncertainty. An impairment charge of £76.4m (FY23: £67.2m) has been recognised in relation to the investment in subsidiaries and a loan loss allowance of £158.8m (FY23: £136.6m) has been recognised in relation to intercompany balances. Refer to note 2 for the assessment undertaken, the resulting impairment recorded, and sensitivity disclosures. Given to the significance of the investment and intercompany loan balances in the Parent Company balance sheet and the judgement required in applying IAS 36 and IFRS 9 we consider accounting for these balances to be a key audit matter.
How the matter was addressed in the audit	To respond to this key audit matter, we have: • Obtained an understanding of the relevant controls in place around the models used to calculate the carrying value of the investment in subsidiaries and the recoverability of intercompany receivables. • Challenged the key assumptions within management's forecasts including assessing whether these are consistent with internal and external evidence, including actual performance in the financial year and market and industry data in the forecast period. We also considered whether the forecasts were consistent with the Group's 3-year plan and the models underpinning going concern and asset impairment considerations. • Tested the mechanical accuracy of management's model and testing the data used in management's calculations by verifying this to supporting documentation. • Assessed the methodology applied in reviewing the investments for impairment and assessing the recoverability of intercompany

	balances, with reference to the requirements of IAS 36 Impairment of Assets and IFRS 9 Financial instruments respectively. • Compared the economic value of the Group implied by the impairment model to the Group's market capitalisation over FY23 in order to challenge the tenure of the cash flows used in the impairment model. • Considered the consistency of the forecasts applied in these calculations with forecast information assessed as part of store impairments, going concern and other areas of the audit. • Considered the appropriateness of management's impairment of investment in subsidiaries and expected credit loss provision's sensitivity analysis to reasonably possible changes in their assumptions, including downsides. • Evaluated the appropriateness of the disclosures made, including in respect of the key source of estimation uncertainty and sensitivity analysis. • Evaluated management's assessment as to whether the offsetting criteria under IAS 32 has been met or not, and on this basis whether the intercompany receivables and intercompany payables are appropriately presented.
Key observations	We challenged management on a number of aspects of the impairment in the investment model which was not initially properly prepared in accordance with IAS 36 or IFRS 9. As a result of our challenges, management reworked their models and recognised an additional impairment charge of £15.6m in relation to the Parent Company's investments in subsidiaries and £23.6m in relation to intercompany receivables due.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent Company
Overall materiality	£4.88m (2023: £3.11m)	£4.83m (2023: £3.1m)
Basis for determining overall materiality	1% of revenue (2023 0.5%)	1% of total gross assets excluding Group balances capped at 99% of Group materiality (2023 1% of net assets capped at 99% of Group materiality)

Rationale for benchmark applied	In our professional judgement we consider revenue to be the most appropriate benchmark to determine materiality given that it is a more stable measure than (loss)/profit before tax	In our professional judgement we consider net assets to be the appropriate measure given that the Company is primarily a holding company for the Group
Performance materiality	£2.68m (2022: £1.56m)	£1.32m (2022: £1.55m)
Basis for determining performance materiality	55% of overall Group materiality (2023: 50% of overall Group materiality)	55% of overall Parent Company component materiality, £2.40m (2023: 50% of overall Parent Company materiality)
Reporting of misstatements to those charged with governance	Misstatements in excess of £0.24m (2023: £0.15m) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £0.12m (2023: £0.15m) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

In determining performance materiality, we considered the following factors:

- Our risk assessment, including our assessment of the Group's overall control environment in the light of the number of control deficiencies identified during the current and previous audits (as detailed within the key audit matter above); and
- The value and quantum of corrected and uncorrected misstatements in prior periods and our expectation of the likelihood of misstatements occurring in the current period as a result of the continuing control deficiencies.

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Group's business and is risk based, and in particular included:

- Evaluation of identified components to assess the significance of each component and to determine the planned audit response based on a measure of materiality. This included significance as a percentage of the Group's revenue, total assets and adjusted profit before tax;
- For those components that were evaluated as significant, or likely to include significant risks, either a full-scope or targeted approach was taken based on their relative materiality to the Group, and our assessment of the audit risk. For significant components requiring a full-scope approach, we evaluated controls over the financial reporting systems identified as part of our risk assessment and addressed critical accounting matters. Substantive testing was performed on significant classes of transactions and balances, and other material balances, determined during the Group scoping exercise;

- Full scope audit procedures have been performed on the financial statements of Superdry PLC, and on the financial information of the main components being DKH Retail Limited, C-Retail Limited, SuperGroup Internet Limited
- In addition, the targeted audit procedures were performed on three components.
- Our audit work at the components was planned and performed at a level of materiality lower than Group materiality of £2.4m.

At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

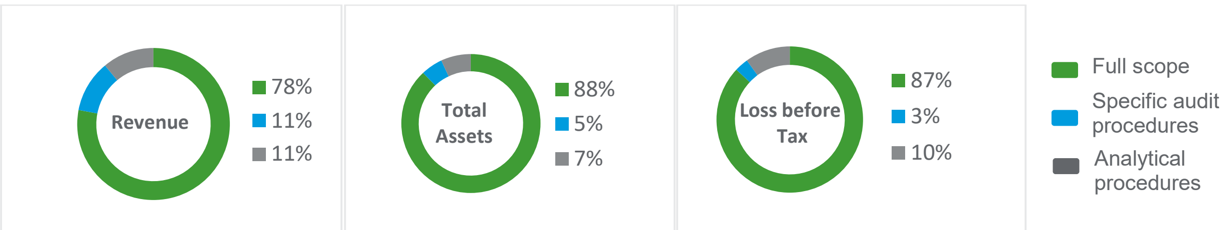
All audit work for the purpose of expressing an opinion on the Group's financial statements was performed by the Group audit team as the accounting records are held centrally, with the exception of inventory counts which were performed by local country RSM audit teams under the direction of the Group audit team.

The operations that were subject to full-scope audit procedures made up 78% of consolidated revenues, 88% of total assets and 87% of loss before tax.

The operations that were subject to targeted audit procedures made up 11% of consolidated revenues, 5% of total assets and 3% of loss before tax; and

The remaining operations of the Group were subject to analytical procedures over the balance sheet and income statements of the relevant entities with a focus on applicable risks identified above. This made up 11% of consolidated revenues, 7% of total assets and 10% of loss before tax.

The coverage achieved by our audit procedures was:



	Number of components	Revenue	Total assets	Loss before tax
Full scope audit	4	78%	88%	87%
Specific audit procedures	3	11%	5%	3%
Total	**7**	**89%**	**93%**	**90%**

Analytical procedures at Group level were performed for the remaining components.

The Parent Company was subject to a full scope audit for the purposes of the Group and Parent Company financial statements.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, we:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the Group and Parent Company operate in and how the Group and Parent Company are complying with the legal and regulatory frameworks;

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- applied analytical review procedures to identify unusual or unexpected relationships; and,
- discussed within the audit engagement team about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures, we considered the opportunities and incentives that may exist within the Group for fraud and identified the greatest potential for fraud in those areas in which management is required to exercise significant judgement. In common with all audits under ISAs (UK) we also performed specific procedures to respond to the risk of management override and the risk of fraudulent revenue recognition. These procedures included: -

- testing the appropriateness of journal entries and other adjustments based on risk criteria and comparing the identified entries to supporting documentation;
- assessing whether the judgements made in making accounting estimates were indicative of potential bias;
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- testing the operating effectiveness of the manual controls in relation to the completeness, accuracy, and existence of cash sales;
- testing revenue had been recognised within the appropriate accounting period through testing a sample of transactions around the year end and agreeing recognition was in line with management's accounting policy; and,
- investigating transactions posted to nominal ledger codes outside of the normal revenue cycle identified through the use of data analytics tools.

The Group is subject to laws and regulations which directly affect the material amounts and disclosures in the financial statements. The most significant laws and regulations were determined to be as follows: UK-adopted International Accounting Standards, the UK Companies Act, Financial Conduct Authority regulations, including the Listing Rules during the year and tax legislation.

In addition, the Group is subject to other laws and regulations which do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid material penalties. We identified the following areas as those most likely to have such an effect: competition and anti-bribery laws, data protection, employment, environmental and health and safety regulations.

In response to the above, audit procedures performed by the audit engagement team included:

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and correspondence with regulatory bodies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
RSM UK Audit LLP
163FC106515041C...

Mark Harwood (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date 20 September 2024

Consolidated statement of comprehensive income

	Note	Adjusted* 2024 £m	Adjusting items (note 5) £m	Total 2024 £m	Adjusted* 2023 £m	Adjusting items (note 5) £m	Total 2023 £m
Revenue	4	488.6	–	488.6	622.5	–	622.5
Cost of sales		(220.1)	–	(220.1)	(294.1)	–	(294.1)
Gross profit		268.5	–	268.5	328.4	–	328.4
Selling, general and administrative expenses		(320.8)	(87.3)	(408.1)	(372.7)	(46.4)	(419.1)
Other gains and losses (net)	9	23.4	70.4	93.8	32.7	(10.4)	22.3
Impairment charge on trade receivables	21	(0.7)	–	(0.7)	(1.7)	–	(1.7)
Operating (loss)	10	(29.6)	(16.9)	(46.5)	(13.3)	(56.8)	(70.1)
Finance income	11	1.3	–	1.3	1.8	–	1.8
Finance expense	11	(20.0)	–	(20.0)	(10.2)	–	(10.2)
Loss before tax		(48.3)	(16.9)	(65.2)	(21.7)	(56.8)	(78.5)
Tax expense	12	(2.5)	–	(2.5)	(69.6)	–	(69.6)
Loss for the period		(50.8)	(16.9)	(67.7)	(91.3)	(56.8)	(148.1)
Attributable to:							
Owners of the Company		(50.8)	(16.9)	(67.7)	(91.3)	(56.8)	(148.1)
Other comprehensive expense/(income) net of tax:							
Items that may be subsequently reclassified to profit or loss							
Currency translation differences on translation of foreign operations		13.7	–	13.7	(7.0)	–	(7.0)
Total comprehensive (expense) for the period		(37.1)	(16.9)	(54.0)	(98.3)	(56.8)	(155.1)
Attributable to:							
Owners of the Company		(37.1)	(16.9)	(54.0)	(98.3)	(56.8)	(155.1)

* Adjusted and adjusting items are defined in note 32.

2024 is for the 52 weeks ended 27 April 2024 and 2023 is for the 52 weeks ended 29 April 2023.

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 58-113 inclusive are an integral part of the Group and Company financial statements.

Consolidated statement of financial position

Registered number: 07063562

		Group		Company	
	Note	27 April 2024 £m	29 April 2023 £m	27 April 2024 £m	29 April 2023 £m
ASSETS					
Non-current assets					
Property, plant and equipment	15	6.6	16.3	3.1	4.0
Right-of-use assets	27	23.3	48.5	1.8	1.4
Intangible assets	16	8.1	42.8	1.3	7.2
Investments in subsidiaries	17	–	–	12.3	74.3
Trade and other receivables	21	5.6	–	3.2	104.5
Total non-current assets		43.6	107.6	21.7	191.4
Current assets					
Inventories	20	79.6	112.5	0.6	1.3
Trade and other receivables	21	63.1	82.2	10.7	9.5
Derivative financial instruments	30	–	1.1	–	–
Cash and bank balances	22	32.3	58.2	9.2	5.6
Total current assets		175.0	254.0	20.5	16.4
LIABILITIES					
Current liabilities					
Borrowings	23	45.2	83.8	3.5	2.2
Trade and other payables	24	91.1	120.8	227.5	239.0
Current income tax liabilities		3.2	3.0	–	–
Provisions for other liabilities and charges	25	1.6	5.4	0.2	1.3
Derivative financial instruments	30	1.3	2.2	1.0	–
Lease liabilities	27	59.1	60.5	1.4	1.3
Total current liabilities		201.5	275.7	233.6	243.8
Net current liabilities		(26.5)	(21.7)	(213.1)	(227.4)
Non-current liabilities					
Trade and other payables	24	7.5	3.0	–	–
Provisions for other liabilities and charges	25	15.1	7.1	–	–
Deferred income tax liabilities		–	0.4	–	–
Deferred liabilities		0.6	0.9	–	–
Lease liabilities	27	87.6	127.6	1.0	1.8
Total non-current liabilities		110.8	139.0	1.0	1.8
Net liabilities		(93.7)	(53.1)	(192.4)	(37.8)

Consolidated statement of financial position

Registered number: 07063562

		Group		Company	
	Note	27 April 2024 £m	29 April 2023 £m	27 April 2024 £m	29 April 2023 £m
EQUITY					
Share capital	31	5.0	4.1	5.0	4.1
Share premium		159.4	149.3	159.4	149.3
ESOP Reserve		(0.1)	(0.1)	(0.1)	(0.1)
Translation reserve		5.2	(8.5)	–	–
Merger reserve		(302.5)	(302.5)	–	–
Retained earnings		39.3	104.6	(356.7)	(191.1)
Total equity		(93.7)	(53.1)	(192.4)	(37.8)

The Company loss for the year is £165.6m (2023: loss of £197.6m). The notes on pages 58-113 inclusive are an integral part of the Group and Company financial statements. The financial statements on pages 52-57 were approved by the Board of Directors and authorised for issue on 20 September 2024 and signed on its behalf by:

Giles David
Chief Financial Officer

Consolidated statement of cash flows

		Group		Company	
	Note	2024 £m	2023 £m	2024 £m	2023 £m
Cash generated from operating activities	28	82.8	49.4	6.5	9.2
Tax payment		(2.3)	(3.6)	–	–
Net cash generated from operating activities		80.5	45.8	6.5	9.2
Cash flow from investing activities					
Investments in subsidiaries		–	–	(0.3)	–
Purchase of property, plant and equipment	15	(1.0)	(8.2)	(0.8)	(1.5)
Purchase of intangible assets	16	(2.7)	(6.4)	(0.3)	(2.9)
Interest received	11	1.3	1.8	0.9	1.7
Upfront payment received in relation to sale of Intellectual Property		–	4.0	–	–
Net cash used in investing activities		(2.4)	(8.8)	(0.5)	(2.7)
Cash flow from financing activities					
Lease Incentives – Landlord Contributions		0.6	4.0	–	–
Repayment of ABL facility	29	(17.9)	(130.5)	–	–
Drawdown of ABL facility	29	9.8	160.1	–	–
Interest paid	11	(19.7)	(10.2)	(14.0)	(1.9)
Proceeds from issue of shares		11.0	0.1	11.0	–
Repayment of leases – principal amount		(53.7)	(56.3)	(0.7)	(1.2)
Net cash used in financing activities		(69.9)	(32.8)	(3.7)	(3.1)
Net increase in cash and cash equivalents*	29	8.2	4.2	2.3	3.4
Cash and cash equivalents at beginning of period	29	22.4	17.4	3.4	–
Exchange (losses)/gains on cash and cash equivalents		(3.3)	0.8	–	–
Cash and cash equivalents at end of period*	29	27.3	22.4	5.7	3.4

* Cash and cash equivalents includes bank overdrafts

2024 is for the 52 weeks ended 27 April 2024 and 2023 is for 52 weeks ended 29 April 2023.

The notes on pages 58-113 inclusive are an integral part of the Group and Company financial statements.

Consolidated statement of changes in equity

Group	Note	Share capital £m	Share premium £m	ESOP share reserve £m	Translation reserve £m	Merger reserve £m	Retained earnings £m	Total equity £m
Balance at 30 April 2022		4.1	149.2	(2.0)	(1.5)	(302.5)	252.9	100.2
Comprehensive (expense)/income								
Loss for the period		–	–	–	–	–	(148.1)	(148.1)
Other comprehensive expense		–	–	–	–	–	–	–
Currency translation differences		–	–	–	(7.0)	–	–	(7.0)
Total other comprehensive expense		–	–	–	(7.0)	–	–	(7.0)
Total comprehensive expense for the period		–	–	–	(7.0)	–	(148.1)	(155.1)
Transactions with owners								
Shares issued		–	0.1	–	–	–	–	0.1
ESOP shares issued	31	–	–	1.9	–	–	–	1.9
Employee share award schemes	7	–	–	–	–	–	(0.2)	(0.2)
Total transactions with owners		–	0.1	1.9	–	–	(0.2)	1.8
Balance at 29 April 2023		4.1	149.3	(0.1)	(8.5)	(302.5)	104.6	(53.1)
Comprehensive (expense)/income								
Loss for the period		–	–	–	–	–	(67.7)	(67.7)
Other comprehensive expense		–	–	–	–	–	–	–
Currency translation differences		–	–	–	13.7	–	–	13.7
Total other comprehensive expense		–	–	–	13.7	–	–	13.7
Total comprehensive expense for the period		–	–	–	13.7	–	(67.7)	(54.0)
Transactions with owners								
Shares issued	31	0.9	10.1	–	–	–	–	11.0
Employee share award schemes	7	–	–	–	–	–	2.4	2.4
Total transactions with owners		0.9	10.1	–	–	–	2.4	13.4
Balance at 27 April 2024		5.0	159.4	(0.1)	5.2	(302.5)	39.3	(93.7)

Statement of changes in equity

Company	Note	Share capital £m	Share premium £m	ESOP Share Reserves £m	Retained earnings £m	Total equity £m
Balance at 30 April 2022		4.1	149.2	(2.0)	6.5	157.8
Comprehensive expense						
Loss for the period	13	–	–	–	(197.6)	(197.6)
Other comprehensive income		–	–	–	–	–
Total other comprehensive expense		–	–	–	–	–
Total comprehensive expense for the period		–	–	–	(197.6)	(197.6)
Transactions with owners						
Shares issued		–	0.1	–	–	0.1
ESOP shares issued	31	–	–	1.9	–	1.9
Total transactions with owners		–	0.1	1.9	–	2.0
Balance at 29 April 2023		4.1	149.3	(0.1)	(191.1)	(37.8)
Comprehensive income						
Loss for the period	13	–	–	–	(165.6)	(165.6)
Other comprehensive income		–	–	–	–	–
Total other comprehensive income for the period		–	–	–	–	–
Total comprehensive expense for the period		–	–	–	(165.6)	(165.6)
Transactions with owners						
Employee share award schemes	7	–	–	–	–	–
Shares issued	31	0.9	10.1	–	–	11.0
Total transactions with owners		0.9	10.1	–	–	11.0
Balance at 27 April 2024		5.0	159.4	(0.1)	(356.7)	(192.4)

The notes on pages 58-113 inclusive are an integral part of the Group and Company financial statements.

2024 is for the 52 weeks ended 27 April 2024 and 2022 is for the 52 weeks ended 29 April 2023.

Notes to the Group and Company Financial Statements

1. Principal accounting policies

General information

The Company is a public company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the Company's office is shown in note 35. The current period (2024) is for the 52 weeks ended 27 April 2024 (2023: 52 weeks ended 29 April 2023 (2023)).

a) Basis of preparation

The financial statements of Superdry plc (the Company) and Superdry plc and its subsidiary undertakings in the UK, the Republic of Ireland, Belgium, France, India, Hong Kong, Germany, the Netherlands, Spain, Turkey, Scandinavia and the United States of America as detailed in note 17 (the Group) have been prepared on a going concern basis under the historical cost convention as modified by fair values, in accordance with United Kingdom Adopted International Accounting Standards and in accordance with the Companies Act 2006.

The preparation of financial statements in accordance with UK adopted International Accounting Standards requires the use of certain accounting estimates and requires management to exercise its judgement (note 2) in the process of applying the Group's accounting policies. These policies have been consistently applied to all periods presented for both the Group and Company unless otherwise stated. The Group and Company financial statements are presented in Sterling and all values are rounded to the nearest hundred thousand, except where indicated.

The Group has taken advantage of the audit exemption set out within section 479A of the Companies Act 2006 for four of its UK subsidiaries: C Retail Limited (company number 07139142), DKH Retail Limited (company number 07063508), SuperGroup Internet Limited (company number 07139044) and Superdry EUR Finance Ltd (company number 14881084). The Group has provided parent guarantees to these four subsidiaries.

b) Going concern

The financial position of the Group, its cash flows and liquidity position are set out in the financial statements. Furthermore, the Group financial statements include the Group's objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and exposure to credit and liquidity risk (please refer to note 30).

Background and context

Like many businesses in the retail sector, the Group has been through a period of unprecedented challenges over recent years. The global pandemic resulted in the enforced closure of stores, with many trading days lost. Despite a resurgence of store visits across the global estate, footfall has still not recovered to pre-pandemic levels.

Borrowing Facilities

In December 2022, the Group refinanced its existing asset backed loan ('ABL') of up to £70m with a new ABL facility of up to £80m, limited by levels of inventory and receivables held at any point in time, with specialist lender, Bantry Bay, including a term loan of £30m. This facility was due to expire in December 2025.

In March 2023 the Group reached agreement with Cowell Fashion Co. Ltd, a company listed on the South Korean stock exchange, to sell the Superdry's intellectual property in certain countries in the APAC region for $50m before fees and taxes, significantly bolstering the liquidity position. The shareholder vote on this transaction was concluded on 30 May 2023 and has therefore been reflected in the FY24 report and accounts. It was also agreed with the Group's lenders to increase the borrowing availability over the period until the funds were received on the IP sale to provide additional funding. The net proceeds (£36.8m) were received from the APAC deal in March and May 2023.

In May 2023 the Group successfully completed an equity raise with net proceeds totalling £11.0m.

In August 2023 a second lien ABL financing facility was agreed with Hilco Capital Limited of up to £25m.

In October 2023 the Group signed a Joint Venture (JV) agreement with Reliance Brands Holding UK Ltd for the sale of Superdry's intellectual property and related trademarks in India, Sri Lanka and Bangladesh to the JV entity of which the Group retains a 24% share. The gross consideration for the sale from Reliance Brands was £30.4m, of which Superdry received approx. £28.7 million net of fees and taxes, in November 2023.

At the year-end April 2024, £30.0m (which is the term loan element of the facility) of the Asset Based Lending Facility with Bantry Bay had been drawn down. The Group had also drawn £10.6m on the Hilco facility making total borrowings of £40.2m, with the Group net debt position at £12.9m (note 29). The maximum drawdown on the ABL facilities in FY24 was £57.0m in the period September to October 2023, in line with the peak working capital requirements of the Group.

Post year end in June 2024 the financing agreements with Bantry Bay and Hilco were amended and extended to be co-terminus to June 2027. The facility limit with Hilco was increased with an aggregate amount of £20m of additional facility at specific points in the Group's cashflow cycle. Covenants relating to cashflow from operations and EBITDA were included in the new facility documents. Further details on the financing facilities can be found in Note 23, along with the post balance sheet events in Note 34.

The Russian invasion of Ukraine occurred in the second half of FY22, and whilst the Group was not directly impacted, the lasting effects of this on supply chains, the resultant input price inflation and the consequential impact on consumer confidence has increased the uncertainty in our forecasts, and therefore further challenges our ability to achieve the brand reset and the financial objectives in our plan.

On 16 April 2024 Superdry plc announced that its UK subsidiary C-Retail Limited was launching a Restructuring Plan. The Restructuring Plan ('RP') is a key element of the Company's turnaround plan (the Target Operating Model 'TOM') that is intended to help the Company deliver its new, more financially sustainable, target operating model. The RP was sanctioned by the court, post year end, on 17th June 2024.

1. Principal accounting policies Continued

The Restructuring Plan includes;

- rent reductions on 39 UK sites;
- the extension of the maturity date of loans made under the Group's debt facility agreements with Bantry Bay and Hilco to June 2027;
- confirmation from Hilco that the conditions to making the seasonal incremental facility described above have been satisfied; and
- material cash savings from rent and business rate compromises over the 3 year period of the Restructuring Plan.

The restructuring plan was also conditional on the Group receiving the proceeds of an equity raise to ensure that the Group has the necessary liquidity headroom to deliver its turnaround plan. These funds were received in June 2024 and provided a gross injection of £10m into the business.

As part of the RP assessment for both the equity raise and court led creditor process, the Board reviewed a detailed Target Operating Model. This laid out a range of actions needed to ensure sufficient liquidity headroom in particular:

- returning the underlying Retail channel to positive like-for-like revenue growth through internal initiatives such as improved product ranges, a reallocation of marketing spend, and also an improvement in the external environment;
- an improvement in gross margins through initiatives such as improved promotional strategies;
- a more efficient and focused operating cost base appropriate for the Group's target revenue base, benefitting from a number of initiatives including the delisting.

Base case

The Group's going concern assessment covers the 12-month period from the date of approval of the financial statements, derived from the latest FY25 and FY26 forecasts in the Group's medium term financial plan (the 'Plan'). The impact of the Target Operating Model and RP process has been reflected across our financial plans, the most significant of which have been noted above. Furthermore, the underlying assumptions in this revised set of projections are set out below:

- All trading channels benefit from ongoing product improvements, operational initiatives and marketing activity to support the brand reset which began in October 2020, the full benefit of which is not yet realised, given the challenging macroeconomic environment. This benefit is offset by pressure on all trading channels as a result of the cost-of-living crisis impacting consumer spending.
- Store trading is predicted to decline year-on-year with negative like for like forecasts over the duration of FY25 and through FY26. The net number of stores is expected to reduce which will impact top-line revenues but drive greater profitability as loss making stores are exited and others are regeared either through negotiation or as part of the RP process.
- Ecommerce revenues are projected to grow into FY25 driven by new 3rd party site openings, a new Superdry website, the annualization of charging for delivery and returns on our own sites and the resultant returns rate reduction.
- Wholesale revenues are projected to decline significantly into FY25 as a result of lower order book placings for autumn winter and spring summer reflecting the stock overhang from previous years. FY26 wholesale revenue is projected to stabilise as a result of changes made to the operating model and a reversal of the over stocking issues discussed above.
- A significant cost saving programme across all areas of the business more than offsets inflationary pressure through FY25 and FY26. Cost saving measures include store estate optimisation, head office, logistics and distribution savings, better procurement and continued range reduction.

In assessing the Group's going concern status the Directors considered the base case (with the assumptions outlined above) and a reasonably possible downside scenario involving a reduction in revenue combined with the requirement for additional financing in line with our working capital cycle, without any mitigating actions. Management have also taken into account the bank covenants as discussed in Note 23.

Reverse Stress Test

Given the base case reflects the results of the turnaround plan and due to the current macroeconomic uncertainties already discussed, there is uncertainty around the Group achieving its targets and therefore a scenario has been modelled that assumes a reduction in the sales plan and not achieving the full scope of the cost out programme. These have been modelled as a reverse stress test. The reverse stress test models the decline in sales that the Group would be able to absorb before requiring additional sources of financing in excess of those that are committed or a breach of covenants.

The reverse stress test scenario shows that, without any mitigating factors or contingency (as described below), a reasonably feasible downside scenario of a 7.6% decline in sales over a 12-month period would result in a breach of financial covenants. This equates to £32m sales loss with no mitigations.

This assessment is linked to a robust review of the principal risks facing the Group, and the reverse stress test reflects the potential impact of these risks being realised.

The Target Operating Model contains a balanced forecast for the business' trading and cost plan. It does not include all potential mitigating actions available to the Group. In ensuring maximum headroom the Board are looking to deliver a further £20m improvement in headroom via a combination of actions namely.

1. Principal accounting policies continued

- Expanded IP sales encompassing further territories, structural changes and extended terms;
- Sale and leaseback of freehold properties;
- Improved collection performance from aligning commercial and finance teams and objectives;
- Improved payment terms from stock suppliers
- Recovery of trapped cash from financial transaction suppliers
- Tax recoveries and grants from UK and overseas
- Further cost reduction and process simplification at head office

If successful, this plan would afford at least a further 7.6% reduction in sales performance whilst still retaining liquidity /covenant headroom.

Summary
The financial statements continue to be prepared on the going concern basis. This conclusion is based on the Group's current forecasts, sensitivities and mitigating actions available. With the continued challenges in the macro environment, coupled with the headroom on the ABL facility and covenants, the Directors note that until key mitigations can be actioned with certainty, there exists a material uncertainty related to Going Concern. This may cast significant doubt over the Group and Company's ability to continue as a going concern until said mitigations result in cost savings sufficient to increase headroom over the ABL facility and therefore, the Group and Company may not be able to realise its assets and discharge its liabilities in the normal course of business.

The material uncertainty related to Going Concern arises due to:

- The limited headroom within the current funding facilities in the context of an uncertain macro-economic environment in lieu of any additional financing (including any future IP deals similar to the agreements for Asian regions);
- The ability of the Group to operate within existing committed financing facilities from the Group's forecasts, which may be affected by continued uncertainty in the macro-economic environment;
- The ability of the Group to successfully deliver the proposed cost out initiatives in the projected timeframe, given the scope and material nature of said savings.

After considering the forecasts, sensitivities and mitigating actions available to Group management and having regard to the risks and uncertainties to which the Group is exposed (including the material uncertainty referred to above), the Group directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future, and operate within its borrowing facilities and covenants for the period 12 months from date of signature. Accordingly, the financial statements continue to be prepared on the going concern basis.

1. Principal accounting policies continued

c) Basis of consolidation

Consolidated subsidiaries are those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power over the entity.

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

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

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

Intercompany transactions and balances are eliminated on consolidation.

d) Foreign currencies

The consolidated financial information is presented in Sterling, which is the Company's functional and the Group's presentational currency. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies 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 and held within the translation reserve. On the sale of a foreign operation, the associated exchange differences are recycled to profit and loss account as part of the gain or loss on disposal.

Foreign exchange gains and losses on intra-group balances are recognised in profit and loss, except where the intra-group balance forms part of the net investment in a foreign operation. An intra-group balance is only considered a net investment in foreign operations, where the settlement of the monetary item is neither planned nor likely to occur in the foreseeable future. Where intra-group balances are considered a net investment in foreign operations, the foreign exchange gains and losses 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.

Own store revenue – stores segment
Own store revenue from the provision of sale of goods is recognised at the point of sale of a product to the customer. Own store sales are settled in cash or by credit or payment card. It is the Group's policy to sell its products to the customer with a right to exchange or full refund within 28 days subject to discretionary extension. Provisions are made for own store returns based on the expected level of returns, which in turn is based upon the historical rate of returns. At the point of sale, a returns liability and corresponding adjustment to revenue is recognised for those products that the Group has a right to recover. The anticipated returns are recognised as an inventory asset, with a corresponding adjustment to cost of sales.

1. Principal accounting policies continued

Concession revenue – stores segment
Concession revenues from the provision of sale of goods are recognised on a commission basis as per the individual contractual terms. Concession revenues are settled in cash, by the concession grantors net of commissions or other fees payable. It is the concessions' policy to sell their 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. At the point of sale, a returns liability and corresponding adjustment to revenue is recognised for those products that the Group has a right to recover. The anticipated returns are recognised as an inventory asset, with a corresponding adjustment to cost of sales.

Ecommerce revenue
Revenue from the provision of the sale of goods on the internet is recognised at the point that control of the inventory has passed to the customer, which is when the goods are received by the customer. Transactions are settled by credit card, payment card or other electronic payment providers. Customers have a right to exchange or full refund within a range of 21 to 100 days, depending on the website the purchase is made from. Provisions are made for E-commerce credit notes based on the expected level of returns, which in turn is based upon the historical rate of returns. At the point of sale, a returns liability and corresponding adjustment to revenue is recognised for those products that the Group has a right to recover. The anticipated returns are recognised as an inventory asset, with a corresponding adjustment to cost of sales.

Wholesale revenue
Wholesale revenues from the sale of goods are recognised at the point that control of the inventory has passed to the customer, which depends on the specific terms and conditions of sales transactions, and which is typically upon 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 are based upon the historical rate of returns. At the point of sale, a returns liability and corresponding adjustment to revenue are recognised for those products that the Group has a right to recover. The anticipated returns are recognised as an inventory asset, with a corresponding adjustment to cost of sales.

f) Other income

Royalty income
The Group receives royalty income from its franchise partners based on specific agreements in place. The income is recognised based on the specific performance obligations within the agreements. This income is recognised within other income as it does not relate to consideration for goods supplied to customers.

g) Finance expenses

Finance expenses comprise interest payable on interest-bearing loans, lease liabilities, short-term borrowings and lending facilities. Finance expenses are recognised in the Group statement of comprehensive income using the effective interest method.

h) Leasing and similar commitments

IFRS 16 requires entities to apply a single lease accounting model, with lessees recognising right-of-use assets and lease liabilities on the balance sheet for all applicable leases except for certain short-term and low-value leases.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the right-of-use asset. The depreciation starts at the commencement date of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease liabilities are subsequently measured at amortised cost, increased for interest charges and reduced for lease payments.

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less), leases of low-value assets (such as personal computers, small items of office furniture and telephones) and variable lease agreements. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

1. Principal accounting policies continued

Lease modifications
The Group recalculates the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. Differences arising between the right-of-use asset and the lease liability as part of the modification calculation are recognised in the statement of comprehensive income under other gains and losses.

Lease remeasurements
If the lease payments change due to changes in an index, then the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate.

The Group applied the practical expedient available in respect of COVID-19 related rent concessions. Rent concessions occurring as a direct consequence of the COVID-19 pandemic are not assessed as lease modifications. Rent concessions are eligible for the practical expedient where the following criteria are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- any reduction in lease payments that affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to the other terms and conditions of the lease.

Rent concessions eligible for the practical expedient are recognised in profit and loss.

Lease premiums
Lease premiums are only recognised on leases that do not fall under the scope of IFRS 16. Lease premiums paid to landlords are initially recognised as an intangible asset in the balance sheet at the point the recognition criteria in the lease are met, and charged to selling, general and administrative expenses in the Group statement of comprehensive income on a straight-line basis over the term of the lease commencing from the opening date.

i) Property, plant and equipment

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

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

Land and 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.

Property, plant and equipment is reclassified as held for sale assets if their carrying amount will be recovered through a highly probable sale transaction rather than through continuing use.

j) Impairment of non-financial assets

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

The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell, and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU. An impairment loss is recognised in the Group statement of comprehensive income whenever the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment reversals are recognised in the Group statement of comprehensive income if there has been a change to the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Where an impairment loss on other non-financial assets subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of the recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or CGU) in prior years. Impairment loss in a subsidiary consolidated under predecessor accounting (note 1aa is recognised as a movement in the merger reserve and retained earnings in addition to recognising a loss on the Group statement of comprehensive income. Impairment losses on goodwill are not reversed. Further information on how impairments have been calculated can be found in note 2.

1. Principal accounting policies continued

k) Intangible assets

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

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

Trademarks comprise the external cost of registration and associated legal costs. Website and software costs consist of externally incurred development costs, as well as internal payroll-related costs directly associated with the project which are eligible for capitalisation under IAS 38.

Lease premiums comprise the amount paid to the previous tenant to acquire the lease.

Distribution agreements comprise the fair value, at the date of acquisition, of distribution agreements acquired as part of a business combination.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses.

Licence agreements to use cloud software are treated as service contracts and expensed in the Group income statement, unless the Group has both a contractual right to take possession of the software at any time without significant penalty, and the ability to run the software independently of the host vendor. In such cases the licence agreement is capitalised as software within intangible assets. Costs to configure or customise a cloud software licence are expensed alongside the related service contract in the Group income statement, unless they create a separately identifiable resource controlled by the Group, in which case they are capitalised.

l) Investments

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

Dividends received from a subsidiary are deducted from the cost of the investment where the dividend received represents a return of capital. Otherwise, dividends received are recognised in profit and loss by the parent company when the right to receive the dividend is established.

An associate is an entity in which the Group has a significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of the associated undertakings, until the date on which significant influence ceases.

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

When the Group’s share of losses exceeds the Group’s interest in the associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations on behalf of the associate or joint venture.

m) Financial instruments

Derivative financial instruments and hedging activities
Derivative financial instruments are recognised initially at their fair value and remeasured at fair value at each period end. Derivative financial instruments are categorised as held at fair value through the profit and loss account. The gain or loss on remeasurement 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).

Financial assets
Financial assets are measured initially at fair value, adjusted for transaction costs (where applicable). The Group's financial assets comprise trade and other receivables, derivative financial instruments and cash and bank balances. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received, and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment’s revaluation reserve is reclassified to profit or loss.

1. Principal accounting policies continued

n) Inventories

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

Sample stock is expensed through the Group statement of comprehensive income when incurred.

o) Trade receivables

Trade receivables are initially recognised at transaction price and subsequently measured at amortised cost, less a loss allowance. The loss allowance is measured at an amount equal to the lifetime expected credit losses through the simplified model using a provision matrix. See note 1af for further details.

p) Assets classified as held for sale

Non-current assets are classified as held for sale when their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable, the asset is available for immediate sale, and when it is expected to complete within one year. These assets are stated at the lower of carrying amount and fair value less costs to sell.

q) Cash and bank balances

Cash and bank balances 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 legal right of offset exists and where the Group can demonstrate the intention to net settle. 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. Amounts received in respect of assets, against which amounts have been borrowed under the ABL facility, are disclosed as restricted cash until approval is received from the lender.

r) Provisions

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

Provisions for onerous property related contracts are recognised when the Group believes that the unavoidable costs of meeting or exiting the lease obligations exceed the economic benefits expected to be received under the lease.

s) Employee benefit obligations

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

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

t) Share-based payments – Group operated schemes

The Group operates several equity settled share-based compensation plans. The fair value of the shares under such plans is recognised as an expense in the Group statement of comprehensive income. The amount to be expensed over the vesting period is determined by reference to the fair value of share incentives excluding the impact of any non-market vesting conditions. Non-market vesting conditions are considered as part of the assumptions about the number of share incentives that are expected to vest. At each balance sheet date, the Group revises its estimate of the number of share incentives that are expected to vest. The impact of the revision on original estimates, if any, is recognised in the Group statement of comprehensive income, with a corresponding adjustment to equity over the remaining vesting period. The Group also operates cash-settled awards. The fair value of the liability for these is revised at each balance sheet date and the cost is recognised in the income statement over the vesting period.

u) Trade and other payables

Trade and other payables, excluding lease incentives, are non-interest bearing and are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method.

Contract liabilities
Contract liabilities are recognised by the Group where payment has been received and there is a future obligation to transfer goods or services, but the performance obligation for revenue recognition has not yet been met. These primarily relate to the provision of gift cards and the timing of the sale of goods.

1. Principal accounting policies continued

Financial Liabilities
The Group's financial liabilities comprise trade and other payables, borrowings, lease liabilities and derivative financial instruments. Financial liabilities are initially measured at fair value, and where applicable, adjusted for transaction costs unless the Group designated a financial instrument at FVTPL. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate, except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains and losses recognised in profit and loss.

v) Taxation

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

- tax on the profit or loss for the period will comprise current and deferred tax;
- current tax expense is calculated using 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 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 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 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 tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised (see note 19); and
- deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to 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.

Uncertain tax positions

A provision is recognised for those matters for which the tax determination is uncertain, but where it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

w) Dividends

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they have been approved before or on the balance sheet date and not paid. Interim dividends are recognised in the period they are paid.

x) Share capital

Ordinary shares are classified as equity. The share capital represents the nominal value of shares that have been issued.

y) Share premium

The share premium account represents the excess of the issue price over the nominal value on ordinary shares issued, less incremental costs directly attributable to issue the new shares.

z) Retained earnings

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

aa) Merger reserve and other reserves

The consolidation of the subsidiaries acquired in advance of the Initial Public Offering in March 2010 (C-Retail Limited, DKH Retail Limited, SuperGroup Concessions Limited, SuperGroup International Limited, SuperGroup Internet Limited and SuperGroup Retail Ireland Limited) into the financial statements of Superdry 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 associated net assets and this difference is included within equity as a merger reserve. The translation reserve relates to gains and losses arising on retranslating the net assets of overseas subsidiaries into sterling.

ab) ESOP reserve

Some Superdry Plc shares recognised as equity have been repurchased in order to settle future obligations under share-based payment arrangements. The amount of the consideration paid for the treasury shares, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the ESOP reserve. When treasury shares are subsequently sold or reissued, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within retained earnings. The Company applies the look through method, treating the employee benefit trust as an extension of Superdry Plc. Accordingly the treasury shares are recognised within equity in both the Group and Company financial statements.

1. Principal accounting policies continued

ac) Cost of sales

Cost of sales comprises movements between opening and closing inventories, purchases, carriage in, commissions payable, and other related expenses. As explained in note 1e, customers have a right of return. When customers exercise this right, the Group has a right to recover the product and as such recognises a right to returned goods asset and a corresponding adjustment to cost of sales. This is based on the historical rate of return.

ad) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in the Group statement of comprehensive income on a systematic basis over the periods in which the Group recognises an expense for the related costs for which the grants are intended to compensate. The income is directly offset against the expense for the related costs for which the grants are intended to compensate.

ae) Adjusting items

Adjusting items are disclosed separately in the Group statement of comprehensive income and are applied to the Statutory profit or loss before tax to arrive at the adjusted result. This presentation is consistent with the way that financial performance is measured by management and reported internally and therefore is considered useful additional financial information to the reader. In determining whether events or transactions are treated as adjusting items, management considers quantitative as well as qualitative factors. Adjusting items are identified by virtue of their size, nature or incidence.

Examples of charges or credits meeting the above definition, and which have been presented as adjusting items in the current and/or prior years, include:

- business restructuring programmes;
- asset impairment and onerous property related contracts charges and reversals;
- the movement in the fair value of unrealised financial derivatives; and
- the net gain on sale of intellectual property.

Further information about the determination of adjusting items in the financial year 2024 and reconciliations between the statutory and alternative performance measures are included in notes 5 and 32.

af) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income (FVTOCI), trade receivables and lease receivables, as well as on financial guaranteed contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and lease receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. A significant increase in credit risk is defined in note 30. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In addition, the Company recognises a loss allowance for expected credit losses (ECL) on amounts owed from fellow group undertakings. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

ag) Climate change impact

Climate change is a global challenge and emerging risk to businesses, people and the environment across the world. Although commitments we have made to date form part of the cashflow projections within our going concern and impairment assessments, the impact of climate change is not judged to have been a key driver in determining the outcomes of these exercises and is therefore not currently classified as a key source of estimation uncertainty. The Group will continue to review this classification as the assessment of the impacts, risk and opportunities presented by climate change and the Group's commitments to address the challenges presented evolve over the coming years.

2. Critical accounting judgements and key sources of estimation uncertainty in applying accounting policies

The preparation of the financial statements requires judgements, estimates and assumptions to be made that affect the reported value of assets, liabilities, revenues, and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation.

Key sources of estimation uncertainty

Management consider that accounting estimates and assumptions made in relation to the following items have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Medium-term financial plan

The Group's store asset impairment review and assessment for onerous property related contract provisions, the goodwill impairment review, together with the impairment review of the Company's investments and intercompany receivables, are all dependent on forecast future cash flows to assess value in use and recoverability. As a basis for these assessments, the Group prepare a medium-term financial plan, which includes the Budget and future cash flows over a three-year period. The plan has regard to historic performance, knowledge of the current market and the impact of current macroeconomic conditions, together with the Group's views on the achievable growth, all of which have been reviewed and approved by the Board.

The medium-term plan approved by the Board includes key assumptions and estimates for revenue growth, gross margin and costs. The level of uncertainty in the Group forecasts has been exacerbated by external factors such as input price inflation and the squeeze on consumer budgets, largely driven by rising inflation. The forecasts are also dependent on the success of the brand reset.

The plan also includes assumptions on cost optimisation and efficiency. As required within IAS36, future cash flows or cost savings, derived from restructuring or future expenditure on enhancements, cannot be included in the impairment calculations unless committed by the end of the financial year. The plan also includes the reductions in rent and business rates expected to be delivered by the C-Retail Limited Restructuring Plan. This plan was announced before the year end on 16 April 2024 and was sanctioned by the court on 17 June 2024.

The impact of changes to the medium-term plan on the impairment reviews are reviewed below.

Store impairment estimates

Store assets (as with other financial and non-financial assets) are subject to impairment based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose, although as all the Group's own stores are leasehold, only value in use has been considered in the impairment assessment. Value in use is calculated from expected future cash flows using suitable discount rates and including management assumptions and estimates of future performance.

An impairment charge of £43.8m was recognised in the period (2023: charge of £44.7m and reversal of £3.7m giving a net impairment of £41.0m). The recoverable amount for stores that were impaired during the year totalled £20.1m at the balance sheet date. Of this amount £18.1m relates to ROU assets and £2.0m relates to PPE.

For impairment testing purposes, the Group has determined that each store is a Cash Generating Unit (CGU). Each CGU is tested for impairment if any indicators of impairment have been identified. All 192 (2023: All 213) owned stores have been tested for impairment in the current year.

The key estimates for the value in use calculations are those regarding expected changes in future cash flows and the allocation of central costs. The key assumptions used in determining store cash flows are the growth in both sales and gross margin set out in the medium-term plan, as well as operational savings and cost efficiencies identified across the Group and incorporated into forecast cash flows.

The value in use of each CGU is calculated based on the Group's Board approved medium-term financial plan. The medium-term financial plan is prepared and has been attributed to individual stores based on their historic performance. Store revenues in the medium-term financial plan reflect expected store closures and the continued channel shift to ecommerce. Gross margin in FY27 is expected to be c1.1% higher than FY24. Beyond the plan period, store revenue is projected to grow at a long term growth rate of 2% in line with projected inflation and gross margin is expected to remain flat.

The cash flows are discounted using the appropriate discount rate. The cash flows are modelled for each store through to their lease expiry date. Lease extensions have only been assumed in the modelling where they have been agreed with landlords.

Central costs are attributed to store CGUs where they can be allocated on a reasonable and consistent basis. Assumptions are required to determine the basis for allocation.

Directly attributable store costs are allocated across individual stores. Other overhead costs are allocated on a reasonable basis between the Stores, Ecommerce and Wholesale channels. Certain head office costs which relate to corporate and corporate governance activities are not allocated to Stores (c£12m in the first forecast year). Overheads allocated to stores are expected to decline over the next three years as the store operations and rationalised and thereafter grow at 2% pa in line with anticipated inflation.

2. Critical accounting judgements and key sources of estimation uncertainty in applying accounting policies continued

Management estimates discount rates using pre-tax rates that reflect the current market assessment of the time value of money and the risks specific to the CGUs. The pre-tax discount rates range from 17.6% to 22.3% (2023: 13.2% to 19.8%) and are derived from the Group's post-tax WACC range of 13.9% to 16.7% (2023: 11.9% to 16.7%). A 1% change in the discount rates would result in a £0.2m increase or £0.3m decrease in the impairment charge.

The impairment charges recognised for each asset category are set out in note 10. The total carrying value after the impairment assessment of property, plant and equipment is £4.2m (2023: £16.3m) (note 15), right-of-use assets is £39.7m (2023:£48.5m) (note 27) and intangible assets is £24.6m (2023: £42.8m) (note 16) .

Attributing Ecommerce sales and costs to stores
Judgement is required to determine whether Ecommerce sales (and associated costs) could be attributed to stores for the purposes of impairment testing when calculating the value in use of each store CGU. The basis of such attribution is considered difficult to determine, due to insufficient evidence to reliably estimate. For this reason, Ecommerce sales attributable to stores have not been calculated.

Store impairment judgements
Store assets (as with other financial and non-financial assets) are subject to impairment based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. The impairment review involves critical accounting judgements, in addition to the significant estimates discussed above.

Judgement is required in determining which central costs are directly involved in the store operations and therefore should be apportioned to each store CGU. Central costs are attributed to store CGUs where they can be allocated on a reasonable and consistent basis.

Judgement is also involved in defining the lease term used in the store impairment calculations. Lease extensions have only been assumed in the modelling where they have been agreed with landlords.

See note 5 for further details.

Sensitivity analysis
The Group has carried out a sensitivity analysis on the impairment tests for its store portfolio using various reasonably possible scenarios based on recent market movements:

- A 20% reduction in the sales of all stores for all forecast years would increase the impairment charge by £16.8m.
- A £2m increase in the overhead cost allocated to stores would increase the impairment charge by £1.5m.
- A £2m decrease in the overhead cost allocated to stores would reduce the impairment charge by £1.4m.
- Due to the remaining life of the store leases, most of the value in use arises over the next three years. The impairment charge is therefore not particularly sensitive to changes in the discount rate or longer-term revenue growth or gross margin.

Onerous property related contracts provisions

Management has also assessed whether impaired and unprofitable stores require an onerous provision for the property related contracts. An onerous property related contracts provision is recognised when the Group believes that the unavoidable costs of meeting or exiting the property related obligations exceed the benefits expected to be received under the lease. The property related contracts relate primarily to service charges.

The calculation of the net present value of future cash flows is based on the same assumptions for growth rates and expected changes to future cash flows as set out above for store impairments, discounted at the appropriate risk adjusted rate. The costs of exiting property related contracts as set out in the lease agreement, either at the end of the lease or the lease break date (whichever is shorter), have been considered in the calculation.

Based on the factors set out above, the Group has reassessed the onerous property related contract provision as being £3.4m (2023: £8.0m). This value is after a net £2.0m (2023: £0.2m) provision release on exited stores, credited to the Group statement of comprehensive income. The provision is also stated after utilisation of the brought forward provision of £3.7m (2023: £2.8m). The charge recognised in respect of the net increase to the onerous lease provision is £1.2m (2023: £2.3m), which is required to increase the provision to £3.4m, based on the outcome of the year end assessment.

The onerous property related contracts provision charge of £1.2m has been recognised within adjusting items within selling, general and administrative expenses. Further significant costs (or credits) may be recorded in future years dependent on the Group's trading performance.

A 1% increase or decrease in the risk-free rates would not have a material effect on the onerous lease provision. The Group has performed sensitivity analysis on the onerous property related contract provisions using reasonably possible scenarios based on recent market movements, consistent with those sensitivities disclosed above in the 'store impairment' section:

- A 20% reduction in the sales of all stores for all forecast years would increase the impairment charge by £2.7m.
- A £2m increase in the overhead cost allocated to stores would increase the impairment charge by £0.2m.
- A £2m decrease in the overhead cost allocated to stores would reduce the impairment charge by £0.2m.

2. Critical accounting judgements and key sources of estimation uncertainty in applying accounting policies continued

Impairment of Superdry Plc's investment in subsidiaries and receivable balances from group companies

Under IAS 36, an impairment review is performed in respect of Superdry Plc's investment in subsidiaries, whenever an indicator of impairment has been identified. The reduction in the Group's market capitalisation as of the reporting date has been considered an indicator of impairment and an impairment review performed accordingly. The impairment review of Superdry Plc's investment in subsidiaries has been performed using the same assumptions for growth rates and expected changes to future cash flows as set out above for store impairments. The Group's medium-term plan is used as the basis for determining the value in use of each subsidiary within the Group. Certain assumptions have been applied in the allocation of future forecast Group cash flows between the individual subsidiaries of Superdry Plc. These allocations have been based upon the current mix of cash flows within the Group.

Following this review, the Company has recognised a charge to fully impair its investment in all subsidiaries except for its investments in SuperGroup Internet Limited (which is unimpaired) and DKH Retail Limited (which is partially impaired).

Of the remaining carrying value of £12.3m an amount of £11.6m represents the investment in DKH Retail Ltd. The carrying value of DKH Retail is sensitive to the future performance of the Wholesale business, and the investment would be fully impaired if the future Wholesale revenue in all years fell 9.0% below the current projections.

Further details are included in note 17.

The Company has undertaken an assessment of the recoverability of receivable balances from Group companies. Under the requirements of IFRS9, the Company adopts the expected forward-looking credit loss model. The models review the potential for each entity across the Group to repay their loans at the balance sheet date and across the medium-term plan, in order to assign a level of recoverability for all Company debtor balances. The Company has also factored in a downside scenario on the medium-term plan and allocated probability weightings to each scenario to arrive at an overall estimated outcome of debtor recoverability.

Further details are provided in note 18 and note 21.

Valuation of Goodwill

Goodwill of £21.1m is allocated between the Group's operating segments as follows: £14.0m (2023: £14.4m) to Wholesale, £4.4m (2023: £4.5m) to Ecommerce and £2.7m (2023: £2.7m) to Stores.

An impairment test is undertaken at a segmental level each year to compare the carrying value of assets of a business or cash generating unit (CGU) including goodwill to their recoverable amount. The recoverable amount is estimated based on using a value in use model using discounted cash flows derived from the medium-term plan, which includes extensions to leases for profitable stores through the plan, and which is extended out to 10 years based on long term growth rates and adjusting for working capital.
The recoverable amount for the Ecommerce CGU is significantly in excess of its carrying values. Management consider that there are no reasonably possible or foreseeable changes in the key assumptions that would result in the recoverable amount falling below the carrying value.

The goodwill relating to Wholesale and Stores has been fully impaired. The impairment of Wholesale would be eliminated if there were a 1.4% improvement in Wholesale gross margin across all years, and the impairment of Stores would be eliminated if there were a 5.2% improvement in Stores gross margin across all years.

Further details are included in note 16.

Key Judgements

Management consider that judgements made in the process of applying the Group's accounting policies that could have a significant effect on the amounts recognised in the Group financial statements are as follows:

Going concern

The financial statements continue to be prepared on the going concern basis. This conclusion is based on the Group's current forecasts, sensitivities and mitigating actions available to management, having regard to the risks and uncertainties to which the Group is exposed including the material uncertainty detailed in note 1. The Group directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and operate within its borrowing facilities and covenants for the period 12 months from date of signature.

See note 1 for more details.

Inventory provision

Provision is made for stock items where the net realisable value is estimated to be lower than cost. Net realisable value is based on the age and season of the stock held and calculated using the Group's historical sales experience and assumptions regarding future selling prices. The provision for aged inventory is calculated by providing on a graduated basis for stock over 3 years old. Management also provides against specific stock balances which are deemed slow-moving, or which may be sold at a loss through clearance. The estimation uncertainty relates to the total provision of £2.6m (2023: £3.8m). A reasonably possible outcome for the stock provision would be an increase of £3.8m to £6.4m, if the aged stock provision percentages are accelerated by a year.

2. Critical accounting judgements and key sources of estimation uncertainty in applying accounting policies continued

Recoverability of trade debtors

The impairment of trade and other receivables is based on management's estimate of the ECL. These are calculated using the Group's historical credit loss experience, with adjustments for general economic conditions and an assessment of conditions at the reporting date. The estimation uncertainty relates to the allowance for expected credit losses of £6.0m (2023: £6.0m) which includes a specific provision and an ECL provision.

The specific provision of £4.8m (2023: £4.2m) is calculated for higher risk trade receivables. This provision is calculated based on a specific review of the exposure to each customer, net of credit enhancements and taking into consideration their payment history. There is a range of possible outcomes for the specific provision; an indication of the maximum possible exposure is that the specific provision of £4.7m (2023: £4.2m) covers gross debtors of £12.7m (2023: £11.7m).

The ECL provision of £1.2m (2023: £1.8m) is calculated for the aggregated remaining debtors profiled by country, net of credit enhancements, and assuming country-specific default rates. The country-specific default rates were prepared using the Group's historic loss experience in the relevant country, which has also been adjusted for forward-looking information. A range of reasonably possible outcomes for the ECL provision, is £310k -£1.5m. The higher-end of the range assumes a four-fold level of credit risk for each country at the reporting date, compared to average historic loss experience.

See notes 21 and 30 for further details.

Foreign exchange translation on intragroup balances

Foreign exchange gains/losses on intragroup balances denominated in currencies other than sterling are recognised in profit and loss. Judgement is required in determining whether the intragroup balances represent a net investment in foreign operations. Where the intragroup balances are considered a net investment in foreign operations, the exchange gain/loss is recognised in other comprehensive income. During FY23 the conclusion was reached that intercompany loans from the UK to our US subsidiaries would qualify as net investment in foreign operations, on the basis that it is considered unlikely the loans will be repaid within the foreseeable future. As a result, exchange gains and losses arising subsequent to this decision are recognised in other comprehensive income. Trading balances with the US and other intragroup balances to other group companies do not represent a net investment in foreign operations. This is on the basis that it is management's intention to settle other foreign denominated intragroup balances in the foreseeable future.

Under the Group's transfer pricing policy, foreign subsidiaries are guaranteed a set profit margin (as limited risk distributors). Management's intention is to use future profits generated by foreign subsidiaries to settle foreign denominated intragroup balances. Accordingly gains/losses on all other foreign denominated intragroup balances are recognised in profit and loss.

Adjusting items

Judgements are required as to whether items are disclosed as adjusting items, with consideration given to both quantitative and qualitative factors. Adjusting items are identified by virtue of their size, nature or incidence. Further information about the determination of adjusting items in financial year 2024 is in note 5.

Deferred Tax Asset

Deferred tax assets are recognised on balance sheet temporary differences to the extent that it is considered probable that they will reverse against taxable profits in future periods. The forecasting of suitable profits against which to offset these temporary differences involve critical accounting judgements and significant estimates.

Given recent trading performance and the environment in which the Group continues to operate, the Group have assessed deferred tax assets to the extent deferred tax assets can be offset by deferred tax liabilities.

The forecasting for deferred tax asset recognition purposes takes into account the current transfer pricing operating model and has been adjusted to take into account local tax laws which impact the reversal of underlying temporary differences, most materially, restrictions on the rate at which brought forward tax losses may be offset against current period profits in each jurisdiction.

Deferred tax assets have been calculated in respect of individual companies to the extent deferred tax assets may be offset against deferred tax liabilities in those subsidiaries.

3. New accounting pronouncements

The accounting policies set out have been applied consistently throughout the Group and to all years presented in these consolidated accounts except if mentioned otherwise. The Group adopted the following amendments to IFRS for the financial year 2024, none of which had a material impact:

- IFRS 17 Insurance Contracts;
- Amendments to IAS 1: Disclosure of Accounting Policies;
- Amendments to IFRS Practice Statement 2: Disclosure of Accounting Policies;
- Amendment to IAS 8 Definition of Accounting Estimates;
- Amendment to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

New accounting standards in issue but not yet effective.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 10 and IAS 28 (amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective from FY25);
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective from FY25);
- Amendments to IAS 1: Non-current Liabilities and Covenants; (effective from FY25);

3. New accounting pronouncements continued

- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback (effective from FY25);
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements (effective from FY25).

These amendments have been endorsed by the UK Endorsement Board. The Group's financial reporting will be presented in accordance with the above new standards for future accounting periods as required. The application of these new standards and amendments is not expected to have a material impact on the Group.

4. Revenue

Revenue is generated from the same products (clothing and accessories) across all channels. The Group derives its revenue from contracts with customers for the transfer of goods and services and revenue is recognised at a point in time. Revenue is analysed by channel as follows:

	Group	
	2024 £m	2023 £m
Wholesale	278.7	417.6
Less: inter-segment revenue	(161.7)	(235.1)
Wholesale from external customers	117.0	182.5
Stores	225.6	262.0
Ecommerce	146.0	178.0
Revenue from external customers	488.6	622.5

Revenue from external customers in the UK and the total revenue from external customers from other countries are:

	Group	
	2024 £m	2023 £m
External revenue – UK	215.5	247.9
External revenue – Europe	218.1	285.5
External revenue – Rest of World	55.0	89.1
Total external revenue	488.6	622.5

5. Adjusting items

The below adjustments are disclosed separately in the Group statement of comprehensive income and are applied to the reported loss before tax to arrive at the adjusted loss before tax. Further information about the determination of adjusting items is included in note 32.

	Group	
	2024 £m	2023 £m
Adjusting items charge		
Store asset impairment and onerous property related contracts provision charge	(75.5)	(47.0)
Store asset impairment and onerous property related contracts provision reversal	2.9	3.7
Restructuring, strategic change and other costs	(9.6)	(3.1)
Costs of sale of intellectual property	(5.1)	–
Total adjusting items charge	(87.3)	(46.4)
Adjusting items credit		
Unrealised loss on financial derivatives	(0.2)	(10.4)
Intellectual property sale: APAC	40.2	–
Intellectual property sale: South Asia	30.4	–
Total adjusting items credit	70.4	(10.4)
Taxation		
Deferred tax on adjusting items (note 14)	–	–
Total taxation	–	–
Total adjusting items after tax	(16.9)	(56.8)

Store asset impairment charges and reversals and onerous property related contracts provision

A store asset impairment review has been performed as of 27 April 2024 to identify any stores which were either unprofitable, or where the anticipated future performance would not support the carrying value of assets. As a result of the review, impairment charges of £43.8m (2023: £44.7m) have been recognised to write down the carrying value of property, plant and equipment and right of use assets, and a charge has been recognised to provide for onerous property related contracts. Determining the charges involves a significant level of estimation and judgement. Further disclosure, including sensitivity, is given in note 2.

Impairment of intangible assets

The Group recognised a £1.6m charge to fully impair the carrying value of its US distribution agreement, a £16.7m charge to impair the carrying value of the goodwill allocated to Wholesale and to Stores and a £6.3m charge to impair the carrying value of software.

Restructuring, strategic change and other costs

Adjusting items in 2024 include costs relating to the restructuring plan, equity raise, and delisting announced on 16 April 2024 (£3.3m), costs relating to store disposals to right-size the store portfolio (£1.3m), costs relating to an abandoned software development project (£4.6m) and other restructuring costs (£0.4m).

Adjusting items in 2023 included £3.1m from the restructuring programme announced in FY23, which included redundancies in order to make the Group fit for the future.

Unrealised loss on financial derivatives

A £0.2m charge has been recognised within adjusting items in respect of the fair value movement in financial derivatives (2023: £10.4m loss).

Intellectual property sales

In May 2023, the Group sold Superdry intellectual property in certain countries in the APAC region for $50.0m, before fees and taxes, to the Cowell Fashion Company. A net gain of £36.8m was realised after expenses.
In November 2023, the Group sold the Superdry's intellectual property assets including the Superdry brand and related trademarks in South Asia (India, Sri Lanka and Bangladesh) to a new joint venture entity, IPCO Holdings LLP. The joint venture entity is 76% owned by Reliance Brands Holding UK Ltd and 24% owned by the Group (see note 17). The gross consideration for the sale from Reliance Brands was £30.4m, of which Superdry received approx. £28.7 million net of fees and taxes.

6. Employee expense

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Wages and salaries	74.5	86.0	13.2	13.7
Social security costs	9.1	10.3	1.8	2.1
Share awards charge	1.9	1.4	0.9	0.7
Pension costs – defined contribution scheme	2.0	2.7	0.4	0.6
Total employee expense	87.5	100.4	16.3	17.1

Details of the share-based compensation plans are detailed in note 7.

The total employee expense figures in 2023 are net of furlough income received, per note 33.
The closing pension creditor for the Group is £0.3m (2023: £0.4m).
The average monthly number of full-time equivalent employees, including Directors on a service contract, are as follows:

	Group		Company	
	2024 No.	2023 No.	2024 No.	2023 No.
Administration	552	649	192	212
Retail	1,711	1,930	45	57
Total average headcount	2,263	2,579	237	269

Remuneration of key members of management, who are the Non-Executive Directors, the Executive Directors, and senior managers on the Group's Executive Committee recorded in the Group statement of comprehensive income, is as follows:

	Group	
	2024 £m	2023 £m
Short-term employee benefits	3.1	3.5
Post-employment benefits	0.1	0.1
Share-based payments	0.9	0.5
Compensation for loss of office	0.5	–
Total remuneration of Key Management Personnel	4.6	4.1

The total amounts for Directors' remuneration were as follows:

	Group	
	2024 £m	2023 £m
Short-term employee benefits	1.5	1.5
Money purchase pension contributions	–	0.1
Compensation for loss of office	0.5	–
Total aggregate Directors' remuneration	2.0	1.6

During the year, retirement benefits were accruing to two directors (2023: two) in respect of defined contribution pension schemes and two directors were earning rights to shares under long term incentive schemes.

The remuneration of the highest paid director was as follows:

	Group	
	2024 £m	2023 £m
Short-term employee benefits	0.6	0.6
Money purchase pension contributions	–	–
Total remuneration of highest paid director	0.6	0.6

7. Share-based Long-Term Incentive Plans (LTIP)

Share awards are granted to employees in the form of equity-settled awards and cash-settled awards.

Performance Share Plan

The award of shares is made under the Superdry Performance Share Plan (PSP). Subject to the conditions of the specific scheme, shares can convert and give participants the right to be granted nil-cost shares at the end of the performance period. The vesting period of these schemes is between two and 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.

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

	Group and Company			
	2024 Number of shares	2024 Weighted average exercise price	2023 Number of shares	2023 Weighted average exercise price
At start of the period	3,989,852	–	2,902,027	–
Granted	1,738,741	–	2,176,827	–
Exercised	(1,084,873)	–	(563,914)	–
Forfeited	(667,538)	–	(525,088)	–
Total number of outstanding share awards at end of the period	3,976,182	–	3,989,852	–

52,859 of the share awards were exercisable at the period end date (2023: nil).

The terms and conditions of the award of shares awarded under the PSP are as follows:

	Group and Company			
Grant date	Type of award	Number of shares	Vesting period	Fair value/share
October 2020	Restricted share award	1,491,157	3 years	£1.75
October 2021	Restricted share award	907,674	3 years	£2.56
October 2021	Restricted share award	353,071	2 years	£2.56
October 2022	Restricted share award	1,560,019	3 years	£1.25
October 2022	Restricted share award	616,808	2 years	£1.25
October 2023	Restricted share award	1,252,389	3 years	£0.47
October 2023	Restricted share award	486,352	2 years	£0.47

The shares granted during the year are restricted share-based conditional awards. The fair value of the shares awarded at the grant date during the year is £0.8m (2023: £2.7m), determined using the modified grant-date method. The weighted average value of each award granted in the year was £0.47, which reflects the share price on the date the awards were granted.

A charge of £2.0m (2023: £1.6m) has been recorded in the Group statement of comprehensive income during the year for schemes under the PSP.

The options outstanding at 27 April 2024 had a weighted average remaining contractual life of 18 months (2023: 18 months); these shares have an exercise price of £nil (2023: £nil).

7. Share-based LTIP continued

Cash-settled awards

Cash-settled share-based payments were granted in the year under the PSP. These are equivalent to the RSAs granted during the year, but are to be settled through cash, rather than shares.

These awards which are subject to the conditions of the specific scheme can convert and give participants the right to a cash settlement at the end of the performance period.

The vesting period of these schemes is two years. Cash-settled 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.

The terms and conditions of the award of cash-settled shares awarded under the PSP are as follows:

		Group and Company			
Grant date	Type of award	Number of shares	Vesting period	Fair value at grant date	Fair value at reporting date
October 2021	Cash-settled restricted share award	151,430	2 years	£2.56	£0.07
October 2022	Cash-settled restricted share award	234,454	2 years	£1.25	£0.07
October 2023	Cash-settled restricted share award	185,357	2 years	£0.47	£0.07

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

	Group and Company	
	2024 Number of shares	2023 Number of shares
At start of the period	330,908	330,571
Granted	185,357	234,454
Exercised	(57,384)	(132,192)
Forfeited	(181,521)	(101,925)
Total number of outstanding share awards at end of the period	277,360	330,908

None of the outstanding awards were exercisable at the year end.

The shares granted during the year are restricted share-based conditional awards. The terms and conditions of the award specify that the fair value at the end of the performance period will be the lower of fair value on that date or a cap of twice the grant price. The fair value of the shares awarded at the grant date during the year was £0.1m (2023: £0.5m) and has been remeasured to £nil (2023: £0.1m). The fair value of the award is determined at the modified grant date and is remeasured at each subsequent reporting period. The shares granted during the year did not contain any market-based vesting criteria.

A credit of £0.1m (2023: £nil) has been recorded in the Group statement of comprehensive income during the year for cash-settled schemes under the PSP.

Save As You Earn

A Save As You Earn scheme is operated by the Group. A credit of £0.1m (2023: £nil) has been recorded in the Group statement of comprehensive income during the year.

Buy As You Earn

A Buy As You Earn scheme is operated by the Group which commenced in August 2016. In the year 148,662 shares (2023: 62,744 shares) have been purchased under the scheme (including both partnership and matching shares). The charge to the Group statement of comprehensive income is immaterial and therefore has not been accounted for.

Other schemes

Share options were issued in prior years as part of recruitment packages for certain members of senior management. These options were subject to leavers' provisions and the exercise period was up to two years. The charge to the Group statement of comprehensive income in financial year 2024 for these awards is £nil (2023: £0.1m).

8. Auditor remuneration

The Group obtained the following services from the Company's auditor as detailed below:

	Group	
	2024 £m	2023 £m
Audit services		
Fees payable to the Company's auditor for the audit of the Company and the consolidated financial statements	2.8	2.5
The audit of the Company's subsidiaries pursuant to legislation	0.3	0.3
Total audit fees payable to the Company's auditor and its associates	3.1	2.8
Fees payable to the Company's auditor and its associates for other services:		
Audit related assurance services – interim review	0.1	0.1
Total fees payable to the Company's auditors and its associates for other services	0.1	0.1
Total auditor's remuneration	3.2	2.9

9. Other gains and losses (net)

	Group	
	2024 £m	2023 £m
Realised (losses)/gains on foreign exchange contracts	(1.2)	10.6
Unrealised (losses)/gains on foreign exchange	(4.8)	1.4
Net (losses)/gains on foreign exchange excluding unrealised fair value (loss)/gain on foreign exchange forward contracts	(6.0)	12.0
Unrealised fair value loss on foreign exchange forward contracts	(0.2)	(10.4)
Royalty income	5.6	6.7
Lease modifications and terminations	20.1	13.1
Proceeds from intellectual property sales	70.6	–
Other income	3.7	0.9
Total other gains and losses	93.8	22.3

The unrealised fair value loss on foreign exchange forward contracts of £0.2m (2023: loss of £10.4m) has been treated as an adjusting item, see note 5.

Royalty income relates to wholesale royalty agreements, see note 1 for further detail.

Lease modifications and terminations relate to lease renegotiations under IFRS 16, which resulted in reducing both the lease liability and the right-of-use asset. As the adjustment exceeded the carrying value of the right-of-use asset, this excess has been recognised as an adjusting item in the profit or loss.

Proceed from Intellectual Property sales arose from two separate transactions. Firstly, the May 2023 disposal of IP rights in the Asia Pacific region to our strategic partner, Cowell Fashion Group, for a consideration of £36.8m. Secondly, in October 2023, the disposal of IP rights for the South Asian region to IPCO Holdings LLP, a joint venture established with Reliance Brands Holding Ltd, a subsidiary of our franchise partner in India, Reliance Brands.

10. Operating loss

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

	Group	
	2024 £m	2023 £m
Depreciation on property, plant and equipment – owned (note 15)	4.1	19.1
Depreciation on right-of-use assets (note 27)	22.0	28.6
Depreciation on deferred liability	(0.3)	(0.3)
Loss on disposal of property, plant and equipment (note 28)	2.3	1.1
Loss on disposal of intangible assets (note 28)	4.3	–
Amortisation of intangible assets (note 16)	9.7	8.1
Impairment of property, plant and equipment (note 15)	7.1	4.0
Impairment of right-of-use assets (note 27)	39.7	40.7
Impairment of intangibles (note 16)	23.2	–
Impairment reversals on property, plant and equipment (note 15)	(2.9)	(0.6)
Impairment reversals on right-of-use assets (note 27)	–	(3.1)
Impairment reversal of intangibles (note 16)	–	(1.1)
Restructuring, strategic change and other property costs (note 5)	9.6	3.1
Cost of inventories recognised as an expense	185.8	264.5
Net reversal of inventories provision (note 20)	0.3	(0.7)
Short-term and variable rent payments (note 27)	7.3	7.7
Onerous property related contracts charge (note 5)	1.2	2.3
Government grants including furlough, gross of provision (note 33)	(2.3)	(1.4)
Covid-19 rent concessions	–	(0.7)
Net impairment loss on trade receivables (note 21)	0.7	1.7
Net foreign exchange gain	17.4	(15.9)

11. Finance expense (net)

	Group	
	2024 £m	2023 £m
Bank interest receivable	1.3	1.8
Total finance income	1.3	1.8
Bank interest payable	(12.2)	(5.1)
Interest on lease liabilities	(7.8)	(5.1)
Total finance expense	(20.0)	(10.2)

12. Tax expense

The tax expense comprises:

	Group	
	2024 £m	2023 £m
Current tax		
• UK corporation tax charge for the period	–	–
• Adjustment in respect of prior periods	1.6	1.9
• Overseas tax	0.9	1.4
Total current tax expense	2.5	3.3
Deferred tax		
• Deferred tax not recognised	–	72.0
• Adjustment in respect of prior periods	–	(5.7)
Adjusting tax expense	–	–
Total deferred tax expense	–	66.3
Total tax expense	2.5	69.6

The tax charge on the adjusted loss is £2.5m (2023: £69.6m charge). The net tax charge on adjusting items totals £nil (2023: £nil).

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

	Group	
	2024 £m	2023 £m
Loss before tax	(65.2)	(78.5)
Loss multiplied by the standard rate in the UK – 25% (2023: 19.5%)	(16.3)	(15.3)
Expenses not deductible for tax purposes	3.1	1.1
Overseas tax differentials	1.7	1.0
Deferred tax not recognised	12.1	20.3
Deferred tax assets derecognised in the year	–	66.3
Uncertain tax positions	0.3	
Adjustment in respect of prior years	1.6	(3.8)
Total tax expense excluding adjusting items	2.5	69.6

13. Loss attributable to Superdry plc

The loss after tax for the 52 weeks ended 27 April 2024 for the Company was £165.6m (52 weeks ended 29 April 2023: loss of £197.6m). The Directors have approved the statement of comprehensive income for the Company. Retained earnings of the Company at 27 April 2024 were a deficit of £356.7m (2023: £191.1m deficit).

14. Dividends

Given the continued uncertainty in the trading environment and in order to maintain liquidity, the Board did not propose an interim dividend and has made the decision not to recommend a final dividend for 2024. In addition, under the terms of our recent loan facility, the Company is restricted from declaring, making or paying dividends to shareholders without prior permission from Bantry Bay, which cannot be unreasonably withheld. At the end of the reporting period, there are no distributable reserves.

15. Property, plant and equipment

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

	Group				
	Land and buildings £m	Leasehold improvements £m	Furniture, fixtures and fittings £m	Computer equipment £m	Total £m
52 weeks ended 27 April 2024					
Cost					
At 29 April 2023	5.2	191.1	69.7	31.3	297.3
Exchange differences	–	(1.5)	(0.4)	–	(1.9)
Additions	–	0.2	0.7	0.1	1.0
Disposals	(0.3)	(25.8)	(5.8)	(1.3)	(33.2)
At 27 April 2024	4.9	164.0	64.2	30.1	263.2
Accumulated depreciation and impairments					
At 29 April 2023	1.2	190.5	62.3	27.0	281.0
Exchange differences	–	(1.5)	(0.3)	–	(1.8)
Disposals	(0.1)	(23.9)	(5.6)	(1.3)	(30.9)
Depreciation charge	0.1	1.0	2.3	0.7	4.1
Impairment reversal	–	(2.9)	–	–	(2.9)
Impairment charges	–	0.8	3.3	3.0	7.1
At 27 April 2024	1.2	164.0	62.0	29.4	256.6
Net book value at 27 April 2024	3.7	–	2.2	0.7	6.6

An impairment charge of £4.1m was recognised on the basis of an impairment review performed on store assets. This charge has been included in adjusting items. For further details see notes 2 and 5.

	Group				
	Land and buildings £m	Leasehold improvements £m	Furniture, fixtures and fittings £m	Computer equipment £m	Total £m
52 weeks ended 29 April 2023					
Cost					
At 30 April 2022	5.2	189.1	64.7	30.4	289.4
Exchange differences	–	3.0	0.7	–	3.7
Additions	–	2.0	5.2	1.0	8.2
Disposals	–	(3.0)	(0.9)	(0.1)	(4.0)
At 29 April 2023	5.2	191.1	69.7	31.3	297.3
Accumulated depreciation and impairments					
At 30 April 2022	1.1	181.5	57.3	26.1	266.0
Exchange differences	–	(4.5)	(0.2)	–	(4.7)
Disposals	–	(2.2)	(0.5)	(0.1)	(2.8)
Depreciation charge	0.1	13.8	4.2	1.0	19.1
Impairment reversal	–	(0.5)	(0.1)	–	(0.6)
Impairment charges	–	2.4	1.6	–	4.0
At 29 April 2023	1.2	190.5	62.3	27.0	281.0
Net book value at 29 April 2023	4.0	0.6	7.4	4.3	16.3

The above property, plant and equipment net impairment movement of £3.4m constitutes part of the total net impairment of £41.0m in 2023 and related to an impairment review performed on store assets. For further details on this please see notes 2 and 5. The impairment has been included within adjusting items in FY23.

15. Property, plant and equipment continued

	Company				
	Land and buildings £m	Leasehold improvements £m	Furniture, fixtures and fittings £m	Computer equipment £m	Total £m
52 weeks ended 27 April 2024					
Cost					
At 29 April 2023	1.9	10.1	5.4	21.2	38.6
Additions	–	–	0.3	0.5	0.8
Disposals	–	(2.6)	(0.4)	–	(3.0)
At 27 April 2024	1.9	7.5	5.3	21.7	36.4
Accumulated depreciation and impairments					
At 29 April 2023	0.5	10.1	3.9	20.1	34.6
Disposals	–	(2.6)	(0.4)	–	(3.0)
Depreciation charge	–	–	0.9	0.8	1.7
At 27 April 2024	0.5	7.5	4.4	20.9	33.3
Net book value at 27 April 2024	1.4	–	0.9	0.8	3.1

	Company				
	Land and buildings £m	Leasehold improvements £m	Furniture, fixtures and fittings £m	Computer equipment £m	Total £m
52 weeks ended 29 April 2023					
Cost					
At 30 April 2022	1.9	10.1	4.8	20.4	37.2
Additions	–	–	0.6	0.9	1.5
Disposals	–	–	–	(0.1)	(0.1)
At 29 April 2023	1.9	10.1	5.4	21.2	38.6
Accumulated depreciation and impairments					
At 30 April 2022	0.5	10.1	3.3	19.3	33.2
Disposals	–	–	–	(0.1)	(0.1)
Depreciation charge	–	–	0.6	0.9	1.5
Impairment charges	–	–	–	–	–
At 29 April 2023	0.5	10.1	3.9	20.1	34.6
Net book value at 29 April 2023	1.4	–	1.5	1.1	4.0

16. Intangible assets

	Group					
	Trademarks £m	Website and software £m	Lease premiums £m	Distribution agreements £m	Goodwill £m	Total £m
52 weeks ended 27 April 2024						
Cost						
At 29 April 2023	5.9	74.4	1.6	15.5	21.6	119.0
Exchange differences	–	–	0.1	0.1	(0.5)	(0.3)
Additions	0.1	2.6	–	–	–	2.7
Disposals	–	(4.8)	–	–	–	(4.8)
At 27 April 2024	6.0	72.2	1.7	15.6	21.1	116.6
Accumulated amortisation and impairments						
At 29 April 2023	4.1	56.8	1.3	14.0	–	76.2
Exchange differences	–	–	(0.1)	–	–	(0.1)
Amortisation charge	0.4	9.3	–	–	–	9.7
Disposals	–	(1.9)	–	–	–	(1.9)
Impairment charges	–	6.3	–	1.6	16.7	24.6
At 27 April 2024	4.5	70.5	1.2	15.6	16.7	108.5
Net book value at 27 April 2024	1.5	1.7	0.5	–	4.4	8.1

The disposal of software in FY24, primarily relates to the Group's unused stock management software.

During the financial period, an impairment review was carried out on the existing website. Based on this review, the recoverable amount was determined to be £nil, as the old website is no longer expected to generate future economic benefits following the launch of a new website in the following financial period.

Software relating to stores assets has been impaired by an additional £1.5m (2023: no impairment charge recognised).

Project Horizon was the implementation of a new stock management system with Oracle. The project was paused before completion, in July 2023 and no agreement has been made to restart the project. After careful consideration, management is of the opinion that it is highly unlikely the project will be resumed. As a result, the carrying value of the software related to Project Horizon has been fully impaired.

	Group					
	Trademarks £m	Website and software £m	Lease premiums £m	Distribution agreements £m	Goodwill £m	Total £m
52 weeks ended 29 April 2023						
Cost						
At 30 April 2022	5.8	68.2	1.4	15.1	20.7	111.2
Exchange differences	–	–	0.1	0.4	0.9	1.4
Additions	0.1	6.2	0.1	–	–	6.4
At 29 April 2023	5.9	74.4	1.6	15.5	21.6	119.0
Accumulated amortisation and impairments						
At 30 April 2022	3.7	50.5	1.2	13.3	–	68.7
Exchange differences	–	–	0.1	0.4	–	0.5
Amortisation charge	0.4	7.4	–	0.3	–	8.1
Impairment reversals	–	(1.1)	–	–	–	(1.1)
At 29 April 2023	4.1	56.8	1.3	14.0	–	76.2
Net book value at 29 April 2023	1.8	17.6	0.3	1.5	21.6	42.8

16. Intangible assets continued

Amortisation of intangible assets is included within selling, general and administrative expenses in the Group statement of comprehensive income.

	Company		
	Trademarks £m	Website and software £m	Total £m
52 weeks ended 27 April 2024			
Cost			
At 29 April 2023	0.8	47.4	48.2
Additions	0.1	0.2	0.3
Disposals	-	(3.4)	(3.4)
At 27 April 2024	0.9	44.2	45.1
Accumulated amortisation			
At 29 April 2023	0.5	40.5	41.0
Amortisation charge	0.1	4.3	4.4
Disposals	-	(1.6)	(1.6)
At 27 April 2024	0.6	43.2	43.8
Net book value at 27 April 2024	0.3	1.0	1.3

	Company		
	Trademarks £m	Website and software £m	Total £m
52 weeks ended 29 April 2023			
Cost			
At 30 April 2022	0.8	44.5	45.3
Additions	-	2.9	2.9
At 29 April 2023	0.8	47.4	48.2
Accumulated amortisation			
At 30 April 2022	0.4	37.0	37.4
Amortisation charge	0.1	3.5	3.6
At 29 April 2023	0.5	40.5	41.0
Net book value at 29 April 2023	0.3	6.9	7.2

16. Intangible assets continued

Impairment of goodwill

Goodwill of £21.1m is allocated between the Group's operating segments as follows: £14.0m (2023: £14.4m) to Wholesale, £4.4m (2023: £4.5m) to Ecommerce and £2.7m (2023: £2.7m) to Stores.

An impairment test is a comparison of the carrying value of assets of a business or cash generating unit (CGU) to their recoverable amount. The Group monitors goodwill for impairment at a segmental level. Wholesale and Ecommerce are defined as individual CGUs, and the Stores segment is a group of CGUs. These segments represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

The recoverable amount is estimated based on using a value in use model using discounted cash flows. Where the recoverable amount is less than the carrying value, an impairment results. The Group's medium-term plan has been used as the basis for this calculation extended to include cashflows over a 10-year period.

As identified in note 5, store assets have been impaired in the current year, where each store is assessed as an individual CGU. Goodwill is monitored at a total Stores segment level, not at an individual store level, and instead includes individually profitable stores in the assessment. Additionally, the cash flows in the goodwill impairment analysis are for a 10-year period, compared to the period to lease expiry in the store impairment assessment.

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 historical performance and are consistent with relevant external sources of information.

Discount rates

Cashflows are discounted using post-tax rates that reflect the current market assessment of the time value of money and the risks specific to the CGUs. The discount rate is derived from the Group's post-tax weighted average cost of capital of 14.7% (2023: 12.8%). No tax is expected to be payable in the foreseeable future and therefore the pre-tax rate is equivalent to the post tax rate.

Operating cash flows

The key assumptions within the forecast operating cash flows include the growth rates in both sales and gross profit margins. This is especially dependent upon assumptions around the ability of the Group to pass increased input costs onto consumers. Key assumptions also include changes in the operating cost base in light of current inflationary pressure and operating efficiencies included in the plan, the extension of leases on profitable stores through the plan, and the level of capital expenditure, as set out in the medium-term financial plan. Judgement is also required in determining an appropriate allocation of central costs. Central costs have been allocated where there is a reasonable and consistent basis for apportionment.

Growth rates

The recoverable amount of each segment is calculated by reference to the value over the medium-term financial plan period, extrapolated for an additional five years at a long-term growth rate of 2.0% (2023: additional five years at 0.0% to 2.0%).

Result of the impairment tests

As a result of the impairment tests, a £16.7m impairment charge has been recognised to fully write-off the goodwill allocated to the Wholesale and Stores segments (2023: no impairment charge recognised). Following the goodwill impairment, software relating to stores assets has been impaired by an additional £1.5m (2023: no impairment charge recognised).

Sensitivity analysis

The results of the Group's impairment tests are dependent on estimates made by management. The principal assumptions on which the impairment tests were performed are detailed above. Analysis of the sensitivity of the result to potential changes in key assumptions has been performed.

The recoverable amount for the Ecommerce CGU is significantly in excess of its carrying values. Management consider that there are no reasonably possible or foreseeable changes in the key assumptions that would result in the recoverable amount falling below the carrying value.

The goodwill relating to Wholesale and Stores has been fully impaired. The impairment of Wholesale would be reversed if there were a 1.4% improvement in Wholesale gross margin across all years, and the impairment of Stores would be reversed if there were a 5.2% improvement in Stores gross margin across all years.

17. Investments

	Company	
52 weeks ended 27 April 2024	27 April 2024 £m	29 April 2023 £m
Cost		
At 29 April 2023	450.8	449.9
Additions	14.4	0.9
At 27 April 2024	465.2	450.8
Provision for impairment		
At 29 April 2023	376.5	309.3
Impairment charge	76.4	67.2
At 27 April 2024	452.9	376.5
Net balance sheet amount 27 April 2024	12.3	74.3

Additions in 2024 relate to the establishment of a new subsidiary and share-based pay charges that are accounted for in Group subsidiaries but relate to shares in the ultimate parent, Superdry plc.

Impairment of investments in subsidiary undertakings

The Company tests investments in subsidiary undertakings annually for impairment.

The recoverable amount for each subsidiary is estimated taking into account the subsidiary's value in use based on discounted future cash flows and the extent to which its net assets can be realised. Estimated future cashflows are based on the medium-term financial plan period, extrapolated to a total of 10 years at the long-term growth rate of 2.0% consistent with assumed inflation (2023: of 0% to 2.0%).

Management estimates discount rates using pre-tax rates that reflect the current market assessment of the time value of money and the risks specific to the CGUs. The pre-tax discount rates range from 13.9% to 16.7% (2023: 13.2% to 19.8%). No tax is expected to be payable in the foreseeable future and therefore the post-tax rate is equivalent to the pre-tax rate.

Following this review, the Company has recognised a charge to fully impair its investment in all subsidiaries except for its investments in SuperGroup Internet Limited (which is unimpaired) and DKH Retail Limited (which is partially impaired).

The cash flows used within the impairment model are based on assumptions which are sources of estimation uncertainty and small movements in these assumptions could lead to an increased impairment. The Company has carried out a sensitivity analysis on the impairment tests for its investment in subsidiary undertakings, using various reasonably possible scenarios. Further detail is set out in note 2.

17. 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 (registered office addresses are included within note 35):

Subsidiary	Principal activity	Country of incorporation	2023 % shares
C-Retail Limited[1,6] – (07139142)	Clothing retailer in UK	UK	100
DKH Retail Limited[1,4,6] – (07063508)	Worldwide wholesale distribution	UK	100
SuperGroup Internet Limited[1,6] – (07139044)	Clothing retailer via the Internet	UK	100
Superdry EUR Finance Ltd[1,6]– (14881084)	Provides finance to the European entities	UK	100
SuperGroup Concessions Limited[1] – (07139101)	Dormant	UK	100
SuperGroup Belgium NV[1]	Holds the investment in SuperGroup Netherlands BV	Belgium	100
SuperGroup Belgium Finance NV[1]	Provides finance to the European entities	Belgium	100
SuperGroup Europe BVBA	Clothing retailer in Belgium	Belgium	100
Superdry France SARL[1]	Clothing retailer in France	France	100
Superdry Germany GmbH[1,3]	Clothing retailer in Germany	Germany	100
SuperGroup India Private Limited[1]	Manages supplier relationships in India	India	100
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]	Clothing retailer in Spain	Spain	100
SuperGroup Retail Ireland Limited[1]	Clothing retailer in the Republic of Ireland	ROI	100
SuperGroup Mumessillik Hizmet ve Ticaret Limited Sirketi[1]	Manages supplier relationships in Turkey	Turkey	100
Superdry Hong Kong Limited[1]	Manages supplier relationships in China	Hong Kong	100
Superdry Sweden AB[1]	Clothing retailer in Sweden	Sweden	100
Superdry Norway A/S[1]	Norway wholesale agent	Norway	100
Superdry Retail Denmark A/S[1]	Clothing retailer in Denmark	Denmark	100
Superdry Retail LLC[5]	Clothing retailer in USA	USA	100
Superdry Wholesale LLC[5]	USA wholesale distribution	USA	100
SuperGroup USA Inc[1,5]	Holds investment in USA	USA	100

1. Directly owned by the Company.
2. Holds the investment in the Portuguese branch which is not material.
3. Holds the investment in the Austrian branch which is not material.
4. Holds the investment in the Switzerland and Norway branches which are not material.
5. Exempt from statutory audit.
6. Exempt from statutory audit under s479A exemption.

All shares held by the Company are ordinary equity shares.

C-Retail Limited (company number 07139142), DKH Retail Limited (company number 07063508), SuperGroup Internet Limited (company number 07139044) and Superdry EUR Finance Ltd (company number 14881084) (will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the period ended 27 April 2024). All four companies are 100% owned directly by Superdry plc. In accordance with section 479C of the Companies Act 2006, the Company will guarantee the debts and liabilities of C-Retail Limited, DKH Retail Limited, SuperGroup Internet Limited and Superdry EUR Finance Ltd.

17. Investments continued

Joint ventures

Set out below are the joint ventures of the Group as at 27 April 2024. The joint ventures have share capital consisting solely of ordinary shares, 50% of which are held directly by the Group. The country of incorporation is also their principal place of business.

Name of entity	Year-end	Country of incorporation	Ownership interest % shares	Measurement method
Trendy & Superdry Holding Limited	30 April	Hong Kong	50	Equity
Horace SARL (France)	31 Dec	France	50	Equity

The non-coterminous year end for Horace SARL (France) was historically determined and is of no material consequence to the Group.

As at 27 April 2024 and as at 29 April 2023, the carrying value of the investment in Trendy & Superdry Holding Limited and Horace SARL was £nil. No charge was recognised in the financial statements in respect of the joint losses in the year as the opening investment asset was £nil (2023: £nil).

Associate

In November 2023, the Group acquired a 24% share of IPCO Holdings LLP on entering into a joint venture agreement with Reliance Brands UK Ltd. The Group sold the Superdry’s intellectual property assets in South Asia, including the Superdry brand and related trademarks, to IPCO Holdings LLP in exchange for cash and a 24% equity interest in IPCO Holdings LLP. The remaining 76% of the equity is held by Reliance Brands Holding UK Ltd.

The Group uses the equity method of accounting for associates in accordance with IAS 28. Detailed disclosures have not been presented as the results are immaterial. The IPCO Holdings LLP profit for the period was £0.1m. The Group's share of the associate profit for the period was £nil and the Group's carrying value of the associate is £nil with no distributions received in the period

18. Balances and transactions with related parties

Transactions with Directors

Directors' remuneration is set out in note 6.

The Group occupies two properties owned by J M Dunkerton SIPP pension fund whose beneficiary and member trustee is Julian Dunkerton. Rent invoiced for these properties during the year was £0.1m (2023: £0.1m). The balance outstanding at 27 April 2024 was £nil (2023: £nil).

The rent invoiced for the head office properties owned by the pension fund is at a rate considered to be below market rent. The combined annual rent invoiced for both properties is currently £0.1m, compared to an anticipated market rent of £0.2m. An accrual has been made to cover the additional cost of the market rate rent, dating back to the last rental review in 2012. The accrual in place at 27 April 2024 is £1.1m (2023: £1.0m).

Julian Dunkerton underwrote the Company's equity raise in May 2023 (see note 31). As a result, the Company paid underwriting commission of £0.1m to Julian Dunkerton in FY24.

In the year ended 29 April 2023, the Group spent £0.1m on travel and subsistence through companies in which Julian Dunkerton has a personal investment. The balance outstanding at 27 April 2024 and 29 April 2023 was £nil. This expenditure included the provision of corporate travel, hotel and catering services supplied on an arm's-length basis. These interests have been disclosed to and authorised by the Board.

18. Balances and transactions with related parties continued

Company transactions with subsidiaries

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

	Management charges		Intercompany payables		Intercompany receivables	
	2024 £m	2023 £m	Balance sheet 27 April 2024 £m	Balance sheet 29 April 2023 £m	Balance sheet 27 April 2024 £m	Balance sheet 29 April 2023 £m
C-Retail Limited	13.1	9.7	–	–	69.9	29.3
DKH Retail Limited	13.0	13.0	(169.1)	(105.8)	-	-
Superdry France SARL	1.5	1.2	–	–	9.3	9.0
Superdry Germany GmbH	3.6	2.7	(17.1)	–	–	19.0
SuperGroup Belgium NV	–	–	–	–	1.1	20.4
SuperGroup Belgium Finance NV	–	–	(13.4)	(13.2)	–	–
SuperGroup Concessions Limited	–	–	(2.6)	(2.6)	–	–
SuperGroup Internet Limited	16.0	12.4	(52.0)	(99.9)	–	–
SuperGroup Retail Ireland Limited	0.7	0.6	–	–	4.4	3.1
SuperGroup Retail Spain S.L.U.	0.2	0.2	–	–	0.1	0.1
SuperGroup Europe BVBA	1.0	0.7	–	–	12.7	8.8
SuperGroup Netherlands Retail and SuperGroup Netherlands BV	1.8	0.9	(0.2)	(0.1)	7.0	5.8
Superdry Nordic and Baltics A/S	–	–	–	–	1.0	0.9
Superdry Retail Denmark	–	–	(0.2)	(0.1)	–	–
Superdry Retail LLC	2.9	3.1	–	–	12.7	8.0
Superdry Wholesale LLC	0.1	0.3	–	(0.1)	1.3	–
Superdry Retail Sweden AB	–	–	(3.6)	(3.7)	–	–
SuperGroup India Private Ltd	–	–	–	–	0.1	0.1

The above intercompany receivable amounts are disclosed net of impairment charges.

Loan interest of £0.3m (2023: £0.6m) has been charged to Superdry Retail LLC, £0.3m (2023: £0.6m) of loan interest to Superdry Wholesale LLC and £nil (2023: £nil) of loan interest to Superdry Sweden AB in the period. As outlined in notes 21 and 24, these loans are repayable on demand.

There have been no further transactions in the period.

19. Deferred tax assets and liabilities

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

	Depreciation in excess of capital allowances	Temporary differences*	Tax losses	Intangible assets – Deferred tax asset	Intangible assets – Deferred tax liability	Derivatives	Leases**	Uncertain tax positions	Total
At 29 April 2023	–	–	6.6	–	(5.2)	–	–	(1.4)	–
Credited/(charged) to the Group statement of comprehensive income – adjusted	–	–	–	–	–	–	–	–	–
Credited/(charged) to the Group statement of comprehensive income – adjusting items	–	–	(5.2)	–	5.2	–	–	–	–
At 27 April 2024	–	–	1.4	–	–	–	–	(1.4)	–

	Depreciation in excess of capital allowances	Temporary differences*	Tax losses	Intangible assets – Deferred tax asset	Intangible assets – Deferred tax liability	Derivatives	Leases**	Uncertain tax positions	Total
At 30 April 2022	–	5.7	41.5	11.1	(0.9)	(2.2)	9.7	1.4	66.3
Credited/(charged) to the Group statement of comprehensive income – adjusted	–	(5.7)	(34.9)	(11.1)	(4.3)	2.2	(9.7)	(2.8)	(66.3)
Credited/(charged) to the Group statement of comprehensive income – adjusting items	–	–	–	–	–	–	–	–	–
At 29 April 2023	–	–	6.6	–	(5.2)	–	–	(1.4)	–

* This asset has only been recognised in jurisdictions where the criteria for recognition of deferred tax assets referenced below have been met.

** In the table above, the "Leases" category relates to deferred tax assets arising from temporary differences on leases. The Group's IFRS 16 right-of-use assets and lease liabilities are not reflected in the statutory accounts of its subsidiaries, which report under applicable local GAAPs, since they arise only on conversion of its subsidiaries' accounts from local GAAP to IFRS. Under these applicable local GAAPs, which are used as the basis for the profits assessed by the local tax authorities, the tax base for the Group's leases is typically nil.

The Group has a net recognised deferred tax asset of £Nil at the balance sheet date. On a gross basis, a deferred tax asset of £1.4m (2023: £6.6m) is recognised to the extent that it is offset by the Group's deferred tax liabilities.

There are unrecognised deferred tax assets (DTAs) of £144m at the balance sheet date (2023: £125m). The key material elements of unrecognised DTAs are tax losses of £86.8m (2023: £78.1m), primarily within the UK and the USA, capital allowances in excess of depreciation of £17.1m (2023: £17.7m), tax related to onerous lease and store impairment provisions of £8.0m (2023: £12.1m) and temporary differences arising under IFRS16 accounting for leases of £31.9m (2023: £11.8m). The gross value of tax losses is £338m, of which £36m relate to US tax losses accrued prior to 31 December 2017 which carry a 20 year expiry window, whereas the remainder have no expiry date.

In the Group's financial statements, the majority of IFRS 16 right-of-use assets arise in respect of store leases. In many cases the value of these right-of-use assets has been reduced due to the recognition of impairment charges, such that the carrying value of the lease liabilities exceeds the carrying value of the right-of-use assets, resulting in a net lease liability in the Group financial statements.

The difference between the carrying value of this net lease liability recognised in the Group financial statements and the tax base of the leases gives rise to a temporary difference, on which a deferred tax asset has been recognised in prior years but not recognised in 2023 or 2024.

19. Deferred tax assets and liabilities continued

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

Net deferred tax assets £m	Company					
	Depreciation in excess of capital allowances	Temporary differences	Tax losses	Intangible assets	Derivatives	Total
At 29 April 2023	–	–	–	–	–	–
Charged to the Company statement of comprehensive income – adjusted	–	–	–	–	–	–
Credited/(charged) to the Company statement of comprehensive income – adjusting items	–	–	–	–	–	–
At 27 April 2024	–	–	–	–	–	–

Net deferred tax assets £m	Company					
	Depreciation in excess of capital allowances	Temporary differences	Tax losses	Intangible assets	Derivatives	Total
At 30 April 2022	2.0	–	6.5	–	–	8.5
Charged to the Company statement of comprehensive income – adjusted	(2.0)	–	(6.5)	–	–	(8.5)
Credited/(charged) to the Company statement of comprehensive income – adjusting items	–	–	–	–	–	–
At 29 April 2023	–	–	–	–	–	–

Uncertain tax position

The Group is subject to tax laws in a number of jurisdictions and given the scale of its operations, it is subject to periodic challenges by local tax authorities on a range of tax matters. The Group's transfer pricing policies aim to allocate profits and losses to each operating entity on an arm's length basis.

It is uncertain how different tax authorities may view the allocation of profits and losses on an arm's length basis.

Given this uncertainty, the Group has recognised the following provisions in respect of uncertain tax positions as required under IAS12, with due consideration to guidance contained within IFRIC23.

	Group	
52 weeks ended 29 April 2023	27 April 2024 £m	29 April 2023 £m
Deferred tax liability	1.4	1.4
Deferred tax asset	–	–
Uncertain tax position – net deferred tax liability	1.4	1.4
Uncertain tax position – current tax liability	2.4	2.1
Uncertain tax position – total	3.8	3.5

20. Inventories

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Finished goods	79.6	112.5	0.6	1.3
Net inventories	79.6	112.5	0.6	1.3

Inventory write-downs for each period are as follows:

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
At start of period	3.8	6.1	–	–
Provision charge in the period	1.0	1.5	–	–
Unused amounts reversed	(0.7)	(2.2)	–	–
Utilised in period	(1.5)	(1.6)	–	–
At end of period	2.6	3.8	–	–

The net movement in the inventory provision, excluding utilised amounts, is a £0.3m increase (2023: £0.7m release).

There is no material difference between the book value and replacement cost of inventories.

Inventories are provided as security for the Asset Backed Lending facility which is described further in note 23.

21. Trade and other receivables

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Trade receivables	34.6	49.8	–	–
Less: allowance for expected credit losses	(6.0)	(6.0)	–	–
Net trade receivables	28.6	43.8	–	–
Taxation and social security	5.8	3.6	6.2	1.3
Other receivables	2.1	4.6	0.3	0.7
Prepayments	24.1	20.5	4.2	7.5
Rent deposits held by landlords	2.5	9.7	–	–
Total trade and other receivables – Current	63.1	82.2	10.7	9.5
Other amounts due from Group companies – Non-Current	–	–	162.0	241.1
Less: loss allowance for amounts due from Group companies	–	–	(158.8)	(136.6)
Net amounts due from Group companies – Non-Current	–	–	3.2	104.5
Rent deposits held by landlords	5.6	–	–	–
Total trade and other receivables – Non-Current	5.6	–	3.2	104.5
Total trade and other receivables	68.7	82.2	13.9	114.0

Prepayments for the Group include £18.1m (2023: £15.5m) of prepaid rent and rates.

The fair values of trade and other receivables are equal to their carrying value. The current balances due from Group companies are repayable on demand and will be settled in the normal course of operating activity. The non-current balances are not expected to be settled within the next twelve months.

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 provided as security for the Asset Backed Lending facility which is described further in note 23.

21. Trade and other receivables continued

Impairment of trade receivables – Group accounts

The table below shows the credit risk exposure on the Group's trade receivables at 27 April 2024:

	Carrying amount £m	Current £m	Overdue 1-30 days	Overdue 31-60 days	Overdue 60 days +
Expected loss rate %	18%	5%	10%	24%	49%
Gross carrying amount – trade receivables	34.6	20.4	3.6	1.8	8.8
Loss allowance	(6.0)	(0.9)	(0.4)	(0.4)	(4.3)

The table below shows the credit risk exposure on the Group's trade receivables at 29 April 2023:

	Carrying amount £m	Current £m	Overdue 1-30 days	Overdue 31-60 days	Overdue 60 days +
Expected loss rate %	12%	3%	22%	22%	37%
Gross carrying amount – trade receivables	49.8	34.1	2.6	2.5	10.6
Loss allowance	(6.0)	(1.0)	(0.6)	(0.5)	(3.9)

Other receivables are tested for impairment on an individual basis. The credit risk is low, and the loss allowance measured as 12-month expected credit loss is immaterial. Due to the nature of the other classes within trade and other receivables there is not expected to be any credit loss allowance and as such there is no expected credit loss allowance to recognise on those assets.

The closing loss allowances for trade receivables as at 27 April 2024 reconciles to the opening loss allowances as follows:

	2024 £m	2023 £m
At start of period	6.0	4.7
Change in allowance, net of recoveries charged to the Group statement of comprehensive income	1.6	2.6
Receivables written off during the year as uncollectable, previously provided for	(0.7)	(0.4)
Unused loss allowance reversed	(0.9)	(0.9)
At end of period	6.0	6.0

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

Impairment of intercompany receivables – Company accounts

On 27 April 2024 intercompany receivables of £162.0m are included in stage 3 of IFRS 9's general impairment model (2023: £176.1m in stage 2 and £65.0m in stage 3). The Company uses the expected forward-looking credit loss model approach of IFRS 9. At the start of the year, the provision recognised against the intercompany receivables was £136.6m. During 2024, there has been an increase of £22.2m to the impairment of amounts due from Group companies bringing the year-end impairment to £158.8m. See note 30 for an assessment of the Company's financial risk management.

21. Trade and other receivables continued

The table below shows the credit risk exposure on the Company's receivables:

	2024 Carrying amount £m	2023 Carrying amount £m
Expected loss rate %	98.0%	56.7%
Gross carrying amount – receivables	162.0	241.1
Loss allowance	(158.8)	(136.6)

There was a minimal decrease in the rate of expected credit losses during the period.

The closing loss allowances for intercompany receivables as at 27 April 2024 reconcile to the opening loss allowances as follows:

	2024 £m	2023 £m
At start of period	136.6	15.6
Change in allowance, net of recoveries charged to the Company statement of comprehensive income	22.2	121.0
At end of period	158.8	136.6

22. Cash and bank balances

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Cash at bank and in hand	32.3	58.2	9.2	5.6
Total cash and cash balances	32.3	58.2	9.2	5.6

Cash and bank balances comprise cash at bank with major UK and European clearing banks and earn floating rates of interest based upon bank base rates. At 27 April 2024, the Group had £13.3m (2023: £8.0m) deposited with HSBC Bank plc, £2.1m (2023: £2.3m) deposited with BNP Paribas, £0.1m (2023: £0.1m) deposited with Sydbank and £0.8m (2023: £1.6m) deposited with Europaisch-Iranische Handelsbank AG. The remainder of the cash is deposited in other bank accounts.

There are a number of balances included within cash and bank balances that are considered to be restricted cash. An amount of £7.5m (2023: £2.9m) is held at HSBC in trust accounts that are used as collection accounts for repayment of the Bantry Bay Asset Backed Lending Facility. There are cash deposits from franchise customer guarantees of £1.1m (2023: £1.4m), all of which is held in escrow. Additionally, there is £0.8m (2023: £1.6m) deposited with Europäisch-Iranische Handelsbank AG which is subject to restrictions on repatriation.

23. Borrowings

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Unsecured borrowings				
Bank overdraft	5.0	35.8	3.5	2.2
Total unsecured borrowings	5.0	35.8	3.5	2.2
Secured borrowings				
Bantry ABL facility	30.0	48.0		
Hilco ABL facility	10.2	–	–	–
Total secured borrowings	40.2	48.0	–	–
Total borrowings	45.2	83.8	3.5	2.2

The Group had a multi-currency notional cash pool with HSBC UK Bank plc. This allowed gross overdraft balances of up to £10m (2023 £100m) provided they were offset by an equivalent amount in cash. Gross overdrafts in 2024 amounted to £5.0m (2023: £35.8m) and are shown within borrowings in current liabilities on the balance sheet. This notional cash pooling arrangement was terminated after the year end.

23. Borrowings continued

In December 2022, Superdry agreed an Asset Based Lending Facility of up to £80m, limited by levels of inventory and receivables held at any point in time, with specialist lender Bantry Bay Capital Limited, including a £30m term loan. Interest on the facility in the year is calculated as 7.5% + SONIA for any drawn amount and a flat 1% on any undrawn balance. The facility carries a fixed and floating charge over all assets in the Group and was due to expire on 22 December 2025.

In August 2023 the Group agreed a secondary lending facility of up to £25m with Hilco Capital Limited at an interest rate of 10.5% + Bank of England base rate on any drawn balance and a flat rate of 2% on any undrawn amounts. Similar to the Bantry facility, the ability to borrow is linked to the levels of both inventories and trade receivables.

In March 2024 an additional £10m was added to the Hilco facility limit taking the total to £35m. The interest rate applicable is 11.5% + Bank of England base rate on any drawn balance and a flat rate of 2% on any undrawn amounts. The facility was due to expire on 7 August 2024.

Post year end in June 2024 the financing agreements with Bantry Bay and Hilco were amended and extended to be co-terminus to June 2027. The facility limit with Hilco was increased with an aggregate amount of £20m of additional facility at specific points in the Group's cashflow cycle. Covenants relating to EBITDA and cashflow from operations were included in the new facility documents. These covenants are cumulative measures for rolling periods of up to 12 months beginning in FY25 to the end of the facility in June 2027. They are absolute measures of EBITDA and operating cashflows taking the Target Operating Model as the basis of calculation. In FY25 these are assessed and reported monthly commencing from the accounting period ended July 2024. They move to bi-monthly from March 2025. The first measurement period for the period ended July 2024 was passed comfortably, EBITDA by 112% and cash from operations 325%. Managements current forecasts show sustained headroom above these covenant measures.

The interest rates were amended to 11.5% to 12.5% plus Bank of England base rate.

The usage and undrawn balances under the Asset Backed Loan facilities are shown below:

	Group	
	2024 £m	2023 £m
Availability	65.0	48.0
Utilisation – term loan	(30.0)	(30.0)
Utilisation – other asset backed drawings	(10.2)	(18.0)
Net undrawn asset backed loan facility	24.8	–

Cash and overdraft balances have been disclosed gross in line with the requirements of IAS32: Financial instruments: Presentation. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

24. Trade and other payables

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Non-current				
Deferred cash contributions and rent-free periods	6.4	1.6	–	–
Other payables	1.1	1.4	–	–
Total non-current trade and other payables	7.5	3.0	–	–
Current				
Trade payables	45.6	66.2	4.2	5.9
Amounts due to related parties	–	–	213.1	225.5
Taxation and social security	4.3	3.0	–	0.2
Other payables	0.9	6.7	0.3	1.1
Returns liability	6.6	11.5	–	–
Contract liabilities	3.0	5.5	–	–
Accruals	29.9	27.2	9.9	6.3
Deferred cash contributions and rent-free periods	0.8	0.7	–	–
Total current trade and other payables	91.1	120.8	227.5	239.0
Total trade and other payables	98.6	123.8	227.5	239.0

Other payables include wage liabilities of £1.3m (2023: £2.2m) and agents' commission accruals of £1.7m (2023: £1.8m).

The balances due to related parties are repayable on demand.

24. Trade and other payables continued

The returns liability is the present obligations for the actual and estimated customer returns and is expected to be utilised within 12 months. The liability is recalculated at each balance sheet date considering recent sales and anticipated levels of returns.

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

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
1 – 2 years	6.4	1.6	–	–
Deferred cash contributions and rent-free periods	6.4	1.6	–	–

Deferred cash contributions and rent-free periods are held on account for lease commitment that are variable rent agreement and has no fixed agreement from commencement of lease.

Contract liabilities

Contract liabilities for the purpose of IFRS 15 relate to the provision of gift cards and the timing of the sale of goods. This is the case where payment is received in advance of the performance obligations, which will be discharged at a later point in time. IFRS 15 therefore requires disclosure of the value of these outstanding liabilities at year-end, and the value recognised during the year for those performance obligations being met. The below amounts are included within trade and other payables:

	Group	
	2024 £m	2023 £m
Opening balance	5.5	6.3
New liabilities	3.8	8.6
Revenue recognised in income statement	(6.3)	(9.4)
Closing balance	3.0	5.5

Substantially all the revenue deferred at the current financial year-end will be recognised within two financial years. This was also the case at the prior financial year-end.

25. Provision for other liabilities and charges

	Group					
	Onerous property related contracts	Other provisions	Total	Onerous property related contracts	Other provisions	Total
	2024 £m	2024 £m	2024 £m	2023 £m	2023 £m	2023 £m
Provisions for other liabilities and charges at the start of the period	8.0	4.5	12.5	8.4	3.5	11.9
New provisions	–	5.4	5.4	–	2.4	2.4
Exchange differences	(0.1)	(0.1)	(0.2)	0.3	0.1	0.4
Utilisation in the period	(3.7)	(0.1)	(3.8)	(2.8)	–	(2.8)
Releases on exited stores	(2.0)	–	(2.0)	(0.2)	(0.2)	(0.4)
Charge in the period	1.2	3.6	4.8	2.3	(1.3)	1.0
Provisions for other liabilities and charges at the end of the period	3.4	13.3	16.7	8.0	4.5	12.5
Analysed as:						
Current provisions	1.0	0.6	1.6	3.1	2.3	5.4
Non-current provisions	2.4	12.7	15.1	4.9	2.2	7.1

Provisions for onerous property-related contracts will be utilised over the remaining life of the leases which are expected to end between 2024 and 2033. Other provisions mainly comprise dilapidation provisions which will be utilised upon the exit or expiry of property leases which are expected to occur between 2024 and 2034.

The sensitivity of the onerous lease provision to assumptions is set out in note 2.

25. Provision for other liabilities and charges continued

	Company					
	Onerous property related contracts	Other provisions	Total	Onerous property related contracts	Other provisions	Total
	2024 £m	2024 £m	2024 £m	2023 £m	2023 £m	2023 £m
Provisions for other liabilities and charges at the start of the period	0.1	1.2	1.3	1.5	–	1.5
New provisions	–	–	–	–	1.2	1.2
Utilisation in the period	–	(1.1)	(1.1)	(0.8)	–	(0.8)
Charge in the period	–	–	–	(0.6)	–	(0.6)
Provisions for other liabilities and charges at the end of the period	0.1	0.1	0.2	0.1	1.2	1.3
Analysed as:						
Current provisions	0.1	0.1	0.2	0.1	1.2	1.3

26. Contingent liabilities

The Company is party to an unlimited cross guarantee over all liabilities of the Group.

DKH Retail Ltd have issued a debenture in favour of HSBC UK Bank Plc (“HSBC”) in relation to all outstanding facilities with HSBC. The debenture provides a fixed and floating charge over the company’s assets, but, further to an intercreditor agreement, ranks after charges arising under the ABL facilities over the Group’s assets provided by Bantry Bay and Hilco.

Supergroup Europe BV has a credit facility with BNP Paribas which gives security over the assets of Supergroup Europe BV. The Group has contractual agreements with third party wholesale agents which include a right for the wholesale agent to be indemnified when the contract is terminated. These future indemnity amounts are held as contingent liabilities until the contract is terminated, at which point they are held as provisions or accruals. The value of future obligations for contracts which have not yet been terminated (and have no defined end date) is £2.9m (2023: £3.2m).

The Group has assessed that its parent company guarantee arrangements in the form of financial guarantees that meet the IFRS 17 definition of insurance contracts, have no impact on the Consolidated Financial Statements of the Group for the year to 27 April 2024. Following a review of the guarantees and using historical information, the likelihood of any guarantees being exercised is considered unlikely.

27. Leases

Right-of-use asset

52 weeks ended 27 April 2024	Group Right-of-use asset £m	Company Right-of-use asset £m
Cost		
At 29 April 2023	386.7	6.5
Additions*	54.7	0.1
Disposals	(17.0)	–
Lease modifications	(1.0)	–
Exchange rate difference	(2.2)	(0.2)
At 27 April 2024	421.2	6.4

*Additions are from new stores, extension or remeasurement of leases e.g. CPI changes.

52 weeks ended 27 April 2024	Group Right-of-use asset £m	Company Right-of-use asset £m
Accumulated depreciation		
At 29 April 2023	338.2	5.1
Depreciation charge	22.0	0.5
Disposals	(8.0)	–
Reclassification from provisions	7.3	–
Impairment charges	39.7	(0.8)
Exchange rate difference	(1.3)	(0.2)
At 27 April 2024	397.9	4.6
Net balance sheet amount at 27 April 2024	23.3	1.8

An impairment charge of £39.7m was recognised on the basis of an impairment review performed on store assets. This charge has been included in adjusting items. For further details see notes 2 and 5.

The carrying amount of the right-of-use asset relates to property.

52 weeks ended 29 April 2023	Group Right-of-use asset £m	Company Right-of-use asset £m
Cost		
At 30 April 2022	362.0	7.2
Additions*	36.5	0.4
Disposals	(12.9)	(1.0)
Lease modifications	(2.7)	(0.1)
Exchange rate difference	3.8	–
At 29 April 2023	386.7	6.5

* Additions are from new stores, extension or remeasurement of leases, e.g. CPI changes.

27. Leases continued

52 weeks ended 29 April 2023	Group Right-of-use asset £m	Company Right-of-use asset £m
Accumulated depreciation		
At 30 April 2022	281.8	5.9
Depreciation charge	28.6	0.6
Disposals	(11.6)	(1.0)
Impairment reversals	(3.1)	(0.4)
Impairment charges	40.7	0.1
Exchange rate difference	1.8	(0.1)
At 29 April 2023	338.2	5.1
Net balance sheet amount At 29 April 2023	48.5	1.4

Items in the Group statement of comprehensive income not impacted by IFRS 16 are:

	Group 2024 £m	Group 2023 £m
Lease expense relating to short-term assets	2.9	1.8
Lease expense of variable lease payments not included in the lease liabilities	4.4	5.9

The above lease expenses are gross of onerous property related contracts provision, capital contribution releases and rent-free lease.

Lease liability

Lease liabilities are calculated by discounting fixed lease payments using the incremental borrowing rate at the lease inception date determined with reference to the geographical location and length of the lease. The discount rates applied to leases range between 10.4% and 15.6% (2023: 4.7% to 9.0%).

Analysed as:	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Current lease liability	59.1	60.5	1.4	1.3
Non-current lease liability	87.6	127.6	1.0	1.8
Total lease liability	146.7	188.1	2.4	3.1

The remaining contractual maturities of the lease liabilities, which are gross and undiscounted, are as follows:

	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Less than one year	94.1	99.5	1.4	1.3
One to two years	30.2	49.2	0.8	1.0
Two to three years	25.6	35.1	0.2	0.6
Three to four years	15.1	24.9	–	0.2
Four to five years	6.9	14.5	–	–
More than five years	13.9	10.7	–	–
Total undiscounted lease liability	185.8	233.9	2.4	3.1
Finance charge	39.1	45.8	–	–
Net lease liability	146.7	188.1	2.4	3.1

27. Leases continued

	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Opening lease liability	188.1	217.3	3.1	3.7
Payment of lease liability	(61.5)	(61.4)	(0.8)	(1.3)
Present value of Covid-19 rent concessions and deferrals	(0.1)	(0.7)	–	–
Increase due to lease additions and modifications	35.6	35.5	0.1	0.4
Decrease due to lease disposals and modifications	(20.6)	(12.3)	–	(0.1)
Interest expense	7.8	5.1	0.1	0.1
Foreign exchange differences	(2.6)	4.6	(0.1)	0.3
Closing lease liability	146.7	188.1	2.4	3.1

All movements in the table above are non-cash movements except for payment of lease liability (which includes both interest and principal), which are cash movements. For a reconciliation of liabilities to cash flow arising from other financing activities (excluding leases), refer to note 29.

28. Note to the cash flow statement

Reconciliation of operating profit to cash generated from operations.

	Note	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Operating (loss)/profit		(46.5)	(70.1)	(152.5)	2.7
Adjusted for:					
• Loss on derivatives	5	0.2	10.4	–	–
• Depreciation of property, plant and equipment and right-of-use assets	15,27	26.1	47.7	1.8	2.1
• Amortisation of intangible assets	16	9.7	8.1	0.2	3.6
• Impairment charge of property, plant and equipment, right-of-use assets and intangible assets		70.0	44.7	1.8	0.3
• Impairment reversal of property, plant and equipment, right-of-use assets and intangible assets		(2.9)	(3.7)	–	–
• Loss on disposal of property, plant and equipment		2.3	1.1	0.4	–
• Loss on disposal of intangible assets		4.3	–	3.4	–
• Lease modifications		(17.5)	(13.1)	–	0.3
• IFRS 16 Covid-19 rent concessions		(0.2)	(0.7)	–	–
• (Decrease) in onerous property related contracts provision (net of releases on exited stores)	25	(4.5)	(0.7)	–	(1.4)
• Increase in other provisions	25	3.5	0.9	(1.2)	1.2
• Employee share award schemes		2.4	1.4	–	0.7
• Foreign exchange gains/(losses)	10	17.4	(15.9)	–	(3.7)
• Impairment of investment in subsidiaries		–	–	76.4	–
• Impairment of Intercompany receivables		–	–	69.4	–
• Net impairment of inventory provision	20	0.3	(0.7)	–	–
• Net impairment of trade receivables	21	0.7	1.7	–	–
Operating cash flow before movements in working capital		65.3	11.1	(0.3)	5.8
Changes in working capital:					
• Decrease in inventories		32.3	21.4	0.7	–
• Decrease/(increase) in trade and other receivables		10.9	29.4	16.6	(30.2)
• (Decrease)/increase in trade and other payables and provisions		(25.7)	(12.5)	(10.5)	33.6
Cash generated from operating activities		82.8	49.4	6.5	9.2

Group cash flows arising from adjusting items are £60.5m net cash inflow (2023: £nil).

29. Net debt

Analysis of net debt

		Group			
		2023 £m	Cash flow £m	Non-cash changes £m	2024 £m
Cash and bank balances	25	58.2	(22.6)	(3.3)	32.3
Overdraft	26	(35.8)	30.8	–	(5.0)
Cash and cash equivalents		22.4	8.2	(3.3)	27.3
ABL Facility	26	(48.0)	7.8	–	(40.2)
Lease liabilities	27	(188.1)	61.5	(20.1)	(146.7)
Net debt		(236.1)	69.3	(23.4)	(186.9)

		Company			
		2023 £m	Cash flow £m	Non-cash changes £m	2024 £m
Cash and bank balances	25	5.6	3.6	–	9.2
Overdraft	26	(2.2)	(1.3)	–	(3.5)
Cash and cash equivalents		3.4	2.3	–	5.7

Non-cash changes relates to exchange losses on cash and cash equivalents.

A reconciliation of movements of liabilities to cash flows arising from financing activities excluding lease liability is included below:

	Group
	2024 £m
Balance at 29 April 2023	48.0
Changes from financing cash flows:	
Drawdown of ABL	9.8
Payment of interest	(6.0)
Repayment of ABL	(17.9)
Total changes from financing cash flows	(14.1)
Other changes:	
Interest expense	6.3
Balance at 27 April 2024	40.2

See note 27 for an explanation of the movements in lease liabilities.

	Group
	2023 £m
Balance at 30 April 2022	18.4
Changes from financing cash flows:	
Drawdown of ABL	160.1
Payment of interest	(3.3)
Repayment of ABL	(130.5)
Total changes from financing cash flows	26.3
Other changes:	
Interest expense	3.3
Balance at 29 April 2023	48.0

30. Financial risk management

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

Credit risk – Group accounts

Credit risk is managed on a Group basis through a shared service centre based in Cheltenham. Credit risk arises from cash and cash equivalents, as well as credit exposures to Wholesale and to a lesser extent Store and Ecommerce customers, including outstanding receivables and committed transactions. For Wholesale customers, management assesses the credit quality of the customer, considering its financial position, past experience and other factors. The Group mitigates risk in certain markets or with customers considered higher risk with payments in advance and bank guarantees, as well as adopting credit insurance where appropriate. The Group regularly monitors its exposure to bad debts in order to minimise risk of associated losses.

The Group was party to banking agreements that included a legal right of offset which enabled the overdraft balances to be settled net with cash balances (2024 overdrafts: £5.0m, 2023 overdrafts: £35.8m). These balances have been excluded from contractual cash flows. This right of offset was terminated following the year end.

Sales to Store and Ecommerce customers are settled in cash, by major credit cards, or other online payment providers. Credit risk from cash and cash equivalents is managed via banking with well-established banks with a strong credit rating.

Impairment of financial assets

The Group's financial assets subject to the expected credit loss (ECL) model are primarily trade receivables.

A loss allowance is recognised based on ECL. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. None of the trade receivables that have been written off are subject to enforcement activities.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is considered when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

30. Financial risk management continued

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. the financial instrument has a low risk of default;
2. the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
3. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The maximum exposure to credit risk is equal to the carrying value of the derivatives, cash and trade and other receivables.

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. The exposure at default is represented by the asset's gross carrying value, less specific insurance held, at the reporting date.

The ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The Group recognises an impairment gain or loss in profit for all financial instruments with a corresponding adjustment to their carrying amount through a loss account.

Credit risk – Company accounts

The ECL model is required to be applied to the intercompany receivable balances, which are classified as held at amortised cost. The increase in the loss allowance during the current year relates to a deterioration in the borrower's credit risk during the current period.

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.
- investments in foreign operations, whose net assets are exposed to foreign currency translation.

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

The Group's approach is to hedge the risk of changes in the relevant spot exchange rate. The Group uses forward contracts to hedge foreign exchange risk. As at 27 April 2024 and 29 April 2023, the Group had entered into a number of foreign exchange forward contracts to hedge part of the aforementioned translation risk. Any remaining amount remains unhedged.

Forward exchange contracts have not been formally designated as hedges and consequently no hedge accounting has been applied. Forward exchange contracts are carried at fair value. Currency exposure arising from the net assets of the Group's foreign operations are not hedged.

On 27 April 2024, if the currency had weakened or strengthened by 20% against both the US Dollar and Euro with all other variables held constant, profit for the period would have been £15.2m (2023: £19.6m) 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 20% used for sensitivity analysis has been chosen because it represents a range of reasonably probable fluctuations in exchange rates.

30. Financial risk management continued

The Group's foreign currency exposure is as follows:

	Group			
	2024 US Dollar £m	2024 Euro £m	2023 US Dollar £m	2023 Euro £m
Financial assets				
Trade receivables	2.3	22.1	5.9	25.1
Cash and cash equivalents	5.6	8.1	0.8	8.3
Financial assets exposure	7.9	30.2	6.7	33.4
Financial liabilities				
Trade payables	(15.4)	(15.3)	(8.9)	(9.4)
Lease liabilities	(11.1)	(68.3)	(20.1)	(81.7)
Overdrafts	–	(4.1)	(17.8)	–
Financial liabilities exposure	(26.5)	(87.7)	(46.8)	(91.1)
Net exposure	(18.6)	(57.5)	(40.1)	(57.7)

Cash flow interest rate risk

The Group has financial assets and liabilities which are exposed to changes in market interest rates. Changes in interest rates impact primarily on deposits, loans and borrowings by changing their future cash flows (variable rate). Management does not currently have a formal policy of determining how much of the Group's exposure should be at fixed or variable rates and the Group does not use hedging instruments to minimise its exposure. However, at the time of taking out new loans or borrowings, management uses its judgement to determine whether it believes that a fixed or variable rate would be more favourable for the Group over the expected period until maturity. If base interest rates had been 1% higher during FY24, the net interest charge would have increased by £0.5m (2023: £0.4m). The Group's significant interest-bearing assets and liabilities are disclosed in notes 22 and 23.

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 23, 24 and 27.

Over 2024, the Group was party to banking agreements that included a legal right of offset which enabled the overdraft balances to be settled net with cash balances (2024: £4.9m overdraft, 2023: £35.8m overdraft). These balances have been excluded from contractual cash flows.

In light of the external challenges currently faced by the Group, which include input price inflation and the impact of high inflation on consumer spending, the Group is closely managing cash flows through reduced capital expenditure and tight control over day-to-day spend. There additionally continues to be a focus on improving operational efficiency through reducing stock levels and through achieving cost savings.

The Group's borrowing facilities are set out in note 23.

Maturity of undiscounted financial liabilities (excluding derivatives)

The expected maturity of undiscounted financial liabilities is as follows:

	2024 £m	2023 £m
In one year or less	115.3	184.0
In two to five years	1.1	1.4

The above balances relate to trade payables, other payables, accruals and overdrafts. See note 27 for analysis of undiscounted lease liabilities.

30. Financial risk management continued

Valuation hierarchy

The table below shows the financial instruments carried at fair value by valuation method:

	Group					
	Level 1 £m	Level 2 £m	2024 Level 3 £m	Level 1 £m	Level 2 £m	2023 Level 3 £m
Assets						
Derivative financial instruments						
• forward foreign exchange contracts	–	–	–	–	1.1	–
Liabilities						
Derivative financial instruments						
• forward foreign exchange contracts	–	(1.3)	–	–	(2.2)	–

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 27 April 2024 and 29 April 2023.

At 27 April 2024, the notional amount on outstanding forward foreign exchange contracts was as follows:

	2024 £m	2023 £m
Contracts to buy USD	48.9	59.7
Contracts to sell EUR	52.3	21.0

Derivative financial instruments

There is a master netting agreement in place in relation to derivatives. All cash flows will occur within 24 months (2023: 24 months). All derivative financial instruments are carried at fair value as assets when the fair value is positive and as liabilities when the fair value is negative.

The table below analyses the Group's and Company's derivative financial instruments. The amounts disclosed in the table are the carrying balances of the assets and liabilities as at the balance sheet date.

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Forward foreign exchange contracts – current	–	1.1	–	–
Total derivative financial assets	–	1.1	–	–
Forward foreign exchange contracts – current	1.3	2.2	1.0	–
Total derivative financial liabilities	1.3	2.2	1.0	–

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

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders, and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. The Group is not subject to any externally imposed capital requirements.

Consistent with others in the industry, the Group monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is defined in note 19. Total capital employed is calculated as "equity" as shown in the consolidated balance sheet plus net debt. The Group is in a net debt position on 27 April 2024 (2023: net debt position).

The Board has put in place a distribution policy which considers the degree of maintainability of the Group's profit streams as well as the requirement to maintain a certain level of cash resources for working capital and capital investment purposes. If appropriate, the Board will recommend an ordinary dividend broadly reflecting the profits in the relevant period. In addition, the Board will consider and, if appropriate, recommend the payment of a supplemental dividend alongside the final ordinary dividend. The value of any such supplemental dividend will vary depending on the performance of the Group and the Group's anticipated working capital and capital investment requirements through the cycle. It is intended that, in normal circumstances, the value of the ordinary dividends declared in respect of any year are covered at least three times by adjusted profit after tax (see note 32 for definition). Considering the current economic climate and consistent with the FY23 decision, the Board did not propose an interim dividend and has made the decision not to recommend a final dividend for FY24. In addition, under the terms of our recent loan facility, the Company is restricted from declaring, making or paying dividends to shareholders without prior permission from Bantry Bay, which cannot be unreasonably withheld.

30. Financial risk management continued

Capital Structure

The capital structure is as follows:	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Equity	(93.7)	(53.1)	(192.4)	(37.8)
Cash and bank balances	32.3	58.2	9.2	5.6
Borrowings	(45.2)	(83.8)	(3.5)	(2.2)
Net (debt)/cash and cash equivalents	(12.9)	(25.6)	5.7	3.4

Financial instruments: Asset

	Group					
Financial instruments by category: Assets	Assets at fair value through profit or loss 2024 £m	Financial assets at amortised cost 2024 £m	Total 2024 £m	Assets at fair value through profit or loss 2023 £m	Financial assets at amortised cost 2023 £m	Total 2023 £m
Trade and other receivables excluding non-financial assets	–	33.2	33.2	–	58.1	58.1
Derivative financial instruments	–	–	–	1.1	–	1.1
Cash and cash equivalents	–	32.3	32.3	–	58.2	58.2
Financial instruments – assets	–	65.5	65.5	1.1	116.3	117.4

Financial instruments: Liabilities

	Group					
Financial instruments by category: Liabilities	Liabilities at fair value through profit or loss 2024 £m	Other financial liabilities at amortised cost 2024 £m	Total 2024 £m	Liabilities at fair value through profit or loss 2023 £m	Other financial liabilities at amortised cost 2023 £m	Total 2023 £m
Derivative financial instruments	1.3	–	1.3	2.2	–	2.2
Lease liabilities	–	146.7	146.7	–	188.1	188.1
Borrowings	–	45.2	45.2	–	83.8	83.8
Trade and other payables excluding non-financial liabilities	–	77.5	77.5	–	101.5	101.5
Financial instruments – liabilities	1.3	269.4	270.7	2.2	373.4	375.6

Financial instruments: Assets

	Company	
Financial instruments by category: Assets	Financial assets at amortised cost 2024 £m	Financial assets at amortised cost 2023 £m
Trade and other receivables excluding non-financial assets	3.2	105.0
Cash and cash equivalents	9.2	3.4
Financial instruments – assets	100.6	108.4

Financial instruments: Liabilities

	Company	
Financial instruments by category: Liabilities	Other financial liabilities at amortised cost 2024 £m	Other financial liabilities at amortised cost 2023 £m
Trade and other payables excluding non-financial liabilities	227.5	238.7
Lease liabilities	2.4	3.1
Financial instruments – liabilities	432.3	241.8

31. Share capital

Authorised, allotted and fully paid 5p shares

Group and Company	Number of shares	Value of shares (£m)
27 April 2024	99,134,187	5.0
29 April 2023	82,201,937	4.1

On 2 May 2023, the Company announced the successful completion of an equity raise, raising gross proceeds of approximately £12.0m (with net proceeds of £11.0m) through a Placing and separate Retail Offer at a price of 76.3 pence per share. In aggregate, the Equity Raise comprised 15,700,000 new ordinary shares with a nominal value of £785,000, representing approximately 19.1 per cent of the Company's issued share capital at that date.

1,232,250 ordinary shares of 5p were authorised, allotted and issued in the period under the Superdry share-based Long-Term Incentive Plans, Buy As You Earn and Save As You Earn schemes, as well as under other schemes issued to certain members of senior management.

The number of shares stated above includes all Superdry Plc shares, including those held by the Supergroup Plc employee benefit trust. See below for a summary of the shares held by the trust at 27 April 2024.

Employees Share Option Plan (ESOP)

Group and Company	Number of shares	Value of shares (£m)
27 April 2024	53,983	0.1
29 April 2023	54,042	0.1

The employee benefit trust has been consolidated in the Group and Company financial statements, with the shares recognised in a separate ESOP reserve.

32. Alternative performance measures

Introduction

The Directors assess the performance of the Group using a variety of performance measures, some are IFRS, and some are adjusted and therefore termed ‘‘non-GAAP’’ measures or “alternative performance measures” (APMs). The rationale for using adjusted measures is explained below. The Directors principally discuss the Group’s results on an adjusted basis. Results on an adjusted basis are presented before adjusting items.

The APMs used in this Annual Report are adjusted operating profit and margin, adjusted profit/(loss) before tax, adjusted tax expense and adjusted effective tax rate and net cash/debt.

A reconciliation from these non-GAAP measures to the nearest measure prepared in accordance with IFRS is presented below. The APMs we use may not be directly comparable with similarly titled measures used by other companies. There have been no changes in definitions from the prior period.

Adjusting items

The Group’s statement of comprehensive income and segmental analysis separately identify adjusted results before adjusting items. The adjusted results are not intended to be a replacement for the IFRS results. The Directors believe that presentation of the Group’s results in this way provides stakeholders with additional helpful analysis of the Group’s financial performance. This presentation is consistent with the way that financial performance is measured by management and reported to the Board and the Executive Committee. It is also consistent with the way that management is incentivised.

In determining whether events or transactions are treated as adjusting items, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence. Adjusting items are identified by virtue of their size, nature or incidence.

Examples of charges or credits meeting the above definition, and which have been presented as adjusting items in the current and/or prior years include:

- the movement in the fair value of unrealised financial derivatives;
- the net gain on sale of intellectual property;
- business restructuring programmes;

store asset impairment charges and onerous property related contracts provision;

Intangible asset impairments;

- derecognition of deferred tax assets;
- impact on deferred tax assets/liabilities for changes in tax rates; and

impairment of other property, plant and equipment.

Forward foreign exchange contracts are entered into in order to achieve an economic hedge of future payments and receipts. The movement in the fair value of unrealised financial derivatives at the end of each reporting period is however recognised in the Group statement of comprehensive income and can be volatile.

Adjusting items in the current and prior year are detailed in note 5.

32. Alternative performance measures continued

Adjusted operating profit/loss and margin

In the opinion of the Directors, adjusted operating profit/(loss) and margin are measures which seek to reflect the performance of the Group that will contribute to long-term sustainable profitable growth. The Directors focus on the trends in adjusted operating profit/(loss) and margins, and they are key internal management metrics in assessing the Group's performance. As such, they exclude the impact of adjusting items.

A reconciliation from operating profit/(loss), the most directly comparable IFRS measure, to the adjusted operating profit/(loss) and margin is set out below.

	2024 £m	2023 £m
Reported revenue	488.6	622.5
Operating (loss)	(46.5)	(70.1)
Adjusting items	16.9	56.8
Adjusted operating (loss)/profit	(29.6)	(13.3)

	2024 £m	2023 £m
Operating margin	(9.5%)	(11.3%)
Adjusted operating margin	(6.1%)	(2.1%)

Adjusted (loss) before tax

In the opinion of the Directors, adjusted (loss)/profit before tax is a measure which seeks to reflect the performance of the Group that will contribute to long-term sustainable profitable growth. As such, adjusted (loss)/profit before tax excludes the impact of adjusting items. The Directors consider this to be an important measure of Group performance and is consistent with how the business performance is reported to and assessed by the Board and the Executive Committee.

A reconciliation from (loss)/profit before tax, the most directly comparable IFRS measure, to the adjusted (loss)/profit before tax is set out below.

	2024 £m	2023 £m
(Loss)/profit before tax	(65.2)	(78.5)
Adjusting items	16.9	56.8
Adjusted (loss)/profit before tax	(48.3)	(21.7)

Adjusted tax expense and adjusted effective tax rate

In the opinion of the Directors, adjusted tax expense is the total tax charge for the Group excluding the tax impact of adjusting items. Correspondingly, the adjusted effective tax rate is the adjusted tax (expense)/credit divided by the adjusted (loss)/profit before tax.

These measures are an indicator of the ongoing tax rate of the Group.

A reconciliation from tax expense, the most directly comparable IFRS measures, to the adjusted tax expense is set out below:

	2024 £m	2023 £m
Adjusted (loss)/profit before tax	(48.3)	(21.7)
Tax (expense)	(2.5)	(69.6)
Adjusting items – current tax	–	–
Adjusting items – deferred tax	–	–
Adjusted tax (expense)	(2.5)	(69.6)
Adjusted effective tax rate	(5.2)%	(320.7)%

32. Alternative performance measures continued

Net debt

In the opinion of the Directors, net debt is a useful measure to monitor the overall cash position of the Group. It is the total of all short and long-term loans and borrowings, less cash and cash equivalents. See note 29 for the Group's net debt position. This position is exclusive of financial liabilities in relation to IFRS 16.

33. Government assistance

The Group received government support during the current and prior years in response to the Covid-19 pandemic. This included: deferring tax payments; obtaining reductions in business rates from the UK government; seeking compensation for lost revenue and subsidies to cover fixed costs; and placing staff on furlough during the periods of store closures.

Furlough support across all territories of £nil was recognised in the year (2023: £1.2m), through the UK's Coronavirus Job Retention Scheme (CJRS) and equivalent schemes in other countries. A provision of £0.1m (2023: £0.4m) has been recognised to cover any existing furlough related clawbacks.

Lost revenue and subsidy support in EU territories of £2.3m has been recognised in the year (2023: £0.2m).

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. The value is netted off against costs in selling, general and administrative expenses.

34. Post balance sheet events

Implementation of announced restructuring

On 16 April 2024 the Group announced that its subsidiary, C-Retail Limited, was launching a restructuring plan pursuant to Part 26A of the Companies Act 2006 which would involve the restructuring of its UK property estate and retail cost base. At the same time, the Group also announced an equity raise and its intention to delist from the London Stock Exchange.

The restructuring plan was sanctioned by the Court following a sanction hearing held on 17 June 2024.

On 17 June the asset backed lending facilities with Bantry Bay and Hilco were amended and extended to June 2027, with an additional £20m of funding available from Hilco, to coincide with the peak season trading requirements, with interest rates moving to between 11.5% to 12.5% plus Bank of England base rate.

In July 2024, the Group's listing of its ordinary shares on the London Stock Exchange was cancelled with the delisting becoming effective on 15 July 2024.

On 15 July 2024 the listed Group's Board of Directors stepped down and a new Board of Directors was appointed.

On 15 July 2024, the Company issued 200,000,000 new ordinary shares at 5 pence each raising gross proceeds of £10.0m, all shares were issued to Julian Dunkerton, the Group's CEO and largest shareholder, giving him ultimate control of the Group.

35. Details of related undertakings

Superdry plc (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the Company's registered office is shown below.

Details of related undertakings including principal activity, country of incorporation and percentage of shares held by the Company are listed in note 17. The ultimate parent company and controlling party is Superdry plc. The primary activity of Superdry plc is to be the ultimate parent of the subsidiaries and incur expenses in relation to being a plc. The registered office address of each related undertaking is listed below:

UK

Superdry plc
C-Retail Limited
DKH Retail Limited
SuperGroup Concessions Limited
Superdry EUR Finance Ltd
SuperGroup Internet Limited
Unit 60 The Runnings
Cheltenham
Gloucestershire
GL51 9NW
United Kingdom

Europe

SuperGroup Europe BVBA
SuperGroup Belgium NV
SuperGroup Belgium Finance NV

Industrielaan 3
1702 Dilbeek
Brussels
Belgium

Superdry Germany GmbH
Sendlinger Str.6
80331
Munich
Germany

Superdry France SARL
16 Rue Portalis
75008
Paris
France

SuperGroup Netherlands BV
SuperGroup Netherlands Retail BV
Nieuwstraat 156
5126CH
Gilze
The Netherlands

SuperGroup Retail Spain S.L.U
C/Sancho de avila
Num. 52-58
Planat 2, Puerta 1-2
08018
Barcelona
Spain

SuperGroup Retail Ireland Limited
c/o Egan O'Reilly Solicitors
19, Upper Mount Street
Dublin 2
Ireland

SuperGroup Sweden AB
c/o CorpNordic Sweden AB
Box 16285
103 25 Stockholm
Sweden

Superdry Norway A/S
Dronningens gate 8B
0151 Oslo
Norway

Superdry Retail Denmark A/S
Emdrupvej 26 1. Sal
2100 København Ø
Denmark

Horace
703 Route Nationale
83310
Grimaud
France

Asia

SuperGroup India Private Limited
401-407 (4th Floor), Tolstoy House
Tolstoy Marg
New Delhi – 110001
India

Superdry Mumessillik Hizmet ve Ticaret Limited Sirketi
Baglar Mahallesi Yavuz Sultan Selim
Caddesi Canel
Plaza no: 15
Kat 9 Bagcılar-istanbul
Turkey

Superdry Hong Kong Limited
1106-8, 11th Floor, Tai Yau Building
No 181 Johnston Road
Wanchai
Hong Kong

Trendy & Superdry Holding Limited
13th Floor Gloucester Tower
The Landmark
15 Queen's Road
Central
Hong Kong

North America

Superdry Retail LLC
Superdry Wholesale LLC
SuperGroup USA Inc
160 Greentree Drive
Suite 101
Dover
DE 19904
USA