

Registered number 07139142

## **C-RETAIL LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 29 APRIL 2012**

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**C-RETAIL LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

Julian Dunkerton  
Lee Jordan (appointed 30 September 2011)  
Chas Howes (resigned 23 April 2012)  
Diane Savory (resigned 6 May 2011)  
Shaun Wills (appointed 23 April 2012)

**COMPANY NUMBER**

07139142

**REGISTERED OFFICE**

Unit 60  
The Runnings  
Cheltenham  
Gloucestershire  
GL51 9NW

**INDEPENDENT AUDITORS**

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

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**C-RETAIL LIMITED**

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## C-RETAIL LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 29 APRIL 2012

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The directors present their report and the financial statements for the year ended 29 April 2012. The comparative period is for the 65 weeks ended 1 May 2011.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgments 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### PRINCIPAL ACTIVITY

The principal activity comprises the operation of Cult and Superdry stores in the UK which sell own brand and third party clothing, footwear and accessories.

#### BUSINESS REVIEW

C-Retail Limited (the "company") operates as part of the retail segment of its parent entity, SuperGroup Plc. The company has a growing number of Cult and Superdry branded retail outlets in the UK.

The results for the company show a loss on ordinary activities before taxation of £21,509,000 (2011 profit of £9,504,000) for the year after including the goodwill impairment of £20,293,000 and the impact of the business disruption arising through operational issues associated with the Warehouse Management System launched in September 2011. Turnover for the year was £144,199,000 (2011 £121,989,000) which was driven by the popularity of the Superdry brand and product offering. 2012 has been a year of significant investment with £28,766,000 (2011 £18,484,000) invested into fixtures and fittings and £15,000,000 (2011 £nil) for the lease premium of our Regent Street store. The majority of the investment has been in new stores, which opened during the year or shortly after the year end, and will help drive turnover and profitability going forward. The opening of our flagship Regent Street store has reduced the cash reserves and as a result the company has net current liabilities at the year end. The net current liabilities position will reverse as the new stores begin to provide a payback on the cost of investment.

C-Retail Limited has had a disappointing year and profit is below expectations.

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## **C-RETAIL LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 29 APRIL 2012**

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#### **RESULTS**

The loss for the year, after taxation, amounted to £22,944,000 (2011 profit of £4,880,000)

#### **GOING CONCERN**

The directors have received written representation from SuperGroup Plc, the ultimate parent company and controlling party of C-Retail Limited, that it will provide financial support to C-Retail Limited as necessary to enable C-Retail Limited to meet its liabilities as they fall due. This support is effective for twelve months from the date of signing the accounts for the company for the year ended 29 April 2012.

#### **FUTURE DEVELOPMENTS**

The external commercial environment is expected to remain competitive in 2012/13 as the retail market remains challenging and the group continues to invest in its Internet offering. However, we remain confident that with the Warehouse Management System working as expected we will improve on our current level of performance in the future and see the potential for a year of growth for our business.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of SuperGroup Plc, which include those of the company, are disclosed on pages 22 to 25 of the group's annual report which does not form part of this report.

#### **KEY PERFORMANCE INDICATORS**

The directors of SuperGroup Plc manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of C-Retail Limited. The development, performance and position of the retail division of SuperGroup Plc, which includes the company, is discussed on page 21 of the group's annual report which does not form part of this report.

#### **FINANCIAL RISK MANAGEMENT**

The company's activities expose it to a variety of financial risks including market risk (including foreign currency risk, fixed interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. From the perspective of the company, the financial risk management is managed at a group level within SuperGroup Plc and not managed separately. Accordingly, the financial risk management policies of SuperGroup Plc, which includes those financial risks of the company, are disclosed on pages 102 to 106 of the group's annual report which does not form part of this report.

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## C-RETAIL LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 29 APRIL 2012

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#### DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were

Julian Dunkerton  
Chas Howes (resigned 23 April 2012)  
Diane Savory (resigned 6 May 2011)  
Lee Jordan (appointed 30 September 2011)  
Shaun Wills (appointed 23 April 2012)

#### 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 financial year and is currently in force. The company also purchased and maintained throughout the year, directors' and officers' liability insurance in respect of itself and its directors.

#### EMPLOYEE PRACTICES

The company operates within the employee practices of SuperGroup Plc, which are managed at a group level and not managed separately. Accordingly, the employee practices of SuperGroup Plc, which includes those of the company, are disclosed on pages 34 to 35 of the group's annual report which does not form part of this report.

#### PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that the director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors and to establish that the company's auditors are aware of that information.

#### INDEPENDENT AUDITORS

The auditorss, PricewaterhouseCoopers LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 02 November 2012 and signed on its behalf



Shaun Wills  
Director

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## **C-RETAIL LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C-RETAIL LIMITED**

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We have audited the financial statements of C-Retail Limited for the year ended 29 April 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' Responsibilities Statement set out on page 1 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 April 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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**C-RETAIL LIMITED**

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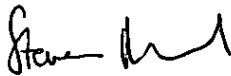
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C-RETAIL LIMITED**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements 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



**Steven Kentish (Senior Statutory Auditor)**  
**for and on behalf of PricewaterhouseCoopers LLP**  
Chartered Accountants and Statutory Auditors  
Birmingham

9 November 2012



**C-RETAIL LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 29 APRIL 2012**

		Year ended 29 April 2012 £000	65 weeks ended 1 May 2011 £000
	Note		
<b>TURNOVER</b>	1, 2	<b>144,199</b>	<b>121,989</b>
Cost of sales		<b>(52,850)</b>	<b>(40,851)</b>
<b>GROSS PROFIT</b>		<b>91,349</b>	<b>81,138</b>
Administrative expenses - excluding exceptional items		<b>(92,957)</b>	<b>(70,672)</b>
Administrative expenses - exceptional items	3	<b>(20,293)</b>	<b>(1,049)</b>
<b>Total administrative expenses</b>		<b>(113,250)</b>	<b>(71,721)</b>
Other operating income		<b>383</b>	<b>89</b>
<b>OPERATING (LOSS)/PROFIT</b>	3	<b>(21,518)</b>	<b>9,506</b>
Interest receivable and similar income		<b>10</b>	<b>-</b>
Interest payable and similar charges	5	<b>(1)</b>	<b>(2)</b>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(21,509)</b>	<b>9,504</b>
Tax on (loss)/profit on ordinary activities	6	<b>(1,435)</b>	<b>(4,624)</b>
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>	19	<b>(22,944)</b>	<b>4,880</b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account and so no statement of total recognised gains and losses has been presented

There is no material difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents

The notes on pages 8 to 20 form part of these financial statements

**C-RETAIL LIMITED**  
**REGISTERED NUMBER: 07139142**

**BALANCE SHEET**  
**AS AT 29 APRIL 2012**

	Note	£000	29 April 2012 £000	£000	1 May 2011 £000
<b>FIXED ASSETS</b>					
Intangible assets	7		54,407		64,179
Tangible assets	8		50,653		30,559
Investments	9		-		-
			<u>105,060</u>		<u>94,738</u>
<b>CURRENT ASSETS</b>					
Stocks	10	34,932		33,161	
Debtors	11	20,297		12,646	
Cash at bank and in hand		5,866		2,219	
		<u>61,095</u>		<u>48,026</u>	
<b>CREDITORS</b> amounts falling due within one year	12	(77,803)		(32,407)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(16,708)</u>		<u>15,619</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>88,352</u>		<u>110,357</u>
<b>CREDITORS:</b> amounts falling due after more than one year	13		(16,979)		(16,356)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	14	(849)		(663)	
Other provisions	15	(588)		(458)	
			<u>(1,437)</u>		<u>(1,121)</u>
<b>NET ASSETS</b>			<u>69,936</u>		<u>92,880</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		-		-
Share premium account	19		-		-
Profit and loss account	19		69,936		92,880
<b>TOTAL SHAREHOLDERS' FUNDS</b>	20		<u>69,936</u>		<u>92,880</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
02 November 2012.

  
Shaun Wills  
Director

The notes on pages 8 to 20 form part of these financial statements

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## **C-RETAIL LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2012**

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#### **1. ACCOUNTING POLICIES**

A summary of the company's principal accounting policies, which have been consistently applied, is set out below

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting and financial reporting standards in the United Kingdom

The current period is for the 52 weeks ended 29 April 2012 ("year ended 29 April 2012") The prior period was for the 65 weeks from the date of incorporation to 1 May 2011

##### **1.2 Going Concern**

The directors have received written representation from SuperGroup Plc, the ultimate parent company and controlling party of C-Retail Limited, that it will provide financial support to C-Retail Limited as necessary to enable C-Retail Limited to meet its liabilities as they fall due This support is effective for twelve months from the date of signing the accounts for the company for the year ended 29 April 2012

##### **1.3 Cash flow**

The company is a wholly-owned subsidiary of SuperGroup Plc and is included in the consolidated financial statements, which are publicly available Consequently, the company has taken advantage of the exemption from preparing a cashflow statement under the terms of FRS1 (revised 1996)

##### **1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts

Revenue from the provision of sale of goods is recognised at the point of sale of a product to the customer Store sales are settled in cash or by credit or payment card It is company policy to sell its products to the customer with a right to exchange within 28 days

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## C-RETAIL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2012

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.5 Intangible fixed assets and amortisation

Intangible assets acquired separately from a business are recognised initially at cost. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is identifiable and is controlled by the entity through custody of 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 are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account. 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:

Brands	-	10 years
Goodwill	-	20 years
Lease premiums	-	over the life of the lease on a straight line basis

Brands comprise the fair value of identifiable brands included within the acquired trade and assets. Goodwill represents the excess of the costs of an acquisition over the fair value of the company's share of the net identifiable assets acquired at the date of acquisition. Lease premiums comprise the amount paid to the previous tenant to acquire the lease.

##### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Cost includes the original purchase price and the costs attributable to bringing the asset into its working condition but excludes interest.

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:

Leasehold improvements	-	5-7 years straight line
Furniture, fixtures and fittings	-	5-7 years straight line
Computer equipment	-	3-5 years straight line
Motor vehicles	-	25% reducing balance

##### 1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

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## C-RETAIL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2012

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the lease term

Lease incentives are received in the form of cash contributions and rent-free periods

###### *Cash contributions*

Cash contributions from landlords for store fit-outs are initially recognised as a deferred income liability on the balance sheet at the point the recognition criteria in the lease is met, and credited to administrative expenses in the profit and loss account on a straight-line basis over the shorter of the life of the lease or the first rent review or break date in the lease. Cash contributions are not discounted

###### *Rent free periods*

A deferred income liability is built up on the balance sheet during the rent-free period, which is then credited to the profit and loss account on a straight-line basis over the shorter of the life of the lease, or the first rent review or break date in the lease. Rent free periods are not discounted

##### 1.9 Stocks

Stocks are valued at the lower of cost or net realisable value. Cost comprises costs associated with the purchase and bringing of stocks to their current location and condition and is based on the weighted average principle. Provisions are made for obsolescence, mark-downs and shrinkage

##### 1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

##### 1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

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## C-RETAIL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2012

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.12 Derivative financial instruments and hedging activity

The company uses derivative financial instruments to hedge its exposure to fluctuations in foreign exchange rates. The company has not adopted FRS 26 and therefore no fair value measurements are included in the financial statements. Gains and losses on foreign currency hedges are recognised in the profit and loss account on maturity of the underlying transaction. Gains or losses arising on hedging instruments which are cancelled due to the termination of underlying exposure are taken to the profit and loss account immediately.

##### 1.13 Provisions

A provision is recognised in the balance sheet when the company 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 where the impact is significant.

Provisions for dilapidations are provided when the company becomes obliged and the liability can be reliably estimated.

##### 1.14 Pensions

The company operates a defined contribution pension scheme for the benefit of its employees. The company pays contributions into an independently administered fund via a salary sacrifice arrangement.

##### 1.15 Exceptional items

Items that are material in size, unusual or infrequent in nature, are disclosed separately as exceptional items in the profit and loss account. The separate reporting of exceptional items, which are presented as exceptional within the relevant category in the profit and loss account, helps to provide an indication of the company's underlying business performance.

#### 2. TURNOVER

The whole of the turnover is attributable to the retail of clothing, footwear and accessories.

All turnover arose within the United Kingdom.

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**C-RETAIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2012**

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**3 OPERATING (LOSS)/PROFIT**

The operating (loss)/profit is stated after charging/(crediting)

	Year ended 29 April 2012 £000	65 weeks ended 1 May 2011 £000
Amortisation - intangible fixed assets	4,479	4,493
Depreciation of tangible fixed assets		
- owned by the company	8,630	6,716
Operating lease rentals		
- land and buildings	17,792	9,753
Difference on foreign exchange	(94)	(524)
	<u>          </u>	<u>          </u>

During the period, no director received any emoluments (2011 £nil)

Auditors' remuneration of £44,058 (2011 £44,808) for C-Retail Limited has been borne by SuperGroup plc, a related party, and is not recharged to this entity

Included in the current period operating loss is a goodwill impairment loss of £20,293,000 (2011 £nil). The purchase price paid for the trade and assets of Cult Retail LLP, prior to Initial Public Offering of SuperGroup Plc, determined the value of goodwill. The purchase price was based on a cash flow model which used certain assumptions to estimate the future cash flows including the allocation of central costs incurred by SuperGroup Plc. The forecasts used in the current year impairment model reflect the actual allocation of the central costs to C-Retail Limited.

Included in the prior period operating profit are exceptional charges of £1,049,000 in relation to costs incurred for a group reorganisation to move from a limited liability partnership structure to a limited liability company structure in anticipation of the initial public offering of shares in the wider group.

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**C-RETAIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2012**

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**4. STAFF COSTS**

Staff costs were as follows

	Year ended 29 April 2012 £000	65 weeks ended 1 May 2011 £000
Wages and salaries	25,912	19,008
Social security costs	1,694	1,490
Pension costs	62	-
	<u>27,668</u>	<u>20,498</u>

The average monthly number of employees, including the directors, during the period was as follows

	Year ended 29 April 2012 No.	65 weeks ended 1 May 2011 No.
Administration	87	53
Warehouse	156	103
Retail	965	716
	<u>1,208</u>	<u>872</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 29 April 2012 £000	65 weeks ended 1 May 2011 £000
Other interest	1	2
	<u>1</u>	<u>2</u>



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**C-RETAIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2012**

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**6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**

	Year ended 29 April 2012 £000	65 weeks ended 1 May 2011 £000
<b>Analysis of tax charge in the period</b>		
<b>Current tax (see note below)</b>		
UK corporation tax charge on (loss)/profit for the period	1,199	4,723
Adjustments in respect of prior periods	50	-
<b>Total current tax</b>	<u>1,249</u>	<u>4,723</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	151	(99)
Adjustments in respect of prior period	35	-
<b>Total deferred tax (see note 14)</b>	<u>186</u>	<u>(99)</u>
<b>Tax on (loss)/profit on ordinary activities</b>	<u><u>1,435</u></u>	<u><u>4,624</u></u>

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly, the company's profits for the accounting period are taxed at an effective rate of 25.83% (2011: 27.85%) and will be taxed at 24% in the future.

The deferred tax liability has been measured at 24% accordingly. Future reductions to the corporation tax rate by 1% a year, until the corporation tax rate reaches 22% on 1 April 2014, have been proposed and deferred tax will be remeasured accordingly in the future on substantial enactment of the rate changes.

The tax assessed for the period is higher than (2011: higher than) the effective rate of corporation tax in the UK of 25.83% (2011: 27.85%). The differences are explained below:

	Year ended 29 April 2012 £000	65 weeks ended 1 May 2011 £000
(Loss)/profit on ordinary activities before tax	<u>(21,509)</u>	<u>9,504</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.83% (2011: 27.85%)	(5,556)	2,647
<b>Effects of</b>		
Expenses not deductible for tax purposes	6,975	2,028
Depreciation for the year in excess of capital allowances	(220)	48
Adjustments to tax charge in respect of prior periods	50	-
<b>Current tax charge for the period (see note above)</b>	<u><u>1,249</u></u>	<u><u>4,723</u></u>

**C-RETAIL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2012**

**7. INTANGIBLE FIXED ASSETS**

	Lease Premiums £000	Brands £000	Goodwill £000	Total £000
<b>Cost</b>				
At 2 May 2011	-	10,000	58,672	68,672
Additions	15,000	-	-	15,000
At 29 April 2012	15,000	10,000	58,672	83,672
<b>Accumulated amortisation</b>				
At 2 May 2011	-	1,153	3,340	4,493
Charge for the period	545	1,000	2,934	4,479
Impairment (note 3)	-	-	20,293	20,293
At 29 April 2012	545	2,153	26,567	29,265
<b>Net book value</b>				
At 29 April 2012	14,455	7,847	32,105	54,407
At 1 May 2011	-	8,847	55,332	64,179

**8. TANGIBLE FIXED ASSETS**

	Leasehold improvements £000	Furniture, fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost</b>					
At 2 May 2011	31,088	4,602	1,522	25	37,237
Additions	19,627	7,962	1,177	-	28,766
Disposals	(704)	(4)	(7)	(7)	(722)
At 29 April 2012	50,011	12,560	2,692	18	65,281
<b>Accumulated depreciation</b>					
At 2 May 2011	5,235	761	673	9	6,678
Charge for the period	6,271	1,800	555	4	8,630
On disposals	(667)	(1)	(6)	(6)	(680)
At 29 April 2012	10,839	2,560	1,222	7	14,628
<b>Net book value</b>					
At 29 April 2012	39,172	10,000	1,470	11	50,653
At 1 May 2011	25,853	3,841	849	16	30,559

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C-RETAIL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2012

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**9 FIXED ASSET INVESTMENTS**

Fixed asset investments totalling £1 represent the company's interest in the members capital of Cult Retail LLP. The LLP has been dormant since 7 March 2010 following the transfer of its trade and assets to SuperGroup Limited.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

**10. STOCKS**

	29 April 2012 £000	1 May 2011 £000
Finished goods	34,932	33,161

**11. DEBTORS**

	29 April 2012 £000	1 May 2011 £000
Trade debtors	3,329	548
Amounts owed by group undertakings	745	1,319
Other debtors	3,574	779
Prepayments and accrued income	12,649	10,000
	20,297	12,646

Amounts owed by group undertakings are repayable on demand. No amounts accrue interest.

Other debtors include £1,607,000 (2011 £739,000) of cash contributions receivable from landlords.

Prepayments and accrued income include £11,604,000 (2011 £7,514,000) of prepaid rent and rates.

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**C-RETAIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2012**

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**12 CREDITORS**

**Amounts falling due within one year**

	<b>29 April 2012 £000</b>	<b>1 May 2011 £000</b>
Bank loans and overdrafts	25,062	-
Trade creditors	22,818	15,209
Amounts owed to group undertakings	19,720	6,852
Corporation tax	97	1,947
Social security and other taxes	461	508
Other creditors	13	218
Accruals and deferred income	9,632	7,673
	<u>77,803</u>	<u>32,407</u>

The company is party to an unlimited cross-guarantee with the other group entities

Amounts owed to group undertakings are repayable on demand No amounts accrue interest

**13. CREDITORS:**

**Amounts falling due after more than one year**

	<b>29 April 2012 £000</b>	<b>1 May 2011 £000</b>
Accruals and deferred income due 1 to 2 years	7,043	5,875
Accruals and deferred income due 2 to 5 years	9,936	10,481
	<u>16,979</u>	<u>16,356</u>

**14 DEFERRED TAX**

	<b>29 April 2012 £000</b>	<b>1 May 2011 £000</b>
At beginning of period	663	-
Charge/(credit) for period (note 6)	151	(99)
Adjustments in respect of prior period	35	-
Acquisition on 7 March 2010	-	762
	<u>849</u>	<u>663</u>

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**C-RETAIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. DEFERRED TAX (continued)**

The provision for deferred taxation is made up as follows

	<b>29 April 2012 £000</b>	<b>1 May 2011 £000</b>
Accelerated capital allowances	<b>849</b>	<b>663</b>

**15. OTHER PROVISIONS**

	<b>2012 £000</b>
At 2 May 2011	<b>458</b>
Charge in period	<b>130</b>
At 29 April 2012	<b>588</b>

Other provisions principally comprise of dilapidations provisions for leasehold properties

Dilapidations provisions will be utilised upon the exit or expiry of a property lease which is expected to be between 2012 and 2025

**16. OPERATING LEASE COMMITMENTS**

At 29 April 2012 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>		<b>Other</b>	
	<b>29 April 2012 £000</b>	<b>1 May 2011 £000</b>	<b>29 April 2012 £000</b>	<b>1 May 2011 £000</b>
<b>Expiry date:</b>				
Within 1 year	<b>670</b>	<b>240</b>	<b>32</b>	<b>14</b>
Between 2 and 5 years	<b>2,073</b>	<b>1,775</b>	<b>-</b>	<b>56</b>
After more than 5 years	<b>22,851</b>	<b>15,705</b>	<b>-</b>	<b>-</b>

**17. CAPITAL COMMITMENTS**

At 29 April 2012, the company had capital commitments, which have not been provided for in these financial statements, of £893,000 (2011 £1,193,000)

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**C-RETAIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2012**

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**18. CALLED UP SHARE CAPITAL**

	<b>29 April 2012 £000</b>	<b>1 May 2011 £000</b>
<b>Allotted and fully paid</b>		
2 Ordinary shares of £1 each	-	-
	<u>          </u>	<u>          </u>

**19. PROFIT AND LOSS ACCOUNT**

	<b>Profit and loss account £000</b>
At 2 May 2011	92,880
Loss for the year	(22,944)
	<u>          </u>
At 29 April 2012	69,936
	<u>          </u>

**20. RECONCILIATION OF MOVEMENTS IN TOTAL SHAREHOLDERS' FUNDS**

	<b>29 April 2012 £000</b>	<b>1 May 2011 £000</b>
Opening shareholders' funds	92,880	-
(Loss)/profit for the period	(22,944)	4,880
Share premium on shares issued	-	88,000
	<u>          </u>	<u>          </u>
Closing shareholders' funds	69,936	92,880
	<u>          </u>	<u>          </u>

On 7 March 2010, 1 ordinary share of £1 was issued for a premium of £87,999,999. On the same day a special resolution was signed reducing the share premium from £87,999,999 to nil and recognising £87,999,999 in the profit and loss account.

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## C-RETAIL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2012

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#### 21 DERIVATIVE FINANCIAL INSTRUMENTS

The company's foreign currency exposure arises from purchases denominated in foreign currencies, and monetary items denominated in foreign currencies

The company is mainly exposed to US dollar and Euro currency risks. The company policy is to hedge a portion of foreign exchange risk associated with highly probable forecast transactions and monetary items denominated in foreign currencies. The company policy is to hedge the risk of changes in the relevant spot exchange rate. The company uses forward contracts to hedge foreign exchange risk. As at 29 April 2012, the company had entered into a number of foreign exchange forward contracts to hedge part of the aforementioned translation risk. Any remaining amount remains unhedged.

At 29 April 2012, the fair value liability of the forward contracts were £125,000 (2011 £537,000). The company does not apply FRS 26 and therefore no fair value gains or losses are recognised in the profit and loss account.

#### 22. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 from reporting transactions entered into with fellow wholly owned companies within the SuperGroup Plc group since the company's results are included within the consolidated financial statements which are publicly available.

#### 23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 29 April 2012, the immediate and ultimate parent undertaking and controlling party was SuperGroup Plc, a public limited company registered in the United Kingdom. This is the smallest and largest company to consolidate the company's financial statements. A copy of the latest financial statements can be obtained from the Registrar of Companies, Cardiff. Consolidated group financial statements are prepared by SuperGroup Plc.