

# 16 Notes to the Group and Company Financial Statements

## 16.6 Balances and transactions with related parties

The draw down in cash of retained members' profit prior to 7 March 2010 which is not recorded in the Group statement of comprehensive income, by the members of the Limited Liability Partnerships, which includes any prior share of profit, were as follows:

Group		
	52 weeks ended 1 May 2011	52 weeks ended 2 May 2010
	£m	£m
Julian Dunkerton/Cult Clothing Cheltenham Limited	–	3.5
Theo Karpathios/Karpathios Limited	–	1.1
James Holder/James Holder Limited	–	1.2

As part of the prior period Group restructuring key management received shares and loan notes in SuperGroup Plc as follows:

Group		
	Shares received	Loan notes received
	£m	£m
Julian Dunkerton/Cult Clothing Cheltenham Limited	130.4	61.0
Theo Karpathios/Karpathios Limited	59.3	19.2
James Holder/James Holder Limited	59.3	19.5
Diane Savory	5.4	1.4
Chas Howes	3.8	1.0
John Kingston	2.7	0.7
Richard Baldwin	1.4	0.4
Andrew Humphreys	1.4	0.4

The loan notes were converted into cash prior to 2 May 2010.

### Directors' emoluments

Directors' remuneration is detailed in the Directors' Remuneration Report on pages 48 to 53.

### Related party guarantees

Guarantees are irrevocable assurances that the Group will make payments in the event that another party cannot meet its obligations. On 6 October 2009, Cult Retail LLP signed an operating lease agreement to act as a guarantor on retail premises in Kildare, Republic of Ireland. The premises are leased to Tokyo Retail Limited in which Julian Dunkerton's brother-in-law is a director. The annual rent is €79,400 plus a turnover linked element and the guarantee expires in October 2011.

### Transactions with Directors

The Group occupies two properties owned by J M Dunkerton SIPP pension fund, whose beneficiary and member trustee is Julian Dunkerton. The properties are rented to the Group on an arm's length basis.

Around the prior period end Julian Dunkerton, Theo Karpathios and James Holder personally paid bonuses of £1.0m to long serving employees of the Group. These amounts are not included in the Group statement of comprehensive income as these costs were not borne by the Group.

# 16 Notes to the Group and Company Financial Statements

## 16.6 Balances and transactions with related parties (continued)

### Company transactions with subsidiaries

The Company has made management charges and has inter-company debtor balances included within trade and other payables as follows:

	Management charges		Inter-company debtor	
	52 weeks ended 1 May 2011	26 weeks ended 2 May 2010	Balance sheet 1 May 2011	Balance sheet 2 May 2010
	£m	£m	£m	£m
C-Retail Limited	3.8	–	6.7	1.2
DKH Retail Limited	2.7	–	6.0	–
SuperGroup Concessions Limited	0.6	–	0.7	–
SuperGroup Internet Limited	0.6	–	0.7	–
SuperGroup Retail Ireland Limited	0.1	–	0.1	–
SuperGroup Europe BVBA	–	–	0.7	–

## 16.7 Operating profit

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

	Group	
	52 weeks ended 1 May 2011	52 weeks ended 2 May 2010
	£m	£m
Depreciation on tangible assets – owned	7.4	4.1
Amortisation of intangible assets	0.5	0.1
Operating lease rentals for leasehold properties	11.9	7.3
Net foreign exchange (gains)/losses	(2.0)	(1.4)
Loss on disposal of property, plant and equipment	0.2	–
Exceptional items	0.7	3.8

## 16.8 Cost of sales

	Group	
	52 weeks ended 1 May 2011	52 weeks ended 2 May 2010
	£m	£m
Opening Inventories	21.1	17.5
Inventories recognised on acquisition	6.5	–
Closing Inventories	(52.3)	(21.1)
Purchases	120.6	59.1
Distribution costs	8.6	8.3
Other	0.6	2.3
<b>Total cost of sales</b>	<b>105.1</b>	<b>66.1</b>