Mulberry

Annual Report and Accounts
For the 53 week period ended 2 April 2022

Progressive British Heritage

Mulberry is the largest designer and manufacturer of luxury leather goods in the United Kingdom. We started in 1971 in Somerset as a family business and the idea of a family, a community, is still central to our identity. Today, Mulberry is more than 1,500 people, two factories in Somerset, over 100 stores and a digital flagship. We are a truly modern, truly global company. But through our heritage, our craftspeople, our inspirations and our designs, Mulberry's soul will always be British.

Contents

EST. 1971
ENGLAND

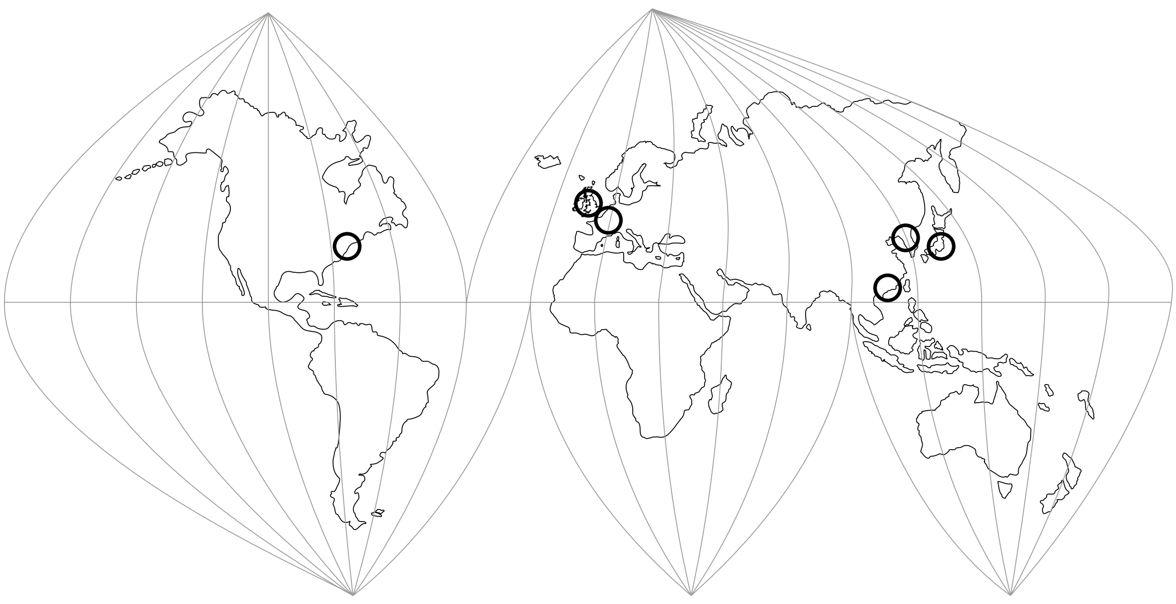
Highlights

Financial highlights

Group revenue	Digital sales	Gross margin
£152.4m +32%	£47.5m -16%	71.7% +8.1pp

UK retail sales	International retail sales	Profit before tax
£89.8m +36%	£40.4m +20%	£21.3m +£16.7m

Operating highlights



2 Head offices – The Rookery, Somerset and Kensington, London, 2 factories in Somerset,
5 international offices in Paris, New York, Hong Kong, Tokyo and Seoul

Sustainability highlights

88%

of the collection now using leather sourced from environmentally accredited tanneries; this will increase to 100% by end of 2022

"The Lowest Carbon collection" was launched in November 2021, crafted from the world's lowest carbon leather and using a local and transparent supply chain. This is Mulberry's first capsule collection of regenerative "farm to finished product", further supporting our Made to Last Manifesto.

Further investment in the Lifetime Service Centre at The Rookery, which is now restoring more than

10,000

bags a year

Successful launch of our resale programme "Pre-loved Bags", across all channels

See page 20 for our Sustainability strategy

During the period five new stores were opened in China, and four in South Korea, further supporting our ongoing growth and development in the Asia Pacific region.

Digital sales as a % of total revenue

31%

Improved margins due to strategic focus on full price sales and increased volume efficiencies

Business and infrastructure responded well to increased demand following the easing of COVID-19 restrictions

Launch of the new Softie bag family in February 2022

Current trading and outlook

- Group revenue for the first 12 weeks of the new financial year is 5% ahead of last year, supported by our wholesale business up 29%. Omni-channel (retail and digital) revenue is down 1%, largely as a result of COVID-19 restrictions in mainland China, including the closure of the majority of stores and our Shanghai distribution centre.

Vision & Values

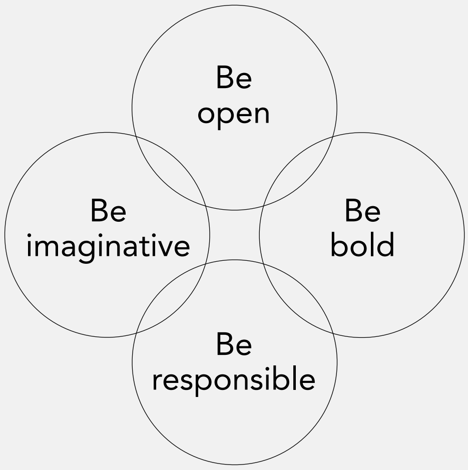
Born in 1971, the roots of Mulberry are in Somerset, England. For over 50 years, Mulberry has been a sustainable British luxury brand, internationally acclaimed for quality and design.

Between town and country, the serenity of Somerset and the pace of London, Mulberry combines authentic, age-honoured craft with an innovative fashion character.

Our approach is based on a simple principle that Mulberry will make a positive difference to its people, the environment and the communities where we work.

Today we see heritage as the start of our story, not the end.

OUR VALUES
Our employee values create a positive working culture:



Business model

Mulberry is a sustainable British luxury brand with a rich heritage in leather craftsmanship and a reputation for innovation.

We source, design and manufacture leather goods, including bag ranges and other lifestyle accessories, which we sell direct to consumers across 190 countries through our integrated digital channels and store network. In other territories, we work with selected local partners to deliver the same customer experience.

Our aim is to continue to build Mulberry as a sustainable global luxury brand, creating value for all our stakeholders whilst remembering our founding principles – that Mulberry will make a positive difference to its people, the environment and the communities in which we work.

Chairman's Letter

GODFREY DAVIS
CHAIRMAN

Dear Shareholder,

Mulberry has achieved solid growth and significantly increased profits, with strong cash generation. We have been successful in tackling the many challenges confronting our sector and sales returned to pre-COVID-19 levels.

The strategic decisions taken over the last few years are bearing fruit and contributing to our long-term resilience. Investments in omni-channel distribution, and the expansion in Asia Pacific, where our businesses continue to make good progress, are delivering a growing contribution. The focus on full-priced sales of high-quality, sustainable products continues to increase margins, and enhances our appeal to our global customer base.

The Board is proposing to recommence paying a dividend, and is recommending a final dividend for the 53 weeks ended 2 April 2022 of 3 pence per ordinary share, to be paid (subject to shareholder approval) on 25 November 2022 to shareholders on the register at 28 October 2022.

We have advanced our mission to be the leading responsible British luxury lifestyle brand and a pioneer in sustainability. Indeed, we are making huge steps towards achieving this. In April, on World Earth Day, we launched our Made to Last Manifesto, which outlines our vision and sustainability targets. It is a commitment to responsible innovation, and a philosophy that goes to the very heart of our brand's identity, and our purpose to create value and make a positive difference for all our stakeholders.

Looking forward, the Group is in a strong financial position, with the strategic decisions of the last few years driving profitable cash generating growth. However, we live in very uncertain times, with burgeoning inflation and the appalling war in Ukraine. Despite these headwinds, we are confident we will continue to build our business and add value for our shareholders in the medium term.

I would like to take this opportunity to thank all the team for their hard work and ongoing commitment as we continue to build our business together.

GODFREY DAVIS
CHAIRMAN
28 June 2022

Chief Executive's Statement

THIERRY ANDRETTA
CHIEF EXECUTIVE OFFICER

OVERVIEW

I am pleased to report a strong performance for Mulberry during the past year and want to take this opportunity to thank my colleagues for their hard work and commitment. Despite a range of external challenges and continuing macro-economic uncertainty, we have delivered a robust set of results. The decisions we've taken in developing our long-term strategy – to focus on innovative and sustainable products made in our carbon-neutral Somerset factories, to invest in omni-channel distribution, and to expand into the Asia Pacific region – are relevant in a post-COVID-19 era and support our progress towards becoming a sustainable global luxury brand.

PROGRESS AGAINST OUR STRATEGY

During the period we have continued to focus on growing our international markets particularly the Asia Pacific region, investing in new stores and additional marketing, growing brand awareness and focusing on the younger generation of luxury customers.

The Made to Last Manifesto sets Mulberry apart from our competition. In November 2021 we launched "The Lowest Carbon collection", and our re-sale programme "Pre-Loved Bags" is now available across all channels. Today 88% of our collections now use leather from environmentally accredited tanneries, and this will increase to 100% by the end of 2022.

We continue to focus on our direct-to-customer model, however despite this Wholesale and Franchise sales increased 48% in the period as our remaining partners benefited from increased demand as COVID-19 restrictions eased.

Our brand continues to resonate with our customer base, as a result of the unique combination of British heritage and global outlook. At the core of this are our outstanding products, made sustainably and with the highest quality materials in our UK factories.

We navigated the pandemic well, and the combination of our agile and flexible supply chain, with our market-leading digital offer stood us in good stead as restrictions eased. With our omni-channel approach giving customers choice, convenience and a better all-round experience, we have been able to weather the various challenges our sector has faced. In addition, greater emphasis on our direct-to-consumer operating model and reducing our reliance on wholesale, has enabled us to control our supply chain and bolster our resilience further.

STRONG TRADING PERFORMANCE

Sales in the UK recovered strongly once stores re-opened, and this continued throughout the year. During the peak trading period, sales exceeded last year, as we saw the benefits of our made in the UK production supply chain, the relaunch of the Alexa family of products, and our festive marketing campaign. Our strategic decision to focus on full-price sales was the key driver behind the increased in gross margin.

China retail sales were up 59%, with digital sales representing 42% of China sales, contributing to Asia Pacific retail sales increasing 28%, driven by ongoing investment in the region.

Franchise and Wholesale increased by 48% as our Franchise partners benefited from the post-COVID-19 recovery and increased demand following the easing of restrictions.

OPERATIONAL PERFORMANCE

Our in-depth understanding of our customers – both traditional Mulberry buyers and the new generation of digital shoppers – has enabled us to develop a product range tailored to their varying preferences. The emphasis is on high-quality and full-price sales, as we champion beautiful products, made to last, in our carbon-neutral Somerset factories. This focus has ensured our resilient performance in spite of the challenging market conditions of recent years. One particular success from the past year has been our Softie bag family, launched in February 2022.

Internationally, our continuing growth in Asia helped us further diversify our business. Even though extended COVID-19 restrictions in the Asia Pacific region inhibited Q4 performance, we succeeded in mitigating the impact across our markets, largely through our omni-channel distribution strategy.

By strengthening our UK manufacturing capabilities and controlling our own supply chain, we are less vulnerable to interruptions and delays than many others in the industry.

MADE TO LAST

As outlined in our Made to Last Manifesto, we aim to reach zero carbon emissions by 2035. We will achieve this through product innovation, and by embracing the principles of the circular economy. Our intention is to transform the business to a regenerative and circular model encompassing the entire supply chain, from field to wardrobe by 2030.

Our sustainable-product launches of the past year include our Lowest Carbon Collection. Introduced in November 2021, these products are crafted from low-carbon leather (the lowest available at launch) and use a local supply chain, based on a network of organic farms. In May 2022, Lily Zero became our first range to feature carbon-neutral leather.

Overall, 88% of our products now use leather and suede sourced from environmentally accredited tanneries, and we are on track to increase this to 100% by the end of this year. We're also working with organisations such as the Leather Working Group and the Sustainable Leather Foundation, who support best practice in animal welfare, traceability, and environmental management. All the non-leather materials we use are also fully sustainable.

Supporting circularity, our Lifetime Service Centre – where customers can have their products repaired and renewed – now restores more than 10,000 bags a year. Also, our resale programme, Pre-loved Bags, helps ensure many of our products are used and valued for generations. Our buy-back scheme, The Mulberry Exchange, enables customers to return their Mulberry bag and receive a credit towards a new one.

FINANCIAL PERFORMANCE

Our strategy to increase full-price sales helped improve our financial performance during the year. This combined with our agile supply chain resulted in significantly less end of season inventory and a reduction in discounting in the sale periods and our outlet stores compared to previous years. This strengthened our cash position, enabling us to invest more in the business. We continue to refine our store network and our cash position was materially strengthened by the profit on disposal of our Paris lease in July 2021.

Group revenue increased by 32% over the prior year, slightly ahead of pre-COVID levels, and profit before tax was £21.3m (2021: profit before tax £4.6m), which included a one-off profit on disposal of Paris lease of £5.7m. The financial strength of the Group reflects the benefits of the mitigating steps we took during the pandemic and the positive consumer reaction to our products.

"By strengthening our UK manufacturing capabilities and controlling our own supply chain, we are less vulnerable to interruptions and delays than many others in the industry."

Our business and infrastructure responded well to the growth in demand following the easing of COVID-19 restrictions. Digital sales were 31% of Group revenue in the period, lower than last year when stores were closed, but up from 24% in 2020, reflecting the ongoing strength of this channel. China retail sales increased by 59% and South Korea retail sales increased by 11%, helping us reach 28% growth in overall Asia Pacific retail sales.

Gross margin increased to 71.7% (2021: 63.6%) supported by our strategic focus on full-price sales and increased volume efficiencies. We ended the year in a strong cash position, with net cash of £25.7m (2021: £11.8m) and deferred liabilities of £nil (2021: £4.7m).

In view of this encouraging performance, and the Group's substantial cash reserves, we progressively increased marketing expenditure to continue building global brand awareness.

Projects are also in place to move the Group's legacy systems forward, and to develop the next generation of digital and omni-channel platforms. We expect this to require increased capital expenditure in the current year and beyond.

CURRENT TRADING AND OUTLOOK

Group revenue for the first 12 weeks of the new financial year is 5% ahead of last year, supported by our wholesale business up 29%. Omni-channel (retail and digital) revenue is down 1%, largely as a result of COVID-19 restrictions in mainland China, including the closure of the majority of stores and our Shanghai distribution centre. We expect the business to continue to grow, albeit at a slower rate given the severe disruption being caused by the geo-political situation, inflationary pressures, and Brexit-related challenges. Notwithstanding the broader operating environment, we are confident in our strategy, have strong liquidity and continue to invest including further store openings across the network planned later this year. We remain focused on reaching our goal to be the leading sustainable global luxury brand, to the benefit of all our stakeholders.

THIERRY ANDRETTA
CHIEF EXECUTIVE OFFICER
28 June 2022

Our strategy

With our rich heritage in leather craftmanship and reputation for innovation, we strive to build Mulberry as a sustainable global luxury brand through four strategic pillars:

01

Omni-channel distribution

Aiming to enhance our customers' experience, our single global approach to inventory allows shoppers to use mulberry.com and our entire store network to research, buy and return our products in the way that suits them. Our central digital platform integrates seamlessly with our stores to offer this convenient way of choosing our products.

Key highlights

107

stores at the end of the year

10

store openings in our new store concept

PRINCIPAL RISKS

- Cyber security and General Data Protection Regulation ("GDPR")
- Information technology ("IT")

02

International development

We are optimising our digital channels and global store network, and building brand awareness, with a particular focus on Asia Pacific, which continues to offer significant growth opportunities. Our global pricing strategy is to set retail prices in all markets and currencies at the same level, giving our customers the confidence to shop for our brand in their home markets.

Key highlight

28%

Asia Pacific sales increased 28%, thanks to ongoing investment in the region

PRINCIPAL RISKS

- Intellectual property
- Domestic and global economic climate
- Global Chinese consumer spending
- Brexit implications

03

Constant innovation

We're always looking to work with new materials, and methods of creation and production, to adapt to changing customer tastes and to meet demand. At the same time, we are adding new services and transforming our supply chain to be agile to market trends, while reducing lead time to match the increase in digital demand.

Key highlight

Sadie and Softie

Sadie family launched in September 2021, then in February 2022 we launched the Softie family

PRINCIPAL RISKS

- Financial Risk
- Brand and reputational risk
- Business interruption

04

Sustainable lifecycle

Our Made to Last Manifesto sets us apart, and we extend the life of all our products through our Lifetime Service Centre, buy-back offer and The Mulberry Exchange. We aim for our business to be regenerative and circular across the entire supply chain, by 2030, with sustainability in supply, craftsmanship, packaging and distribution – themes important to our customers.

Key highlight

10,000

Lifetime Service Centre restoring more than 10,000 bags a year

PRINCIPAL RISKS

- Sustainability and climate change
- Retention and engagement of staff

Strategy in action

STRATEGIC PILLAR

01

Omni-channel distribution

Above: 31% of Group revenue came from digital sales.

Left: The Bayswater in Cornflower Blue Heavy Grain.

We continue to invest in further enhancements to our omni-channel approach. This includes selective store openings, continued roll-out of our new Mulberry store concept, and further enhancements to our digital network. Our new store concept enables us to better display and promote our collections through innovative customer-facing technology. It creates more space and supports our omni-channel proposition, and has helped to elevate our brand position, outperforming more traditional outlets.

Most of our retail stores had reopened not long after the start of the financial year, other than a few localised restrictions. We have continued to refine the retail network, ending the year with 107 points of sale. This included opening ten stores internationally, all in our new store concept. There were 15 closures during the year, including the early exit of our Paris store.

In the UK, we operated 40 retail stores (own stores and concessions run by our employees) at the year end, which included 15 John Lewis and seven House of Fraser concessions. UK retail sales benefited from providing the customer with a single view of inventory, which has increased the proportion of full-price sales. We continued offering virtual and in-store appointments, and these led to 8% of all UK store sales and resulted in a larger average transaction value than walk-in customers.

During the year, 31% of Group revenue came from digital sales, demonstrating the continuing trend towards digital and omni-channel shopping across all regions. In Asia Pacific, digital sales were 21% of the region's sales, and are now supported by local fulfilment in Japan and Korea, and a concession gift channel with Korean messenger platform Kakao.

In China, we switched e-commerce (Tmall) partner to Baozun, China's largest and most renowned Tmall company, to support our full-price strategy and overall digital marketing. As a consequence, full-price sales through this channel were 75% in March 2022, compared to 20% in the previous March, and overall new customer numbers increased by 58%. China digital sales grew 64%, representing 42% of total China sales. In July 2021, we also launched a WeChat programme in China, capturing 21,500 new accounts and, in the final four months of the year, gained over 5,000 followers from the Red platform, which has 200 million active users, 70% of them female. This is all part of a long-term programme of building brand awareness in the region, with content regularly updated and tailored to relevant campaigns, products and customers.

Strategy in action

STRATEGIC PILLAR

02

International development

In Asia Pacific, we operated 37 retail stores at the year end (2021: 35). Asia Pacific retail sales increased by 28%, thanks to our ongoing investment in the region. China retail sales are up 59%, South Korea 11% and Japan 19%, though retail sales in South Korea and Japan were disrupted to some extent by regional and local lockdowns. Higher sell-throughs and reduced mark-down periods also contributed to this success as well as better positioning for the brand.

Our investment in subsidiaries supported overall growth, with China and South Korea making further progress in the year. During the period, we opened five retail stores in China and four in South Korea. These present our new store concept, which features design elements that represent our distinctive British heritage. The five stores in China were Beijing World Financial Centre, Beijing Shin Kong Place, Wuhan Heartland 66, Shanghai International Finance Centre, and Chengdu International Finance Square. Following a deliberate strategy, almost all are in China's top ten shopping malls, with these flagship stores offering a greater margin than the average across Greater China. The openings further enhance brand awareness, strengthen our luxury positioning, and support our full-price strategy.

The same approach applies to South Korea, where we opened stores in Shinsegae Dae-jun and Shinsegae Gyoung-gi, taking advantage of the major investments Shinsegae has made in its department store network, where we can accompany other key luxury brands in ground-floor positions. During the year, we agreed to terminate the lease of our Paris store, which closed on 24 July 2021. We plan to open a new store in Paris once international tourism returns, in a location that supports our omni-channel approach and customer experience aims.

Above: New York – Wooster Street Store.

Left: The Lily in Mulberry Pink Heavy Grain.

STRATEGIC PILLAR

03

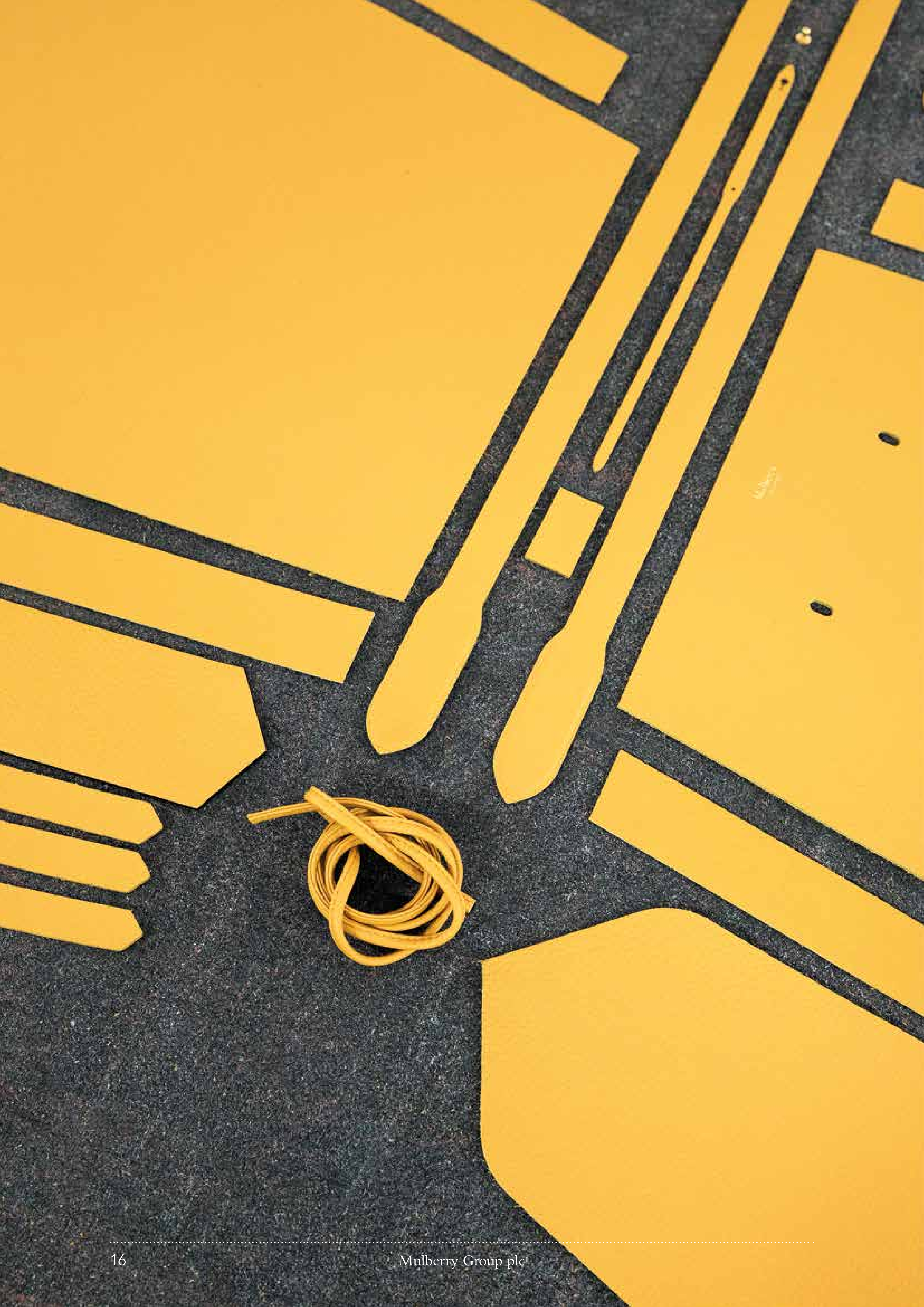
Constant innovation

In September 2021, we launched the Sadie family, a timeless satchel with our new "Typography Lock", and the Billie family, a youthful cross-body slouched bag. Both families are crafted from leather sourced from our environmentally accredited tanneries credentials with Leather Working Group ratings. Then in February 2022, after a year of design work and materials trials of Turkish and Italian leather and feathers, we launched the new Softie quilted bag.

As part of our 50th anniversary celebrations we have collaborated with three of the most visionary designers of their generation – Priya Ahluwalia, Richard Malone and Nicholas Daley. Each has created a collection as part of Mulberry Editions, a new range of limited-edition accessories we offered throughout 2021. Crafted entirely from surplus fabrics and leather, the Mulberry x Ahluwalia collection mirrors the Portobello Tote, our first 100% sustainable leather bag, with a range of 12 versions, featuring embroidery and patchwork. Richard Malone reinvented the iconic Bayswater, updating its timeless detailing in a range of 14, crafted with our sustainable Eco-Scotchgrain, made from recombined bio-plastic materials, and embossed with a distinctive pebble grain finish. Nicholas Daley reworked one of our most recognisable bags, the Antony, with a series of accessories inspired by reggae, jazz and rock 'n' roll, as well as details that reflect his own Jamaican and Scottish heritage.

Above: Sadie family, a timeless satchel with our new "Typography Lock".

Left: Our Softie quilted bag launched in February 2022.



Strategy in action

STRATEGIC PILLAR

04

Sustainable lifecycle

Above: We continue to be a member of Better Cotton, the largest cotton sustainability programme in the world.

Left: 88% of our range used leather and suede sourced from environmentally accredited tanneries with the aim of reaching 100% by the end of 2022.

Since 2019, we have offset 1,982.14 tonnes of carbon (tCO_2e) through World Land Trust's Carbon Balanced project in Guatemala, which supports long-term protection and restoration of threatened tropical forests. This is just a small step towards our aim of becoming net zero by 2035, and we are continuing to investigate generating our own energy by installing additional solar panels at our Somerset factory sites. In July, we agreed to set science-based targets through the Science Based Targets initiative ("SBTi"), joining over 650 global businesses working to hold the temperature rise to 1.5°C above pre-industrial levels.

We also take a responsible approach in our manufacturing processes and standards, upholding and protecting our heritage in leather craftsmanship, while using technology such as the latest digital cutting machines to reduce waste from leather cutting. We ensure we divert any unrecyclable waste from landfill. We manufacture over 50% of our bags in the UK, the remainder in Europe and Asia. During the year, 88% of our range used leather and suede sourced from environmentally accredited tanneries, with the aiming of reaching 100% by the end of 2022.

We are members of the Sustainable Leather Foundation, which aims for more sustainable practices in leather manufacture and production, and are represented on their Advisory Board. We also continue to be a member of Better Cotton, the largest cotton sustainability programme in the world. Our target is for all our cotton to be sustainably sourced by 2025 recycled, organic or Better Cotton. We also joined Textile Exchange's Sustainable Cotton Challenge.

Our world-class Lifetime Service Centre in The Rookery, one of our Somerset factories, plays a key role in our aim for a fully circular product and service offer, breathing new life into thousands of pre-loved Mulberry items every year – including more than 10,500 items this year. In addition, in 2020 we launched The Mulberry Exchange, our circular buy-back and resale programme. This aims to restore Mulberry classics for a new owner, giving customers the chance to return their pre-loved bags in any Mulberry store or by sending to us, in exchange for credit towards a new purchase. Each bag returned is given a second lease of life, restored carefully by expert craftspeople at the Lifetime Service Centre, and resold through selected Mulberry stores and mulberry.com. Any bags not fit for repair we send to Scottish Leather Group for energy reclamation, powering the production of new leather to make our next bags. You can read more about our sustainable approach on pages 20 to 31.

Financial review

Our results for the 53 weeks ended 2 April 2022 reflect our strong recovery post-COVID-19, increased demand following the easing of restrictions and a strategic focus on full-price sales.

By 12 April 2021, all our stores worldwide were reopened following a second wave of global lockdowns due to COVID-19, although our stores and distribution centre in China were disrupted from 14 March 2022 as a result of further COVID-19 restrictions.

GROUP REVENUE AND GROSS PROFIT

	53 weeks ended 2 April 2022 £	52 weeks ended 27 March 2021 £m	%
Digital	47.5	56.4	(16%)
Stores	82.7	43.5	90%
Retail (omni-channel)	**130.2**	**100.0**	**30%**
Wholesale and Franchise	**22.2**	**15.0**	**48%**
Group Revenue	**152.4**	**115.0**	**32%**
Digital	35.7	44.6	(20%)
Stores	54.1	21.6	151%
UK	**89.8**	**66.2**	**36%**
Digital	5.8	3.8	54%
Stores	22.2	18.0	23%
Asia Pacific	**28.0**	**21.8**	**28%**
Digital	5.9	8.0	(26%)
Stores	6.4	3.9	62%
Rest of world	**12.3**	**11.9**	**3%**
Total Retail	**130.2**	**100.0**	**30%**
UK	4.2	2.4	75%
Asia Pacific	3.9	2.8	39%
Rest of World	14.1	9.8	44%
Wholesale and Franchise	**22.2**	**15.0**	**48%**

Group revenue for the period increased by 32% over the prior period and was 15% above 2020 (pre-COVID-19) on a comparable basis (adjusting for store openings and closures). In the UK, total retail sales recovered strongly and were 14% above 2020 on a comparable basis. UK digital sales declined by 20% year-on-year as stores re-opened, but represented 40% of UK retail sales, compared to 30% in 2020, reflecting the accelerated shift to digital and omni-channel shopping.

China retail sales increased 59%, which contributed to the 28% increase in Asia Pacific, driven by ongoing investment in the region. China digital sales represented 42% of China retail sales.

Franchise and wholesale sales increased by 48% as our Franchise partners benefited from the post-COVID-19 recovery and increased demand following the easing of restrictions.

Gross margin for the period increased to 71.7% (2021: 63.6%) driven by a strategic focus on full-price sales and increased stock efficiencies.

KEY PERFORMANCE INDICATORS

Key performance indicators ("KPIs") help management measure progress against our strategy. Currently the focus is on financial KPIs which include total revenue, gross margin and profit, all of which are discussed within this financial review. Further disclosure by geographical region can be found in note 6. Business and Geographical segments on pages 85 to 87.

OTHER OPERATING EXPENSES

Other operating expenses in the period increased by 22% to £85.9m (2021: £70.3m) due to further marketing spend to support international growth and additional revenue related costs.

Following the cost actions taken in response to COVID-19, the Group is managing its cost base in line with anticipated trading levels.

OTHER OPERATING INCOME

Included within other operating income is £nil (2021: £4.8m) of grants receivable under HM Revenue & Customs Coronavirus Job Retention Scheme ("CJRS") and £0.5m (2021: £0.5m) from equivalent schemes offered in other non-UK territories. As a result of the progress that has been made, the Group has taken the decision not to claim our entitlement to CJRS in the current period.

PROFIT BEFORE TAX

The Group's profit before tax for the period was £21.3m (2021: profit before tax £4.6m). An adjusting item of £6.8m (2021: £1.3m) for store closure credits (2021: credit) relates to the release of lease liabilities and profit on disposal of the Paris lease net of related costs. More details of which can be found in note 7 on page 88.

TAXATION

The Group reported a tax charge of £2.2m (2021: credit £43k), an effective rate of tax of 10% (2021: (1%)). This tax charge largely resulted from French taxation on the gain on disposal of the lease in Paris. The effective tax rate is lower than the UK tax rate of 19%, primarily due to the use of prior year tax losses, which were not recognised as a deferred tax asset.

DIVIDENDS

The Board is proposing a final dividend of 3 pence per ordinary share for the 53 weeks ended 2 April 2022 (2021: nil) to be paid subject to shareholder approval, on 25 November 2022 to shareholders on the register at 28 October 2022.

Group revenue

£152.4m

Gross margin

71.7%

CASHFLOW

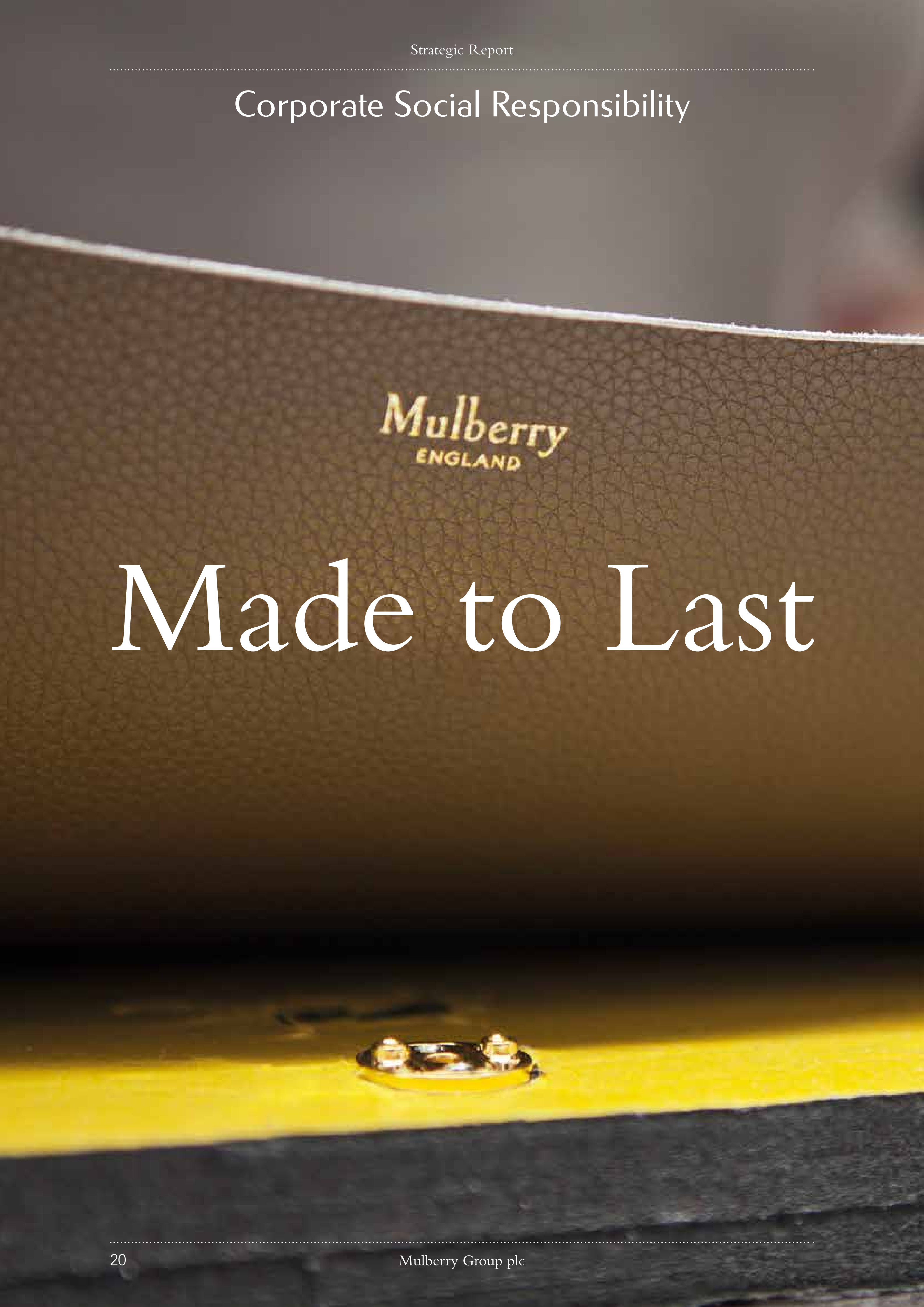
The net increase in cash and cash equivalents of £13.9m (2021: £4.2m) comprises cash received on exit of the Paris lease, and working capital benefits, partially offset by increased inventories, and capital expenditure. During the year the Group paid £13.7m (2021: £7.7m) relating to the principle element of lease liabilities, which included £4.7m of deferred lease liabilities from the prior period.

BORROWING FACILITIES

The Group's net cash balance (comprising cash and cash equivalents, less overdrafts) at 2 April 2022 was £25.7m (2021: £11.8m), with deferred liabilities of £nil (2021: £4.7m). Net cash comprises cash balances of £25.7m (2021: £11.8m) less bank borrowings of £nil (2021: £nil), which excludes loans from related parties and non-controlling interests of £5.0m (2021: £4.7m). Net cash also excludes lease liabilities of £63.7m (2021: £73.9m) as this gives more clarity over the net cash balance and liabilities are not considered to be borrowings.

Since the period end the Group has extended its revolving credit facility with HSBC until March 2024, and banking covenants remain unchanged. The £15.0m revolving cash facility is secured, and covenants are tested on quarterly basis and contain a net debt to EBITDA ratio, and a fixed charge cover ratio. Covenants are tested on a "frozen GAAP" basis and exclude the impact of IFRS16. In addition, the Group has a £4.0m overdraft facility and a further USD 1.9m overdraft facility in China, which are renewed annually. Further details regarding the bank facilities and their projected utilisation are found in the Going Concern statement on page 53.

Corporate Social Responsibility



Made to Last

In 2021, we celebrated 50 years of Mulberry. As part of the celebrations, we launched our Made to Last Manifesto.

It's a commitment to responsible innovation, and a philosophy that goes to the very heart of what we do in every part of the business. From sourcing and manufacturing, to our relationships with the communities around us, we continue to strive for the best sustainable practices.

Corporate Social Responsibility – Made to Last

Our sustainability strategy

It focuses on the following key pillars:

NET ZERO FUTURE

The very centre of our strategy, aiming for net zero carbon emissions by 2035.

REGENERATIVE SOURCING

We will source all materials responsibly, trial and introduce material innovations, and transform to a regenerative business model.

NET ZERO MANUFACTURING

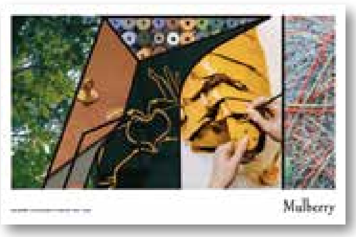
We will measure our impact so we can protect the environment and the livelihoods within our supply chain.

PRODUCT CIRCULARITY

We will strengthen our offers that aim for a fully circular product lifecycle, to reduce waste and encourage sustainable consumption.

INCLUSIVE COMMUNITIES

We will positively impact our communities and work for a more diverse, equitable and inclusive future.



A summary follows here, and you can read further detail in our stand-alone Sustainability Report available on the Responsibility pages of Mulberry.com; https://www.mulberry.com/row/madetolast/responsibility.

01

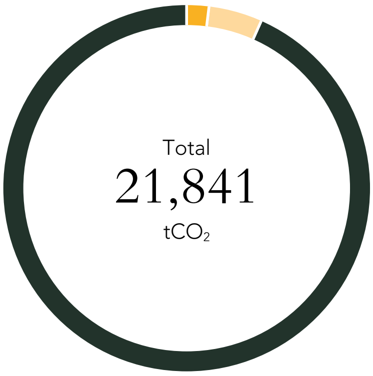
Net Zero Future

During 2021, we worked with the Carbon Trust to measure our global carbon footprint across Scopes 1, 2 and 3, using FY2019-20 as a baseline.

Scope 1 relates to emissions from operations in our direct control, while Scope 2 is indirect emissions from energy purchased. Scope 3 relates to indirect emissions from the value chain not in our control, and not included in Scope 2, such as in raw materials and business travel.

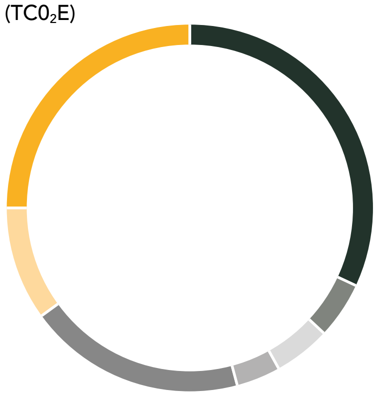
Results showed that just 7% of our emissions related to Scope 1 and 2, and 93% of our emissions occur in Scope 3.

SCOPE 1 AND 2



Carbon footprint (tonnes of CO_2 equivalent)
- Scope 1: 431 (1.98%)
- Scope 2: 1,069 (4.89%)
- Scope 3: 20,340 (93.13%)

SCOPE 3
EMISSION ($TC0_2E$)



- Raw materials (32%)
- Transport of finished goods (5%)
- Packaging (5%)
- Energy (4%)
- Employee commuting & business travel (19%)
- Marketing & events (10%)
- Others (25%)

We have already made some progress addressing these by installing:

- solar panels on the roof of The Willows factory
- LED lighting fixtures with light and motion sensors, in factory, warehouse and office sites
- LED lighting in 33% of our store network
- electric vehicle charging points at The Rookery.

Since 2019, we have offset our UK Scope 1 and 2 carbon footprint through World Land Trust's Carbon Balanced programme.

The split of our emissions is as follows:

STORES	33%
FACTORIES	32%
OFFICES	20%
WAREHOUSING	11%
VEHICLES	4%

It's more difficult to access data further down the supply chain, making it essential to collaborate with suppliers to reduce our carbon emissions.

To begin with, we are addressing our Scope 3 emissions by:

- surveying our Tier 1 and 2 product suppliers regularly to better understand their environmental practices
- setting targets for our retail stores to increase their recycling rate
- introducing a hybrid-working policy for employees, to reduce commuting emissions
- updating our travel policy to promote more financially and environmentally sustainable travel behaviour.

SCIENCE-BASED TARGETS

We have developed science-based targets with the Carbon Trust, and will submit them during 2022 for approval by the SBTi. The targets show companies how much and how quickly they need to reduce their GHG emissions to prevent the worst effects of climate change. They are aligned to the most recent climate science, which currently advises limiting global warming to less than 1.5 °C.

Corporate Social Responsibility – Made to Last (continued)

02

Regenerative Sourcing

SUSTAINABLE LEATHER

Leather goods are the foundation of our business and comprise over 90% of our collection. We source finished leather directly from tanneries in the UK, Italy, Germany, Spain and Turkey. In 2020, we joined the Sustainable Leather Foundation (SLF) as a founding partner. As well as assessing a leather manufacturer's environmental credibility, SLF reviews their social performance and governance, offering us a holistic view of sustainability matters. We aim to source all our leather from accredited sources by 2023, by which we mean tanneries with a valid Leather Working Group audit, Sustainable Leather Foundation audit or ISO:14001 accreditation.

In November, we launched our first "farm to finished product" bags, in collaboration with Scottish tannery, Muirhead, a member of Scottish Leather Group, which make the world's lowest-carbon-intensity leather, at 1.1kg of CO_2 per hide.

We continue to invest in establishing and growing this approach by working with organisations including the Leather Working Group and the Sustainable Leather Foundation, who support best practice in animal welfare, traceability and environmental management.

MATERIAL INNOVATION

We source a variety of fabrics, materials and other components to create our collections, and look to ensure their credentials align with our low-impact materials strategy. Our approach so far has been to make rolling changes to our conventional materials, such as cotton, as we develop each seasonal range, to improve its sustainability credentials.

SOURCING TRANSPARENCY

Our international supply chain is based on sourcing quality raw materials and finished products which meet our quality and environmental expectations. Alongside our UK manufacturing facilities, we source from a select group of long-standing partners in Italy, Turkey, China, and Vietnam. We work with countries that have established skills and heritage within the leather industry, and that can support our high-quality standards and progressive new-product-development programmes.

All our suppliers have signed up to our Global Sourcing Principles, which set out our minimum requirements for conducting business, including those of international law such as the ILO's four fundamental principles for rights at work: no child labour, no forced labour, no discrimination, and the right to freedom of association and collective bargaining.

For Mulberry products arriving at our warehouses in 2021, 43% were sourced from suppliers we've worked with for more than ten years, and 53% from suppliers we've worked with for more than five years.

Material	Current status	Target
COTTON	We are a brand member of Better cotton and a signatory of Textile Exchange's 2025 Sustainable Cotton Challenge. 85% of our cotton used is certified organic. Care bags are sourced through our Better Cotton membership.	100% sustainable cotton by 2025
NYLON	We have used 100% certified recycled nylon or ECONYL® since SS20.	Achieved
POLYESTER	75% of our polyester is certified recycled. We are trialling recycled polyester in thread and interlinings.	100% recycled polyester by 2023
SCOTCHGRAIN	In AW21, we introduced Eco-Scotchgrain, crafted from bio-synthetic fibres, to replace our iconic Scotchgrain. In AW22, all Scotchgrain has been converted to Eco-Scotchgrain.	Achieved
FEATHER AND DOWN	100% Responsible Down Standard. With the launch of our Softie bag as part of our SS22 collection, we ensured all down and feather used was certified to the Responsible Down Standard.	Achieved
BIO-ACETATE	We use bio-acetate frames and nylon bio-lenses as part of our eyewear collection. Due to colour limitations, this does not yet apply to all frames.	Increase our use of bio-acetate frames in our sunglasses range

Corporate Social Responsibility – Made to Last (continued)

03

Net Zero Manufacturing

MADE IN THE UK

Our presence in the south-west of England harks back to our beginnings in 1971. The Rookery opened in Chilcompton in 1989, and is our centre of excellence for product development, and home to our development team, artisan studio and Lifetime Service Centre. Our second UK factory, The Willows, opened in Bridgwater in 2013 and is our main production site in the UK, housing seven production lines. At The Willows and The Rookery, we employ more than 350 people. Craftspeople joining follow a comprehensive training programme that equips them with the skills needed to craft Mulberry bags, whether that's cutting leather, edge inking, stitching or quality inspection.

Both The Rookery and The Willows have been carbon-neutral since 2019 and we generate a portion of the electricity for The Willows from solar panels on the roof. Both sites work with partners who ensure no unrecyclable waste goes to landfill and is recovered as energy instead. The cutting machines we use minimise our cutting waste, and we donate any unusable leather offcuts to local craft groups, schools and scrap stores. We regularly host educational tours for colleges and university classes.

WATER AND CHEMICAL MANAGEMENT

Our manufacturing chain requires tanning agents, adhesives and cleaning products. We ensure our suppliers follow strict chemical-management practices, and also maintain our own restricted-substance list set to the strictest legal limits in the markets where we sell our products.

We used World Wildlife Fund's Water Risk Filter to map our water consumption and risk for both our UK factories. Currently we are classed as low risk. To help us remain at this level, we use a rainwater harvesting tank at The Rookery for toilet flushing.

The City Briefcase, Charcoal Heavy Grain.

Corporate Social Responsibility – Made to Last (continued)

04

Product Circularity

THE MULBERRY EXCHANGE

We create Mulberry bags to last a lifetime and be handed down to the next generation. However, we also believe a change or exchange can be positive. We launched The Mulberry Exchange in 2020 to restore Mulberry classics authentically for a new owner, while giving customers the chance to return their pre-loved bags in exchange for credit towards a new purchase.

We sell the restored bags in stores and online, and were one of the first brands to use re-sale platform Vestiaire Collective, which showcases and sells second-hand limited-edition and rare pieces.

REPAIRS AND RESTORATION

The team at the Lifetime Service Centre at The Rookery are masters of restoration, breathing new life into thousands of pre-loved Mulberry items every year. If an item is beyond repair, we will offer to buy it back and reclaim the energy through Scottish Leather Group, who have a thermal energy-reclamation plant.

WASTE AND RECYCLING

In the UK, we work with providers such as Biffa and First Mile to process any non-recyclable waste that would traditionally go to landfill, to create electricity for the National Grid. We send our mixed recycling for sorting so it can be reprocessed into new products.

We have a zero-tolerance policy on destroying quality goods. We divert unsold seasonal stock to our global network of outlet stores, and also hold an annual employee sale of samples and stock, with proceeds added to our Somerset Community Fund, or other charitable causes.

We create our green carrier bags from cupcycling, an innovative technology that repurposes coffee cups into paper, while also separating the cups' plastic lining for recycling. Since we started, we have repurposed over 2.8 million coffee cups that would otherwise have been sent to landfill.

All our customer-facing packaging will be recyclable by the end of 2022. We are also working to reduce the amount of cardboard we use for packaging, and to eliminate all plastic from our business-to-business operations. In addition, we are currently in the process of changing our ribbon and handles for our carrier bags to a material that will be compostable and biodegradable.

Billie Black Small Classic Grain

Corporate Social Responsibility – Made to Last (continued)

05

Inclusive Communities

"All our employees are ambassadors for Mulberry and we encourage them to live our employee values, which we believe help foster a culture of wellbeing and acceptance, where everyone is celebrated for their individuality."

CULTURE AND WELLBEING

All our employees are ambassadors for Mulberry and we encourage them to live our employee values, which we believe help foster a culture of wellbeing and acceptance, where everyone is celebrated for their individuality. In our culture and environment, all employees can thrive, irrespective of their gender identity, sexual orientation, marital and civil partnership status, parental status, race or ethnicity, religion or religious belief, political opinion, physical appearance, age or disability. All our employees can access our intranet – The Tree – where we post company information, updates and employee achievements, and encourage communication.

DIVERSITY, EQUITY, AND INCLUSION

To ensure we are successful in creating this environment for our employees, our Diversity and Inclusion ("D&I") Committee meets regularly to discuss our D&I Strategy, as well as current news, personal experiences and those of our colleagues. The committee also works with the marketing department to create a communications calendar, recognising key moments such as International Women's Day, Mental Health awareness, Pride and Black History Month. This helps us reflect on and celebrate the success of our diverse employees.

GENDER EQUALITY

Our most recent Gender Pay Gap report shows our mean hourly rate gap as £7.34 per hour (in favour of men) and our median hourly rate gap represented a difference of £0.25 per hour (in favour of men). Our median hourly pay gap of 2.1% is significantly better than the Office for National Statistics measure for the wholesale and retail industry of 13.6%, and the retail sector benchmark of 7.4%.

Our Management Board is made up of three women and five men. Combined with our broader leadership team, there are 30 women and 15 men at a senior level in our organisation.

Our recently enhanced maternity-pay benefit has increased leave at full pay from 12 weeks to 18 weeks and reduced the length of service to qualify for this benefit to one year. We have also introduced more family-friendly policies, including leave for IVF treatment, and continue to review all people policies to make them more inclusive.

LIVING WAGE EMPLOYER

We are an accredited Living Wage Employer, so all our employees in the UK will earn higher than the government's minimum wage. Living Wage is an independently calculated hourly pay rate based on the actual cost of living, calculated each year by the Living Wage Foundation.

APPRENTICESHIPS

Since 2006, we have operated a leather goods manufacturing apprenticeship programme in conjunction with Bridgwater and Taunton College, which we run at The Willows and The Rookery. In 2017, we were Lead Employer in a national trailblazer Group, developing the Level 2 Leather Craftsperson Standard apprenticeship, which has since become industry-recognised, offering graded results for apprentices in the leather goods' industries. All our apprentices who have taken this new standard have achieved distinctions.

Our progress so far

LEATHER

- By the end of 2022, we will source all our leather from environmentally accredited tanneries
- Currently, we source 88% of our leather from environmentally accredited tanneries
- We are a founding partner of the Sustainable Leather Foundation, and members of Leather Working Group since 2012

Link to CSR pillar
2

OTHER LOW-IMPACT MATERIALS

- All nylon sourced as 100%-certified recycled nylon or ECONYL® sincwe spring 2020
- Launch of Eco-Scotchgrain range in April 2021, made from recombined bio-plastic materials
- Launch of sunglasses made from biodegradable and recyclable cellulose acetate in spring 2021
- Launch of our Softie bag in spring 2022, using down and feather certified to the Responsible Down Standard

Link to CSR pillar
2

CARBON

- All UK operations carbon-neutral since 2019
- Working with charities such as the World Land Trust to ensure efficient offsetting
- Somerset factories work with Zero Waste to Landfill providers, recovering energy from waste that cannot be reused or recycled
- Signatory of UN Fashion Industry Charter for Climate Action
- During 2021, we worked with the Carbon Trust to measure our global carbon footprint across Scopes 1, 2 and 3

Link to CSR pillar
1 3

PRODUCT CIRCULARITY

- Launched circular resell and buy-back programme, The Mulberry Exchange, in February 2020
- Launched on Vestiaire Collective's Brand Approved programme in March 2021
- Lifetime Service Centre restored over 10,000 bags in FY 2021-22

Link to CSR pillar
4

PACKAGING

- Cupcycling introduced into customer packaging in January 2020, using over 1.5 million coffee cups to make Mulberry Green paper
- All our paper and card is FSC-certified
- All customer-facing packaging will be recyclable at kerb-side by end of 2021

Link to CSR pillar
4

PEOPLE AND COMMUNITY

- We grant all employees two days of paid volunteering each year
- We have raised £44,213 so far for The Felix Project, through our customer-facing festive campaigns and employee fundraising. This equates to 269,699 meals
- Ongoing partnership with World Land Trust
- In September 2021, we began a long-term partnership and set up a charitable fund with Somerset Community Foundation to help people in Somerset through funding local charities, groups and communities, inspiring giving and philanthropy
- We continue to manufacture over half of our bags in the UK, and invest in our thriving apprenticeship programme and Next Generation retail concept

Link to CSR pillar
5

Our Stakeholders

Considering the views and protecting the interests of our stakeholders when making key business decisions is fundamental to progressing our strategy to build Mulberry as a sustainable global luxury brand.

We place huge importance on working constructively with all our stakeholders to create value for them all. Therefore, throughout the year, we communicate directly with our shareholders, employees, customers, suppliers, partners and communities. This is so they understand our long-term strategy and can voice any suggestions or concerns, and so we can act on their views – it is a two-way conversation.

This section explains our efforts in more detail, and comprises our Section 172 statement, setting out how the Directors have, in performing their duties over the course of the period, had regard to the matters set out in Section 172(1) (a) to (f) of the Act.

Shareholders

We have regular, clear, and effective communication with our existing and potential new shareholders to enable them to understand our business and strategy to deliver long-term shareholder value. Engagement takes a variety of forms, including investor meetings, trading updates, our investor relations website and Annual General Meetings. Our majority shareholder, Challice Limited, has non-executive board representation which provides direct stakeholder input into executive decision making. Feedback from our shareholder communications efforts feeds into the Directors' considerations for effective ongoing investor relations.

During the period ended 2 April 2022, we engaged with shareholders (via video-conferencing) on a range of topics, including: business strategy, financial results, business performance, and our ongoing response to the impact of COVID-19. We have also updated the investor relations section of our website to ensure that we are communicating the business strategy and performance clearly.

The General Meeting was held on 8 September 2021, at Mulberry Group plc's offices, which enabled the Board to have opportunity to have direct face to face dialogue with shareholders.

We believe it is critical for our shareholders to understand our business and strategy, including our performance to deliver long-term shareholder value.

Employees

We were pleased to welcome all remaining employees back from furlough at the beginning of July 2021, and the Directors are very appreciative of the incredible part our teams have played in our strong performance, responding to the ongoing impact of the pandemic with energy and resilience throughout this period.

We continue to engage directly with our employees through regular forums and employee check-ins, and remain committed to fair and equal reward. We believe the happiness, wellbeing and development of our teams is critical to our continuing success.

We hold regular reviews of remuneration packages (including long-term incentive schemes) and policies. On 1 April 2021, we became an accredited Real Living Wage employer, having a positive impact on 48% of UK employees. We introduced enhanced maternity and paternity pay, and launched hybrid working in July 2021. Following a successful trial we have moved to a four-day working week across our Production team, which has had a hugely positive impact on wellbeing and productivity.

We have invited new members to join our Employee Committee, ensuring representation from our international teams. This group of employees provides the Directors with feedback and helps shape our activities for the year ahead.

To ensure all employees have the opportunity to participate in activities to support their development and reach their full potential, we have extended our learning and development offer. We welcomed a second cohort to our Leadership Development Programme, and we have also seen over 100 apprentices complete the government-approved Leather Goods Manufacturing qualification.

An effective people strategy and strong culture are essential for the effective delivery of our strategy and ultimately our performance.

Customers

With the re-opening of physical stores, our initial priority was to ensure a safe and secure environment for our customers, particularly as we noted a genuine desire for person-to-person engagement from customers wanting to come back to the physical stores.

For the safety issue, we created a page on The Tree, our in-house intranet, to provide full guidance to retail teams on how the stores should operate safely, including social distancing, optimum numbers, ordering process for face masks, hand sanitiser and similar, plus created clear in-store signage and online COVID-19 safety information by store.

On the engagement side, our retail teams have been working on localised events during the year, always linked to the key themes across the business. We have seen customers liaising more through WhatsApp, and virtual appointments remain at the same level as during COVID-19.

We have given our teams more flexibility in how they respond to customers, using the customers' preferred platform, such as text, WhatsApp or phone call. This does afford us more ability to gain feedback from customers on our varied initiatives, and this year we have gained good customer insight on The Mulberry Exchange and our pre-loved ranges.

The majority of Mulberry's engagement with customers is at an operational level, however the Board also receives regular updates from the CEO and members of the senior management team on sales performance and Brand awareness.

Customer safety and satisfaction are pivotal to the success of our business. The needs, behaviours and feedback of our customers are collected, assessed and used to develop our long-term strategy.

"An effective people strategy and strong culture are essential for the effective delivery of our strategy and ultimately our performance."

Suppliers

Despite the easing of COVID-19 restrictions, travel to Asia was still restricted and therefore there have been no trips to our suppliers in China or Vietnam, though trips to Turkey are recommencing. Since the start of the pandemic we have continued to conduct supplier contact through regular Teams and Zoom meetings.

We continue to liaise with our supply base very closely to monitor and mitigate the well-publicised ongoing global supply challenges – global freight and logistics disruption, trade complexities within Europe, COVID-19 issues in Asia, raw-material price inflation and, more recently, energy price inflation. Having established long-term relationships with many of our raw material and finished-goods suppliers has enabled us to work closely together, and our global supply chain has remained secure and productive. This is a credit to our supply base and the capability of our teams, and it provided a solid foundation for business growth and profitability during the year.

Some suppliers have increased their minimum order levels, which has caused issues on low-demand products, but we have resolved these with some compromises from the suppliers, and in fact have increased some capacities to cover the additional demand we are experiencing.

To build and maintain long-term relationships with our suppliers is critical to meeting customer needs and instrumental in delivering our sustainability strategy.

Partners

Our franchise partners play an important part in driving growth in their respective regions. We leverage their expertise, typically through their local knowledge and relationships, to support the Board to make the right decisions. We also ensure that they understand our strategy and values in order that these are implemented locally.

We communicate with our partners on a weekly basis to discuss trading, product needs, ongoing preferences, and other matters, such as their ongoing recovery to the impact of COVID-19, to ensure we understand ways in which we can support them.

The expertise of our partners combined with our support enables us to deliver on our long-term strategy in their respective regions.

Communities and environment

Mulberry made a number of donations to charity. These included donations to The Felix Project, a London based charity which collects fresh, nutritious food that cannot be sold. They deliver this surplus food to charities and schools so they can provide healthy meals and help the most vulnerable in our society. We have raised £44,213 so far for The Felix Project, through our customer-facing festive campaigns and internal employee fundraising. This equates to providing 269,699 meals.

Mulberry also made a donation of £50,000 to the British Red Cross Ukraine Crisis Appeal.

Our commitment to the communities living and working around us is pivotal to delivering the long-term growth and sustainability targets of the business.

Made to Last is the name we give to our responsibility commitments. These focus on key areas of our business including sourcing, manufacturing, selling and repairs. Our overarching goal is to move towards a fully sustainable product and service offer. We are proud of our achievements in sustainability so far and have set ambitious targets for the Group going forward. For more information on Made to Last see pages 20 to 31.

Principal Risks and Uncertainties

The Board considers the principal risks and uncertainties to be the most significant risks faced by the Group that could adversely affect its future development. They do not comprise all the risks associated with the Group.

The principal risks and uncertainties, including the key mitigating actions used to address them, together with an indicator of the Board's assessment regarding the change in risk level from the prior period, are outlined below. They are not set out in priority order.

EXTERNAL RISKS		
1. COVID-19 Continued disruption from COVID-19, which could directly impact our employees, supply chain, suppliers and customers, with the potential for longer-lasting economic effects, that could continue to impact the economy in the current trading period and beyond. **Potential impact** The impact of further lockdowns due to a new wave of COVID-19 and the potential impact on the business. The impact on the wider economy and the consequential effect on demand. There is not sufficient liquidity to manage operations and meet liabilities as they fall due. The impact of lower tourist footfall due to travel restrictions. The health and safety of our people and customers. The impact on our supply chain in the UK and overseas.	**Mitigation** The Group continues to carry out detailed scenario planning to understand the extent to which the Group could withstand a loss of revenue within the limits of its available financial resources. The Group's strong digital channel and international presence outside will offset, in part, the potential loss of international spend. Detailed additional safety standards and procedures exist to allow our stores to operate safely. Our employees can use homeworking if required, using technology to ensure we continue to manage the business. We continue to monitor our supply chain to ensure it remains operational, including the supply of raw materials.	Decreased ▼
2. Domestic and global economic climate The Group may be impacted by a downturn in the UK or the wider global economic climate. Rising inflation both in a supply chain and consumer context. **Potential impact** Significant Mulberry revenue is generated in the UK and, as has been widely reported, the UK retail environment remains challenging. The Group's UK business is subject to a decline in consumer confidence and demand, together with lower tourist footfall, which has reduced spending on luxury goods.	**Mitigation** The Group's strategy to increase the proportion of sales from international markets is expected to reduce this risk over time. The Group continues to optimise the UK store network through selective openings and closures in order to manage the ongoing shift to online shopping. The Group continues to monitor the effect of inflation on cost prices and take action where possible. Cost prices are negotiated ahead of delivery, allowing time for any potential increase to be mitigated.	Increased ▲
3. Brexit implications Additional costs and complexities arising from the UK's exit from the European Union ("EU"). **Potential impact** Mulberry imports a significant proportion of its raw materials from the EU. The agreements reached, including the EU-UK Trade and Co-operation agreement will result in increased cost and complexity for the Group.	**Mitigation** The Group continues to work with advisers regarding changes to its supply chain, which will mitigate in part the increase in costs.	Decreased ▼

STRATEGIC RISKS

Risk	Mitigation	Change
4. Brand and reputational risk Careful safeguarding of brand reputation is key to maintaining brand position, which could be undermined by actions of supply chain or other partners. Reputational risk may also arise from external social media networks. **Potential impact** Negative publicity could arise in the event of an unfavourable incident or unethical behaviour relating to a celebrity, influencer, collaborator or supplier associated with Mulberry, any of its senior executives, or via external social media networks. A deterioration in brand position would lead to a loss of customers, which would negatively impact sales and profits.	**Mitigation** The Group makes ongoing investment into product development, marketing, retail estate and the consumer experience. These are all key to maintaining brand position, along with the opening of flagship stores in strategic global locations and maintaining strong relations with customers. New partners with whom we do business are subject to appropriate due diligence to assess suitability and new suppliers must adhere to Mulberry's Global Sourcing Principles.	Unchanged
5. Global Chinese consumer spending With an element of Group revenue derived from global Chinese consumer spending, any change in Chinese consumer spending habits, or the economic, political or regulatory environment in China could have a detrimental impact on Chinese consumer confidence and ultimately on volume of sales. **Potential impact** Mulberry's strategy to expand internationally, especially in Asia, both reduces risk from over-dependence on the domestic market, as well as exposing it to an increase in tolerated level of risk, particularly in China, where potential growth rates are perceived to be highest.	**Mitigation** The Group is continuing to strengthen its local senior management in Asia, in addition to recently investing in new store openings in China. Store leases in China are generally relatively short (2-3 years), which limits commitments to long-term lease liabilities in the event that store locations need to be reviewed or changed in due course.	Unchanged

Principal Risks and Uncertainties (continued)

OPERATIONAL RISKS

Risk	Mitigation	Change
6. Financial risk The management of cash is of fundamental importance in ensuring the Group's ability to pay its ongoing commitments to suppliers and employees. A downturn in trade or a delay or default in payment from a debtor may significantly impact the Group's cash balances. The Group's sales and purchases are made in Sterling, Euros and US Dollars and therefore it is exposed to fluctuations in these exchange rates. Ineffective hedging arrangements may not fully mitigate foreign exchange losses or may increase them. **Potential impact** In the event of a significant downturn in trading or the effects of seasonality, the Group's cash facilities may be insufficient. If wholesale or concession debtors default on payment terms, this would impact further on the Group's cash reserves. If Sterling weakens against the Euro and US Dollar there is a consequent increase in raw materials bought in foreign currency which increases cost of sales. However, revenues earned in foreign currency also appreciate when Sterling weakens from revaluation gain creating some natural currency hedge.	**Mitigation** The Group performs regular cash forecast analysis to manage working capital requirements. The Group has a £15.0 million revolving credit facility in place with HSBC until 31 March 2024, in addition to a £4.0 million multi-currency overdraft facility and a USD 1.9m overdraft facility in China, which are renewed annually. Appropriate credit limits are set and continually reviewed and escalated for Board approval where appropriate. The Group's Treasury Committee manages its Treasury policy which incorporates a hedging strategy to reduce the risk of exchange rate volatility. The policy is reviewed periodically to optimise hedging efficiency and ensure compliance with best practice.	**Unchanged** ◀▶
7. Retention and engagement of staff The Group's success is dependent to a certain extent on the continued services of its Directors and senior management, as well as its ability to attract and retain an engaged workforce. **Potential impact** Loss of key members of the senior management team or other qualified employees could be detrimental to the business. Failure to equip or engage our teams to deliver our strategy may result in failure to meet our objectives and in increased recruitment costs.	**Mitigation** This is mitigated by regular reviews of remuneration packages (including long-term incentive schemes) and succession planning within the management team. Employee engagement surveys have resulted in the development of key action plans to address a number of focus areas, in addition to the introduction of a training programme to roll out key employee values. A second survey was carried out in June 2022, the results of which will be used to drive further change. A system to identify and support high-potential individuals was initiated during the period, with a Leadership Development Programme launched to engage and equip future leaders.	**Unchanged** ◀▶

OPERATIONAL RISKS

Risk	Mitigation	Change
8. Information technology ("IT") The integrity and integration of the Group's IT systems and operational infrastructure is critical to its trading and operations. Maintaining investment in the latest customer focused technologies to improve customer experience is a continuing risk. **Potential impact** There is a risk that the business's ability to sell and deliver its products would be adversely impacted in the event of a significant IT failure or failure to maintain stable and resilient technology platforms. Failure to implement innovative technology that meets ever-increasing customer demand could lead to loss of revenue and damage perception of the brand.	**Mitigation** The IT function continues to be strengthened with the appointment of new roles. The Group continually reviews its IT and systems' capabilities to maintain the integrity and reliability of its business. A number of controls are in place to maintain business continuity which would be implemented in the event of a major failure. For further details see Internal Financial Control section on page 44.	Unchanged ◀▶
9. Cyber security and General Data Protection Regulation ("GDPR") All business sectors are at risk of increasingly sophisticated cyber security attacks. Increased use of mobile and digital sales channels, together with marketing via social media, result in large amounts of customer data being gathered. The risk of unauthorised access to or loss of data, including data held in respect of employees and customers, is growing. **Potential impact** Cyber-crime represents an increasing risk through threat of deletion, theft, disruption or integrity of data, which could also result in reputational damage. A failure to comply with GDPR, which came into effect in May 2018, could result in penalties and have an adverse impact on consumer confidence in the Group.	**Mitigation** IT security is continually reviewed and updated. Networks are protected by firewalls and anti-virus protection. Threat detection systems are in place across the Group. Vigilance and security improvements must be maintained to ensure these are up to date and best practice.	Unchanged ◀▶

Principal Risks and Uncertainties (continued)

OPERATIONAL RISKS

10. Business interruption A major incident including fire, flood, terrorism near to one of the Group's offices, production facilities, warehouses or key suppliers could seriously affect the Group's operations. A health pandemic, as evidenced by the recent COVID-19 outbreak, would have a significant impact on our ability to continue to operate as usual. **Potential impact** This may lead to a significant fall in footfall, or potential closure of a store, or a loss of IT systems.	**Mitigation** The Group continues to develop its business continuity plan in addition to appropriate protection of IT systems to mitigate any impact, as well as making sure that adequate business insurance is in place. A COVID-19 cross-functional committee was implemented in 2020 to regularly update the business on how to limit the impact on business continuity wherever possible, including sourcing alternative supply chains, plans for travel restrictions and making appropriate changes to working arrangements wherever practical.	Unchanged ◀▶
11. Intellectual property As with all brands, the Group is exposed to risk from unauthorised use of the Group's trademarks and other intellectual property ("IP"). **Potential impact** Any infringement of the Group's IP could lead to a loss of profits and have a negative impact on image.	**Mitigation** Trademarks are registered and where any infringements are identified, appropriate legal action is taken.	Unchanged ◀▶

SUSTAINABILITY AND CLIMATE CHANGE RISK

12. Sustainability and climate change	Mitigation	Unchanged
Mulberry's long-term success and viability will depend on the social and environmental sustainability of its business model, the resilience of its supply chain and our ability to manage the impact of climate change across our operations. The Group has long been committed to sustainability in its supply chain ad manufacturing processes and in 2021 launched the Made to Last Manifesto, a series of bold commitments which lay out actions for change, including establishing and expanding on the foundations of regenerative agriculture and local low carbon production. The Group measured its Global Scope 1, 2 and 3 carbon footprint, and is in the process of setting Science Based Targets to clearly define a path to reduce GHG emissions in line with the Paris Agreement goals. **Potential impact** Leather is a key raw material, which is sourced as a by-product of agriculture. Farming and ranching for meat and leather have been well documented as significant drivers of deforestation and climate change but we believe that farming can also offer a solution to the very problem it creates. On a regenerative and rotational farm, livestock play an essential role in maintaining soil health and healthy soil actually draws down and stores carbon from the atmosphere. That's why we are pioneering a hyper-local, hyper-transparent "farm to finished product" supply chain, working in partnership with industry leading tanneries to develop the world's lowest carbon leather sourced from a network of organic and regenerative farms. By 2030 our entire leather supply chain will adhere to this transformative sourcing and production model. We launched our first "farm to finished product" British bags in 2021. Manufacturing processes, especially around the tanning of leather, utilise chemicals, energy and water, and which require careful scrutiny to ensure Mulberry's high ethical standards are not breached. All leather is sourced to meet our high ethical standards, with most coming from the EU.	Mulberry has been a member of the internationally recognised Leather Working Group since 2012. Mulberry is a member of the Animal Welfare Group ("AWG"), a sub-group of the Leather Working Group ("LWG"), whose principal objective is to provide education and information to its members on the salient aspects of livestock and animal welfare within the leather value chain. In 2020, Mulberry became a founding partner of the Sustainable Leather Foundation, an industry led but consumer focused multi-stakeholder Group, committed to improving environmental, social and governance performance of the leather value chain by providing a transparent dashboard, audit and certification standard and technically focused collaboration hubs. For Autumn/Winter 2022, 88% of leather was sourced from tanneries with environmental accreditation. By the end of 2022, we're aiming for all leather in Mulberry collections to be sourced from environmentally accredited tanneries.	◀▶

The Strategic report was approved by the Board of Directors and authorised for issue on 28 June 2022.

THIERRY ANDRETTA
CHIEF EXECUTIVE
28 June 2022

Governance Report

Board of Directors

The Directors who served during the period and subsequently are detailed below.

Thierry Andretta
Chief Executive

Thierry Andretta, 65, was appointed as Chief Executive on 7 April 2015, following his appointment to the Board as an independent Non-Executive Director on 9 June 2014. He has previously held a number of senior roles at brands including Lanvin, Moschino, Kering, LVMH Fashion Group and Céline, and was Chief Executive of Buccellati and was a non-executive director of Acne Studios Holding AB until March 2017. He is a director (gérant) of SCI TMLS. Mr Andretta has extensive experience across the luxury sector, with particular focus on retail, digital, omni-channel and international expansion, and is leading the sustainability agenda transforming Mulberry to a net-zero regenerative and circular business model.

Charles Anderson
Group Finance Director

Charles Anderson, 52, is Group Finance Director, having joined Mulberry and been appointed to the Board on 7 October 2019. He is an ACMA and was admitted to the Chartered Institute of Management Accountants in 2000. Mr Anderson has over 20 years' experience as a finance professional, having previously worked at Ted Baker PLC for 17 years. He has experience in developing and overseeing global finance functions, international expansion and systems transformation as well as investor relations.

Godfrey Davis
Chairman

Godfrey Davis, FCA, 73, is Chairman of the Board, having been appointed in June 2012. Prior to this he had performed the role of Chief Executive from 2002 until June 2012. He is a fellow of the Institute of Chartered Accountants in England and Wales and joined Mulberry as Group Finance Director in 1987 after 15 years at Arthur Andersen, where he was an international partner. He is a director of Pittards plc, and Hestercombe Gardens Limited, and he is a trustee of Hestercombe Gardens Trust. Mr Davis is an experienced leader of private and publicly owned entities and has a strong understanding of the UK AIM market. He has a deep knowledge of the leather goods sector over many years.

Andrew Christopher Roberts
Non-Executive Director

Andrew Christopher Roberts, FCCA, 58, is Chairman of the Nominations and Remuneration Committee (appointed on 7 May 2013). He was appointed to the Board on 6 June 2002. He is a Fellow of the Chartered Association of Certified Accountants. He is managing director of Como Holdings (UK) Ltd which has retail, hotel and real estate operations in the UK and was formerly Finance Director of an AIM listed financial services Group. Como Holdings (UK) Ltd is a company ultimately owned by Mr Ong Beng Seng and Mrs Christina Ong. Mr Roberts has a broad experience of international property markets, the branded luxury hospitality sector and global financial markets.

Board of Directors (continued)

Steven Grapstein
Non-Executive Director

Steven Grapstein, CPA, 64, was appointed a Director on 17 November 2003 and was appointed as Chairman of the Audit Committee on 7 May 2013. He is currently the Chief Executive Officer of Como Holdings USA Inc., an international investment Group with extensive interests in the retail and hotel industries. He serves on the Board of Directors of Urban Edge, a US publicly listed company on the NY Stock Exchange and is the Chairman of their Governance Committee and a member of their Audit committee. He also serves as a member of the Board of Directors of David Yurman Corp., a privately held US entity and creator of luxury jewellery and time pieces where he is Chairman of the Audit Committee and a member of the Governance Committee. He is also a member of the American Institute of Certified Public Accountants. Mr Grapstein was a director of and then Chairman of the Board of Tesoro Corporation, a US publicly held Fortune 100 company engaged in the oil and gas industry a position he held until 2015. Having served as Chief Executive Officer, he then became Chairman of Presidio International dba A/X Armani Exchange, a fashion retail company until its sale on 15 May 2014. Como Holdings USA Inc. is ultimately owned by Mr Ong Beng Seng and Mrs Christina Ong. Mr Grapstein has extensive knowledge of the North American retail market and is experienced in corporate finance and US capital markets.

Melissa Ong
Non-Executive Director

Melissa Ong, 48, was appointed on 7 September 2010. She is currently Director of Activities of Como Hotels and Resorts, a company ultimately owned by Mr Ong Beng Seng and Mrs Christina Ong, overseeing the experiential element of hospitality in each destination. She is a director/manager of Mojo Pte Ltd, an investment holding company managing investments in technology, food and beverage, hospitality, real estate and public securities and funds. She manages the endowment portfolio of COMO Foundation where she serves as a director. She is a director of Knowhere Pte Ltd. She holds Board positions with the following not-for-profit organisations: Center for Civilians in Conflict; Internews (US Board Director) and Mandai Nature Fund Ltd. She is also a director of each of Will Focus Ltd, Club 21 Pte Ltd and Como Holdings Pte Ltd companies which are ultimately owned by Mr Ong Beng Seng and Mrs Christina Ong. Ms Ong is highly experienced in the luxury hospitality sector and brings insight into the Asian market. Her knowledge of relevant technology and application to digital and social media marketing is valuable in relation to enhancing the luxury customer experience.

Julie Gilhart
Non-Executive Director

Julie Gilhart, 64, was appointed on 1 December 2014 and is an independent director. She is Chief Development Officer of Tomorrow Ltd and President of Tomorrow Projects where she champions and fosters the power of entrepreneurial creativity within the global fashion industry. In 2011 she founded Julie Gilhart Consulting, Inc, to connect and grow fashion brands with a desire to have a positive impact, before merging her company with Tomorrow Ltd in 2019. Prior to establishing her own company, Ms Gilhart was the Senior VP Fashion Director at Barneys New York for 18 years where she identified and brought up-and-coming designers into the store, playing a role in building their businesses worldwide. She serves as a member on the Boards of Parsons-New School, Tomorrow London Ltd and serves as an adviser to Global Fashion Agenda and Business of Fashion's Rewiring Group, as well as a jury member for multiple prizes including the LVMH Prize. She is a respected leader within the fashion sector and is known as a pioneer of sustainability and the circular economy, with a history of finding talent and advising and developing growth of businesses. Her expertise relates to the emerging customer, social trends and adaptation of business models to future requirements including focus on sustainability through advising companies how to incorporate sustainable practices as a core component of their operations.

Christophe Cornu
Non-Executive Director

Christophe Cornu, 58 was appointed on 7 May 2013 and is an independent director. With effect from 1 July 2018 Mr Cornu became CEO of Nestle France SA, having previously served as CEO of Nestlé Suisse SA, and been Chief Commercial Officer for Nestle Nespresso SA. Mr Cornu is a marketing leader with a track record of developing major brands and break through concepts. He is consumer focused, with a complete view from brand purpose development through to marketing execution and provides valuable insight and challenge on brand and marketing related issues.

Corporate governance

The Company is listed on the Alternative Investment Market ("AIM"). In accordance with the AIM rules for companies and their requirement to adopt a recognised corporate governance code, the Board has adopted the Quoted Companies Alliance Corporate Governance Code ("the Code").

The Code is based on ten principles, aimed at delivering growth, maintaining a dynamic management framework and building trust.

Further details can be found online at Mulberry.com.

THE BOARD OF DIRECTORS

The Board comprises two Executive Directors and six Non-Executive Directors. Thierry Andretta acts as Chief Executive, Charles Anderson as Group Finance Director and Godfrey Davis acts as Non-Executive Chairman.

The Directors consider it important that the Board should include Non-Executive Directors who bring considerable knowledge and experience to the Board's deliberations. The Board meets formally on a bi-monthly basis and is responsible inter alia for overall Group strategy, investments and capital projects and for ensuring that an appropriate framework of internal control is in place throughout the Group.

The Executive Directors are each employed under a contract of employment, which can be terminated with 12 months' notice. The Non-Executive Directors provide their services under 12-month agreements renewed annually on 1 April.

NOMINATIONS AND REMUNERATION COMMITTEE

Details of the composition and role of the Nominations and Remuneration Committee are provided in the separate Directors' remuneration report.

AUDIT COMMITTEE

The Audit Committee was chaired throughout the period by Steven Grapstein. The other members of the Committee were Chris Roberts and Christophe Cornu.

During the period all Directors have been encouraged to attend Audit Committee meetings where possible as part of the programme to maintain the Group's systems of internal control. The Committee may examine any matters relating to the financial affairs of the Group. This includes the review of the annual financial statements, the interim financial statements and other financial announcements, prior to their approval by the Board, together with accounting policies and compliance with accounting standards, and of internal control procedures and monthly financial reporting, and other related functions as the Committee may require.

During the period we engaged with the Financial Reporting Council ("FRC"), in response to a number of queries, and a satisfactory conclusion on our approach was confirmed on 22 March 2022. As a result of this review we have enhanced a number of our disclosures. Notice of this review and its findings was published on the FRC website on 24 June 2022.

The Non-Executive Directors have access to the Group's auditor and legal advisers at any time without the Executive Directors being present.

INTERNAL FINANCIAL CONTROL

The Board has overall responsibility for the Group's systems of internal financial control and for monitoring their effectiveness.

As previously announced, the Board has undertaken a business systems review and a review of its financial processes and controls. The Board are comfortable with remedial actions which have been taken and are now building internal capabilities to support business systems transformation, supporting ongoing international development of the Group.

The Audit Committee will continuously monitor the progress and effectiveness of the business systems and financial processes review and will oversee actions taken to remediate the control observations. The Directors place considerable importance on maintaining full control and direction over appropriate strategic, financial, organisational and compliance issues, and have put in place an organisational structure with formally defined lines of responsibility and delegation of authority. Any system of internal financial control is designed to manage, rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

There are established procedures for business planning, for information and reporting and for monitoring the Group's business and its performance. Adherence to specified procedures is required at all times and the Board actively promotes a culture of quality and integrity. Compliance is monitored by the Directors. This includes comprehensive budgeting systems with an annual budget and 3 Year Strategic Plan approved by the Board, monthly consideration of actual operational results compared with budgets, forecasts and regular reviews by the Board of period end forecasts. The Board reports to shareholders half-yearly.

The Group's control systems address key business and financial risks. Matters arising are reviewed on a regular basis. Performance indicators are reviewed at least monthly to assess progress towards objectives. Variances from approved plans are followed up vigorously.

In accordance with the AIM Rules for Companies and their requirement to adopt a recognised corporate governance code, the Board has now formally adopted the Quoted Companies Alliance Corporate Governance Code 2018 ("the Code"). The Code is based on ten principles, aimed at delivering growth, maintaining a dynamic management framework and building trust.

The table below provides an explanation of how Mulberry applies the principles of the Code.

Code Principle	How Mulberry applies the Principle
1	
Establish a strategy and business model which promote long-term value for shareholders	The strategy and business model established and adopted by the Group is discussed and reviewed on a regular basis. The strategy and business model were considered closely in light of the COVID-19 issues to ensure that there was not undue reliance on one territory or channel. A review and update of the Group's 3-year plan and strategy was undertaken in conjunction with setting the Group's Budget for the year ending 31 March 2023 and the Board held a special Board meeting to focus on strategy which was held in May 2022. The Board's strategy and business model is set out each year in the Company's Annual Report with updates provided in the full year and half year financial results announcements and presentations, which are available on the "Reports & Results" section of the Company's website.
2	
Seek to understand and meet shareholder needs and expectations	The Chairman seeks to meet shareholders through direct meetings and at the Annual General Meeting which will be held in September 2022. Three Board members have connections with the Company's majority shareholder, Challice, or its owners. Occasional discussions are held with Fraser Group plc, a significant minority shareholder in the Company, to understand their issues or concerns. In addition, the Company communicates to all shareholders and the wider market through the Company's Investor Relations website and through news releases. The Executive Directors are also available for telephone calls, email communication and meetings with shareholders and investors on an ad hoc basis. The Group is advised by its NOMAD, Houlihan Lokey UK Limited (formerly called GCA Altium Limited), its nominated corporate broker, Barclays Bank plc and by Headland Consultancy for financial PR matters.

Corporate governance (continued)

Code Principle	How Mulberry applies the Principle
3	
Take into account wider stakeholder and social responsibilities and their implications for long-term success	The Group's approach to sustainability is set at Board level and according to the principle that "Mulberry will make a positive difference to its people, environment and communities in which it works". The Group has clear Global Sourcing Principles which govern its relationship with suppliers. The Group is proud of its Made to Last approach to manufacturing and its product repair and renovation service. The Group has a fur-free policy, sources cotton through the Better Cotton Initiative and now uses cup-cycled materials (card made from recycled coffee cups) in its packaging extending its use from carrier bags to some boxes. The Group has signed the UN Fashion Industry Charter for Climate Action and is currently assessing its global carbon footprint with a view to determining scientific based targets for carbon reduction. The Group sources from Leather Working Group tanneries which recognise improvements in the environmental impact of leather production and the Group has established a leather "gold standard" against which it measures tanneries' environmental and quality performance. It is also a member of the Animal Welfare Group, a sub-group of the Leather Working Group whose principal objective is education of the leather value chain on salient aspects of animal welfare. The Group is also a founding partner of the Sustainable Leather Foundation, which considers social and governance issues alongside environmental issues in leather production. The Group is a member of the United Nations Economic Commission for Europe's leather blockchain pilot called "Enhancing transparency and traceability of Sustainable Value Chains in the Garment and Footwear Sector" to develop stronger lines of traceability within its leather supply chain. It has also introduced RFID tags in its new products to assist with traceability. The Group has recently published it Sustainability Report, a copy of which can be found on the website. Details of the Sustainability policy can be found in the Annual Report and on the dedicated page of the website which also contains the Group's updated Modern Slavery Act disclosure and its statement in accordance with the California Transparency in Supply Chains Act. The Group has a Head of Sustainability who reports through the Supply Chain Director to the Group's management board and is active in minimising the impact of the Group's activity on climate change, reducing waste, ensuring fair practice, animal welfare and community involvement. Sustainability implications are considered in connection with the Group's production, operation, people and organisation. The Group is committed to paying the National Living wage to its UK employees and supporting their health and wellbeing through a variety of HR initiatives. In addition, there are employee committees which meet regularly, a charity fund and each year the Company supports several employees chosen charities with fundraising. During last year, in addition to the Company's usual charitable activities, it established a Mulberry Somerset Community Fund with the Somerset Community Foundation to support wider and more significant charitable and community projects within Somerset. As part of its Christmas festivities, the Company made donations to and assisted with fund raising for The Felix Project, a charity which provides meals to London's homeless and continues to support the Project through employee fundraising and volunteering. As a response to the Ukraine war, during the current year, the Company has made a donation to the British Red Cross Ukraine Crisis Appeal. The Group also launched its volunteering policy, enabling all employees to have two days' paid leave each year for volunteering with charitable or good causes in their community.

Code Principle	How Mulberry applies the Principle
4	
Embed effective risk management, considering both opportunities and threats, throughout the organisation	Principal risks, and plans to mitigate these risks, are set out in the Annual Report and are discussed during Board meetings. These include consideration of economic climate, individual market performance, currency risk, competition, loss of talent and IT, including cyber security. Additional risks arising out of the global COVID-19 pandemic and government responses as well as Brexit and the Ukraine war have also been considered and are embedded in the current strategy and budget. The Group is currently undertaking an update of its Business Continuity Plan.
5	
Maintain the Board as a well-functioning, balanced team led by a chair	Details of the eight Board members are provided in the Annual Report and on the "Corporate Governance" section of the website. There are two executive members and six non-executive members, of which there are two independent Directors, Christophe Cornu and Julie Gilhart. The Board considers that there is an appropriate balance between Executive and Non-Executive Directors and that there is sufficient independence taking into account the aforesaid connection with the majority shareholder. The Board meets at least six times each year and is responsible for Group strategy, investments and capital projects and for ensuring that an appropriate framework of internal control is in place throughout the Group. During the COVID-19 crisis the Board met at least fortnightly (using digital meetings to protect participants and avoid travel) to monitor the performance of the business and the rapidly evolving strategic changes required to be implemented by the executive team. The Board continued to meet monthly to monitor progress and support the executive team. During the year to 2 April 2022, the Board reverted to meeting every two months and held meetings via a mixture of physical and virtual meetings to ensure no Board members were prevented from attending as a result of continued COVID-19 or restrictions. The Audit Committee meets at least two and generally three times a year, to review the half year and full year financial results and to review the internal controls framework of the Group. In addition, there is regular communication between the Group Finance Director, the Chairman, the Chair of the Audit Committee and the Audit partner of the Group's auditors, Grant Thornton. The Nominations and Remuneration Committee meets at least twice a year to consider senior management remuneration and key appointments.
6	
Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	The Board is considered to comprise individuals with a balanced mix of relevant experience in the sector, the financial and the public markets and with the necessary experience and strategic and operational skills required. The Nominations and Remuneration Committee of the Board ensures that new Board members are selected based upon specific criteria targeted at complementing the strengths of the Board as a whole. The Directors' biographies and skill sets are detailed in the Annual Report and within the "Corporate Governance" section of the investor relations website.

Corporate governance (continued)

Code Principle	How Mulberry applies the Principle
7	
Evaluate Board Performance based on clear and relevant objectives, seeking continuous improvement	The Chairman considers the performance of the Board on an annual basis as part of the Budget process. The Chairman considers the Group's progress in achieving strategic objectives and the more immediate requirements of the annual plan. During the year, the Chairman requested that Board members raise any issues or concerns relating to the effectiveness and processes of the Board; no issues or concerns were raised in the year under review.
8	
Promote a corporate culture that is based on ethical values and behaviours	Mulberry maintains high ethical standards, and these are described as part of the Sustainability statement and policies set out in the Annual Report and on the website as well as being covered in its Modern Slavery Act Disclosure and other policies. The Group's values of Be Open; Be Bold; Be Responsible; and Be Creative are embedded throughout its relationship with its employees. The Group has in place the necessary polices around Bribery and Whistle Blowing to reinforce ethical values and behaviours.
9	
Maintain governance structures and processes that are fit for purpose and support good decision making by the Board	The Directors' roles and responsibilities are summarised below: • **Chairman:** Ensures the Board and broader management framework is established, operates effectively and is compliant with relevant statutory codes and Group policies. • **Chief Executive Officer:** The Group's lead decision maker develops and implements the Group's strategy, manages performance and ensures the Board is informed about business matters. • **Group Finance Director:** Oversees business governance, provides financial reporting to the Board and external stakeholders, maintains financial records and acts as business partner to the CEO, providing information for decision making. • **Non-Executives:** Provide oversight and scrutiny of the performance of the Executive Directors and represent the shareholders of the Company. None of the non-executives participate in performance related remuneration/share option schemes. Further details on the Directors and the Committees are available in the Corporate Governance and Directors' report sections of the Annual Report: • The Roles of the Nominations and Remuneration Committee and the Audit Committee are indicated in the Annual Report. Each Committee has Terms of Reference which are reviewed regularly. • The Board has overall responsibility for the Group's systems of internal financial control and for monitoring their effectiveness.

Code Principle	How Mulberry applies the Principle
10	
Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	The Group reports on its financial performance at least two times each year, for the half year and the full year financial results and provides details of its corporate governance in its Annual Report. Additionally, trading updates are announced as required, including in March 2022. These reports are available on the "Reports & Results" section of the website and in the Annual Report. The financial results are also communicated via RNS announcements as well as an accompanying financial presentation. Meetings for financial analysts are held on the days of the results publications. The Chief Executive Officer conducts press interviews, both immediately following the results publications as well as in between results announcements as appropriate. Senior management undertake investor meetings at results publication. Company participants in these meetings are typically the Chairman, Chief Executive Officer and Group Finance Director. The Board pays attention to the votes cast by the shareholders at the Annual General Meeting. In the event that a significant proportion (>20% including proxies) of independent votes were to be cast against a resolution at a General Meeting of the Company, the Board would explain any action it has taken or would take as a result of that vote.

Directors' remuneration report

Mulberry Group plc is listed on the Alternative Investment Market ("AIM") and therefore is not required to prepare a Directors' remuneration report. The following narrative disclosures are prepared on a voluntary basis and are not subject to audit.

At the period end, the Nominations and Remuneration Committee comprised:

- Chris Roberts (Chairman and Non-Executive Director);
- Melissa Ong (Non-Executive Director); and
- Julie Gilhart (Non-Executive Director)

The Committee is responsible for nominating Directors to the Board and then determining the remuneration and terms and conditions of employment of Directors and senior employees of the Group.

The Committee meets at least once a year in order to consider and set the annual salaries and performance incentives for Executive Directors and senior management, including grants of share options and bonus schemes. Executive Directors' salaries are reviewed annually each year, along with the remuneration of all other Group employees.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors each receive a fee for their services, which is agreed by the Board taking into account the role to be undertaken. They do not receive any pension or other benefits from the Company apart from a small allowance of Mulberry products, nor do they participate in any of the equity or bonus schemes. As an exception, on becoming Non-Executive Chairman in June 2012, Godfrey Davis retained his vested and unvested options and share awards as they were granted to him whilst he was Chief Executive.

The Non-Executive Directors are appointed for a 12-month term.

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

The Company's remuneration policy for Executive Directors considers a number of factors and is designed to:

- have regard to the Director's experience and the nature and complexity of their work in order to pay a competitive salary, consistent to comparable companies, that attracts and retains Directors of the highest quality;
- reflect the Director's personal performance;
- link individual remuneration packages to the Group's long-term performance and continued success of the Group through the award of annual bonuses and share-based incentive schemes;
- provide post-retirement benefits through contributions to an individual's pension schemes; and
- provide employment-related benefits including the provision of a company car or cash alternative, life assurance, insurance relating to the Director's duties, housing allowance, medical insurance and permanent health insurance.

SALARIES, BONUSES AND OTHER INCENTIVE SCHEMES

Each Executive Director receives a base salary, the opportunity to earn an annual bonus and a long-term incentive. Typically, the annual bonus will not exceed 100% of the annual salary.

There are four long-term incentive arrangements. These are as follows:

An Unapproved Share Option Scheme, which was introduced in April 2008. Options granted in this scheme typically vest after three years.

A Deferred Bonus Plan, which represents a long-term award scheme where participants receive all or part of their annual bonus in shares. These shares are held as deferred shares in the Mulberry Group plc Employee Share Trust for a vesting period of two years. Matching shares are then granted and vest after a period of two years, conditional upon the participant remaining an employee of the Group and the original deferred shares remaining in the Trust. There were no granted, lapsed or exercised share options under this Plan during the year.

A Co-ownership Equity Incentive Plan, where participants are granted an interest in shares which are co-owned by the Mulberry Group plc Employee Share Trust and participate in the value to the extent that the Mulberry share price exceeds 20% above the market price at the date of grant. The vesting period is generally three years, after which the employee has the right to sell the beneficial interest in the shares. This plan was established in August 2009.

A Long-Term Incentive Plan, adopted on 19 December 2012 as the Mulberry Group plc Long-Term Incentive Plan ("LTIP") and amended and renamed on 10 July 2017 as the Mulberry Group plc 2017 Performance Share Plan. This plan was designed and introduced by the Remuneration Committee to align management and shareholders' interests through rewarding participants for growth in Mulberry's revenue and profit before interest and tax ("PBIT") above specified thresholds over the vesting period. The performance conditions are split between revenue growth and PBIT growth compared to targets set in the plan's performance conditions. The vesting period is typically three years from the date of grant of options.

The following information is required by the AIM rules.

	Basic salary/fees £'000	Bonus £'000	Taxable benefits £'000	Pension contributions[2] £'000	**53 weeks ended 2 April 2022 Total £'000**
Executive Directors					
Thierry Andretta [1]	687	727	393	40	**1,847**
Charles Anderson [3]	306	316	28	39	**689**
Non-Executive Directors					
Godfrey Davis	200	–	–	–	**200**
Chris Roberts	50	–	1	–	**51**
Steven Grapstein	45	–	–	–	**45**
Melissa Ong	45	–	–	–	**45**
Christophe Cornu	45	–	1	–	**46**
Julie Gilhart	45	–	–	–	**45**
	1,423	1,043	423	79	**2,968**

	Basic salary/fees £'000	Bonus £'000	Taxable benefits £'000	Pension contributions[2] £'000	52 weeks ended 27 March 2021 Total £'000
Executive Directors					
Thierry Andretta [1]	673	168	385	40	1,266
Charles Anderson [3]	300	75	27	38	440
Non-Executive Directors					
Godfrey Davis	173	–	–	–	173
Chris Roberts	43	–	1	–	44
Steven Grapstein	39	–	–	–	39
Melissa Ong	39	–	–	–	39
Christophe Cornu	39	–	–	–	39
Julie Gilhart	39	–	–	–	39
	1,345	243	413	78	2,079

Notes:

(1) Thierry Andretta was the highest paid Director during the period. He was appointed as Chief Executive on 7 April 2015, after serving as a Non-Executive Director until that date. Taxable benefits include housing allowance, car allowance, product allowance and medical expenses.

(2) Pension contributions are paid into defined contribution schemes, or a cash allowance in lieu of a contribution to a pension scheme.

(3) Charles Anderson was appointed on 7 October 2019. Taxable benefits include car allowance and product allowance.

Directors' remuneration report (continued)

The emoluments disclosed do not include any amounts for the value of share options or share awards granted to or held by the Directors. These are detailed as follows:

(A) OPTIONS GRANTED UNDER THE 2008 UNAPPROVED SHARE OPTION SCHEME

	27 March 2021	Granted	Exercised	2 April 2022	Exercise price (£)	Date of exercise	Average market price on exercise (£)
Thierry Andretta (1)	230,415	–	–	230,415	8.680	n/a	n/a
Thierry Andretta (2)	70,000	–	–	70,000	10.342	n/a	n/a
Thierry Andretta (3)	350,000	–	–	350,000	2.705	n/a	n/a
Charles Anderson (4)	100,000	–	–	100,000	2.705	n/a	n/a

Notes:

(1) For the options granted to Thierry Andretta on 10 April 2015, the market price on the date of grant was £8.68. These are exercisable from 1 January 2018 to 1 January 2025.

(2) For the options granted to Thierry Andretta on 1 July 2016, the market price on the date of grant was £10.342. These are exercisable from 1 July 2019 to 1 July 2026.

(3) For the options granted to Thierry Andretta on 25 November 2019, the market price on the date of grant was £2.705, and are exercisable as follows:
150,000 options are exercisable from date of grant until 25 November 2029.
100,000 options are exercisable from 30 June 2020 until 25 November 2029.
100,000 options are exercisable from 30 June 2021 until 25 November 2029.

(4) For the options granted to Charles Anderson on 25 November 2019, the market price on the date of grant was £2.705. These are exercisable from 25 November 2022 to 25 November 2029.

(B) JOINTLY OWNED SHARES UNDER THE CO-OWNERSHIP EQUITY INCENTIVE PLAN

	27 March 2021	Granted	Exercised	2 April 2022	Exercise price (£)	Date of exercise	Average market price on exercise (£)
Godfrey Davis	300,000	–	–	300,000	1.458	n/a	n/a

The right to exercise the interest in these shares vested on 9 October 2012 and remained exercisable until 9 October 2019. On 4 October 2019, the Employee Benefit Trust agreed to extend the exercise period until 30 November 2021. On 20 September 2021, the Employee Benefit Trust agreed to extend the exercise period until 31 December 2022. The market price of these shares at the date of the award was £1.215.

(C) OPTIONS GRANTED UNDER THE PERFORMANCE SHARE PLAN

	27 March 2021	Granted	Lapsed	2 April 2022	Exercise price (£)
Thierry Andretta (1)	250,000	–	–	250,000	nil

Notes:

(1) For the options granted on 25 November 2019, the market price at date of grant was £2.705. These may be exercised up to ten years from the date of grant upon attainment of relevant performance conditions from the following dates:

250,000 options may be exercised after the Group's financial results for the financial period ended 2 April 2022 have been announced.

(D) AWARD MADE BY THE TRUSTEES OF THE MULBERRY GROUP PLC EMPLOYEE SHARE TRUST

On 16 February 2021, following a recommendation from the Remuneration Committee, the Trustees of the Mulberry Group plc Employee Share Trust awarded 45,689 ordinary shares of 5 pence each in the Company to Thierry Andretta at nil cost. The ordinary shares were transferred directly from the Employee Share Trust to Thierry Andretta. No further awards have been made in the period to 2 April 2022.

Directors' report

The Directors present their report on the affairs of the Group, together with the financial statements and independent auditor's report, for the period ended 2 April 2022.

RESULTS AND DIVIDENDS

The results for the period are set out in the Group income statement, as well as the financial review on pages 18 and 19, which includes management's comments and report on the results. The Directors are recommending the payment of a final dividend of 3 pence per ordinary share (2021: nil).

GOING CONCERN

In determining whether the Group's accounts can be prepared on a going concern basis, the Directors considered the Group's business activities and cash requirements together with factors likely to affect its performance and financial position, including the current and future anticipated impact of COVID-19. The going concern period reviews the 12-month period from the date of this announcement to 29 June 2023.

The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic report on pages 6 to 39. The principal risks and uncertainties, including the mitigating actions which address these risks, are set out on pages 34 to 39.

Whilst the Directors have not identified a material uncertainty in respect of going concern, there was significant judgements applied in reaching this conclusion. The key judgements in relation to the going concern assessment are in respect to the more challenging trading environment due to macro-economic uncertainty, along with ongoing disruption in key markets, as demonstrated with the recent lockdowns in China. When making these judgements, the Directors considered the outlook for the Group against their detailed base case scenario. The Directors have also considered a reverse stress test scenario and compared this to a reasonable worse case downside scenario. These are described in further detail below.

The Group had net cash of £25.7m (2021: £11.8m) and deferred liabilities of £nil (2021: £4.7m) at 2 April 2022 and had not drawn down on its revolving credit facility.

Borrowing facilities

The Group has a £15m revolving credit facility with security granted in favour of HSBC banking, which on 27 June 2022 was extended for a further 12-month period to March 2024. Covenants are tested on a quarterly basis and contain a net debt to EBITDA ratio and a fixed charge cover ratio. Covenants are tested on a "frozen GAAP" basis and exclude the impact of IFRS 16. In addition, the Group has a £4.0m overdraft facility and a further USD 1.9m overdraft facility in China which is currently capped at USD 0.5m, which are not committed facilities and therefore not considered by the Directors as part of the going concern assessment.

The Group overdraft is renewed annually and the overdraft in China is renewed annually in July. Further details regarding the security is found in note 37.

The revolving credit facility was not drawn down at the period end and remains undrawn at the date of this report. The Group had net cash of £16.6m at 24 June 2022.

Base case scenario

The Directors' base case scenario assumes that revenue will increase by 10% versus 2021/22 driven primarily by growth in the UK and APAC. The budget for 2022/23 has been built to continue to leverage on the strong UK recovery seen throughout 2021/22. Further opportunities present themselves in Asia as a result of increasing brand awareness and established local teams. There has been some caution in revenue for other macro circumstances, particularly in Europe.

The budget includes cost increases relating to inflationary cost pressure and to support system transformation projects to drive efficiencies and improve conversion, as well as investment behind strategic growth initiatives. These have been phased in the second half of the year to allow for some flexibility to respond to market conditions. Consideration to increasing supply chain, freight and utilities costs has also been given.

Under this scenario, banking covenants will be met and the revolving credit facility remains undrawn although available to the Group throughout the 12-month going concern period.

Reverse stress test and downside scenario

The Directors have reviewed a reverse stress test scenario that models the decline in sales that the Group would be able to absorb before triggering a breach of banking covenants. It should be noted that the revolving credit facility is not forecast to be fully drawn down under the reverse stress test. The Directors believe that this scenario is remote, for the following reasons:

- trading is currently outperforming the reverse stress test scenarios and is anticipated to continue, which will further strengthen banking covenants;
- despite the fall in revenue in the scenario, the RCF would not be fully drawn although available to the Group throughout the going concern period;
- if trading was to be challenging over the key trading periods, there is time to react and take further action before the covenant is breached in June 2023, including further discretionary cost savings and an increase in mark-down sales to clear stock. We retain a good working relationship with our bankers, HSBC and would look for a relaxation of bank covenants; and
- the reduction in turnover could be recovered through other initiatives.

Directors' report (continued)

The reverse stress test assumes a 15% reduction in revenue against the base case scenario, offset by a 10% reduction in variable costs (marketing, consumables, travel and other goods not for resale). Inventory production and purchases have not been reduced in line with the anticipated demand under this scenario.

Under this scenario, the revolving credit facility is not fully drawn so would still be available to the Group throughout the 12-month going concern period, however, the leverage covenant would be breached in June 2023. Whilst the Directors believe that this scenario is remote, it would allow time for further actions to be taken, including a possible further relaxation of banking covenants. Whilst there is no guarantee that this will be agreed, the Group currently maintains a good relationship with our bankers, HSBC.

The Directors have considered a plausible but remote downside scenario where the current downward trend in global revenue versus the budget continues, the deployment of the new digital platform is delayed and revenues in China do not recover to the budgeted levels following the lockdown which ended in June 2022. No further lockdown is assumed in Asia, as early containment measures have proved effective in curbing the pandemic. The impact of this would result in a 6% reduction in Group revenue against the base case scenario.

GOING CONCERN BASIS

Based on the assessment outlined above, the Directors have a reasonable expectation that the Group has access to adequate resources to enable it to continue to operate as a going concern for the foreseeable future. For these reasons, the Directors consider it appropriate for the Group to continue to adopt the going concern basis of accounting in preparing the Annual Report and financial statements.

DIRECTORS' INTERESTS

Directors' beneficial interests in the shares of the Company at the period end were as follows:

	5p ordinary shares 2022	5p ordinary shares 2021
Godfrey Davis	**718,527**	718,527
Steven Grapstein	**10,000**	10,000
Melissa Ong	**10,000**	10,000
Thierry Andretta	**48,689**	48,689

The other Directors had no interests in the shares of the Company. Details of Directors' share options, share awards (including jointly owned shares issued under the 2009 Co-ownership Equity Incentive Plan) and other interests in shares are disclosed in the Directors' remuneration report.

SUBSTANTIAL SHAREHOLDINGS

At 2 April 2022 the Company had been notified of the following interests of 3% or more of the share capital of the Company, other than those of the Directors above:

Name of holder	Percentage of voting rights and issued share capital	No. of ordinary shares	Nature of holding
Challice Limited (1)	56.14%	33,726,444	Controlling shareholder
Frasers Group plc (2)	36.82%	22,121,948	Investor

(1) Challice Limited is controlled by Mr Ong Beng Seng and Mrs Christina Ong.

(2) On 19 November 2020 Frasers Group acquired the shares of Kaupthing ehf. At this time Frasers Group reserved the right to make a voluntary offer for the Company and entered into a 28-day "offer period". This was concluded on 17 December 2020, when Frasers Group confirmed that it did not intend to make an offer.

The Group is party to, and has complied with, a relationship agreement with Challice Limited which includes undertakings that transactions and relationships will be conducted on an arm's length basis on normal commercial terms.

Frasers Group plc also hold contract for difference shares of 27,489, representing 0.05% of ordinary shares. Whilst Frasers Group plc have an economic interest in these shares, they carry no voting rights.

SHARE PRICE INFORMATION

The market price of Mulberry Group plc ordinary shares at 2 April 2022 was £3.10 (2021: £2.64) and the range during the period was £2.32 to £4.07 (2021: £1.40 to £2.91).

MOVEMENT IN THE COMPANY'S OWN SHAREHOLDING

Please refer to notes 27 and 28.

EVENTS AFTER THE REPORTING PERIOD

Since the period end, the Group has extended the revolving credit facility with HSBC until March 2024 and banking covenants remain unchanged. The £15.0m revolving credit facility is secured by fixed and floating debentures over the assets of its subsidiaries, excluding inventory and shares in Mulberry Japan Co. Limited and fixed legal charges over its freehold premises. Covenants are tested on a quarterly basis and contain an EBITDA to net debt ratio, and a fixed charge cover ratio. Covenants are tested on a "frozen GAAP" basis and exclude the impact of IFRS 16.

BRANCHES

The Group operates branches, as defined in s1046(3) of the Companies Act 2006, in Eire, Netherlands and Taiwan.

DIRECTORS' INSURANCE AND INDEMNITIES

The Group maintains Directors' and Officers' liability insurance which gives appropriate cover for any legal action brought against its Directors. In accordance with Section 236 of the Companies Act 2006, qualifying third party indemnity provisions are in place for the Directors in respect of liabilities incurred as a result of their office to the extent permitted by law. Both the insurance and indemnities applied throughout the financial period ended 2 April 2022 and through to the date of this report.

EMPLOYEE INVOLVEMENT

The Group is committed to an active equal opportunities policy. It is the Group's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. Employment practices are applied which are fair, equitable and consistent with the skills and abilities of our employees and the needs of the business.

The Group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group, which is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. Employee Committees have been established covering each of our main sites.

UK GREENHOUSE GAS EMISSIONS AND ENERGY USE DATA

	2 April 2022	27 March 2021
Energy Consumption, including electricity, natural gas, LPG and transport fuel (kWh)	**4,420,438**	3,911,562
Scope 1 emissions in metric tonnes CO_2e		
Combustion of gas	**250.0**	252.0
Combustion of fuel for transport purposes	**22.9**	31.7
Total Scope 1	**272.9**	283.7
Scope 2 emissions – Purchased electricity (tonnes CO_2e)	**631.6**	584.1
Scope 3 emissions – business travel where responsible for fuel (tonnes CO_2e)	**4.8**	7.4
Total gross emissions in metric tonnes CO_2e	**909.3**	875.2
Intensity ratio (CO_2e/£m sales revenue)	**5.98**	7.61

Our emissions intensity relative to sales has reduced by 21.6% in the period.

Due to previous investments in store efficiency and prolonged store closures as a result of COVID-19 restrictions, the Group are not reporting any major energy efficiency activity for the stores this year. The consolidation of our UK manufacturing sites will likely result in greater energy efficiency for our manufacturing processes, and it is the Group's intention to monitor savings and compile and report actions in future years.

Directors' report (continued)

We have reported on all the emission sources required under the Companies Act 2006 (Strategic report and Directors' Reports) Regulations 2013 and Companies (Director's Report) LLP (Energy and Carbon Report) Regulations 2018. These sources fall within our own business activities over which we have operational control.

We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), data gathered from our own operations, and emissions factors from UK Government's Conversion Factors for Company Reporting 2019.

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. Streamlined Energy and Carbon Reporting ("SECR") guidance only requires the Group to report on UK GHG emissions.

DISABLED PERSONS

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues, and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

FUTURE DEVELOPMENTS

Future developments are discussed in the Current Trading and Outlook section of the Chief Executive's Statement on page 6.

CORPORATE GOVERNANCE

Corporate governance which forms part of the Directors' report is discussed in the Governance Report section of the Annual Report on pages 41 to 57.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is discussed in the Our Stakeholders section of the Annual Report on pages 32 and 33.

CHARITABLE AND POLITICAL DONATIONS

The Group made charitable donations during the period details of which can be found in the Communities and Environment section on page 33. The Group made no political donations in either period.

RISK MANAGEMENT

The Group's financial instruments risk management policies can be found in note 32.

AUDITOR

In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

The Group's current external auditor is Grant Thornton UK LLP and note 9 of the financial statements states their fees both for audit and non-audit work. A resolution to reappoint GT as external auditor to the Group for FY 2022/23 will be proposed at the forthcoming AGM. The Independent auditor's report can be found on pages 59 to 69.

The Directors' report was approved by the Board of Directors and authorised for issue on 28 June 2022.

CHARLES ANDERSON
GROUP FINANCE DIRECTOR
28 June 2022

Directors' responsibilities statement

The Directors are responsible for preparing the Annual 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 Group financial statements in accordance with UK-adopted international accounting standards and the parts of the Companies Act 2006 that applies to companies applying UK-adopted international accounting standards and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Account Practice (United Kingdom Accounting Standards and applicable law, including FRS 101 "The financial Reporting Standard applicable in the UK and Republic of Ireland"). 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 and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether applicable UK-adopted international accounting standards and the parts of the Companies Act 2006 that applies to companies applying UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the Company financial statements, 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 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.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information; and
- the Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. The Directors consider the Annual Report and the financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

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

This responsibility statement was approved by the Board of Directors on 28 June 2022 and is signed on its behalf by:

THIERRY ANDRETTA
CHIEF EXECUTIVE

CHARLES ANDERSON
GROUP FINANCE DIRECTOR

Group Financial Statements

FINANCIAL STATEMENTS

Independent auditor's report to the members of Mulberry Group Plc

OPINION

Our opinion on the financial statements is unmodified
We have audited the financial statements of Mulberry Group Plc (the 'parent company') and its subsidiaries (the 'group') for the 53 week period ended 2 April 2022, which comprise the Group income statement, the Group statement of comprehensive income, the Group balance sheet, the Group statement of changes in equity, the Group cash flow statement, the Company balance sheet, the Company statement of changes in equity and the notes to the Group and Company financial statements, including a summary of 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 United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

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 2 April 2022 and of the group's profit for the period 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 United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 the 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 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.

Conclusions relating to going concern
We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

A description of our evaluation of management's assessment of the ability to continue to adopt the going concern basis of accounting, and the key observations arising with respect to that evaluation, is included in the key audit matters section of our report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

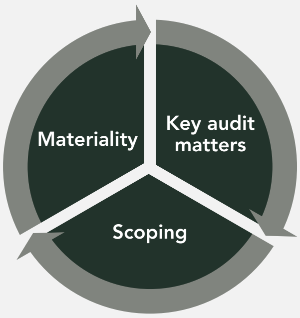
In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of Directors for the financial statements' section of this report.

Independent auditor's report to the members of Mulberry Group Plc (continued)

OUR APPROACH TO THE AUDIT

GrantThornton



Overview of our audit approach

Overall materiality:

Group: £1,000,000, which represents approximately 0.7% of the group's revenue.

Parent company: £339,000, which represents approximately 1.5% of the parent company's total assets, adjusted for intercompany receivables

Key audit matters relevant to the group were identified as:

- Occurrence of revenue outliers within the store, digital and wholesale revenue streams (new in the period, but refines the prior period key audit matter; being occurrence of store, digital and wholesale revenue); and
- Impairment and impairment reversals of store right-of-use assets (new in the period, but refines the prior period key audit matter; being valuation of right-of-use assets)
- Going concern basis of accounting (same as previous period)

Our auditor's report for the period ended 27 March 2021 did not include any key audit matters that have not been reported as a key audit matter in our current period's report.

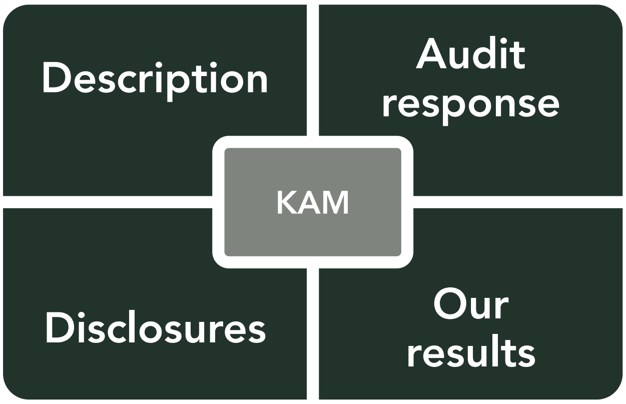
No additional key audit matters were identified in respect of the parent company.

The audit of the financial information of each of the following components was completed using component materiality: Mulberry Group Plc, Mulberry Company (Design) Limited and Mulberry Company (Sales) Limited.

For the following components, we performed specific audit procedures using group materiality: Mulberry (Asia) Limited, Mulberry Trading (Shanghai) Company Limited, Mulberry Company France SARL and Mulberry Korea Company Limited.

We engaged Grant Thornton Hong Kong as a component auditor to report to us on specific audit procedures in relation to Mulberry (Asia) Limited and Mulberry Trading (Shanghai) Company Limited.

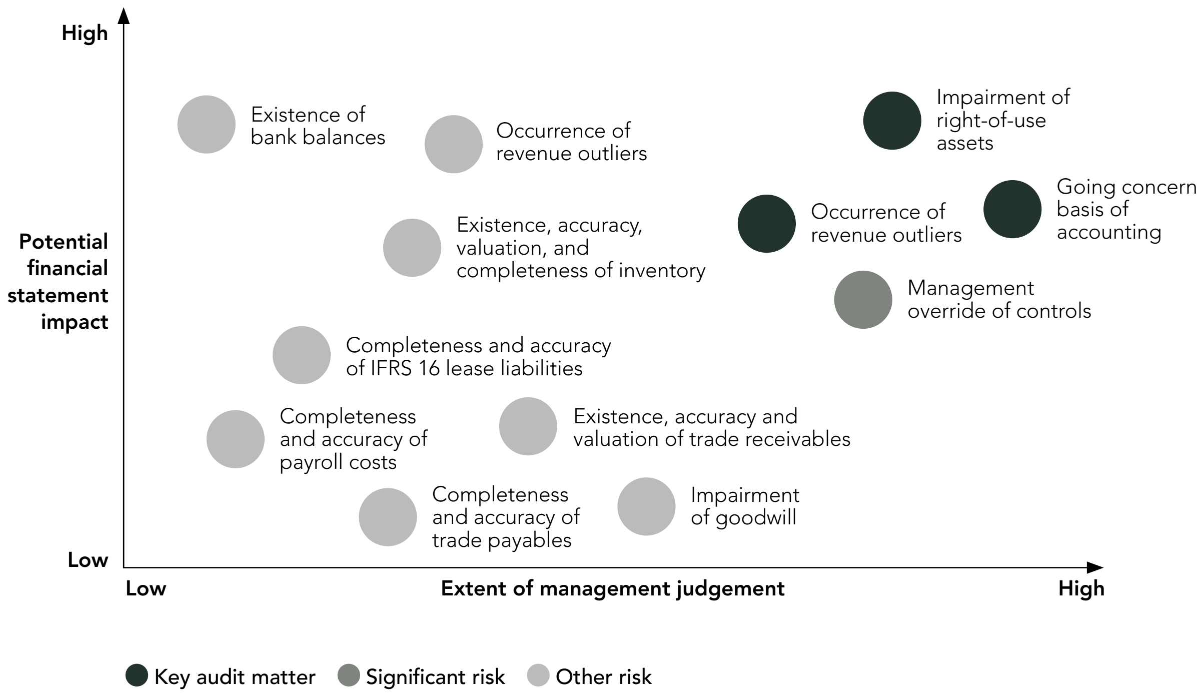
Our work performed over components covered 81% of the group's revenue and 88% of the group's profit before tax.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



Independent auditor's report to the members of Mulberry Group Plc (continued)

Key Audit Matter – Group	How our scope addressed the matter – Group
Occurrence of revenue outliers within the store, digital and wholesale revenue streams We identified the occurrence of revenue outliers within the store, digital and wholesale revenue streams as one of the most significant assessed risks of material misstatement due to fraud. Under ISA (UK) 240 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements', there is a presumption that there are risks of fraud in revenue recognition. The revenue recorded by the group is one of the key factors that drives the group's earnings before interest, taxation, depreciation and amortisation (EBITDA). We deemed the significant risk of fraud in revenue recognition to be in respect of the occurrence of transactions falling outside of the expected posting pattern of revenue entries, which are considered to be unusual and therefore most susceptible to fraud. Unusual transactions ('revenue outliers') have been defined as those impacting revenue, where the corresponding side of the entry goes to accounts other than cash or accounts receivable.	In responding to the key audit matter, we performed the following audit procedures: • Evaluating the design effectiveness and implementation of relevant controls; • Assessing whether the accounting policies adopted by the directors are in accordance with the requirements of International Financial Reporting Standard ('IFRS') 15 'Revenue from Contracts with Customers', and whether management has accounted for revenue in accordance with the accounting policies; • Using audit data analytics techniques to identify revenue transactions which had a financial impact on unexpected balances or classes of transactions and then obtaining sufficient and appropriate evidence to support the occurrence of those transactions; and • Substantively testing revenue by agreeing a sample of transactions in the period to supporting till receipts, proof of delivery or alternative evidence where appropriate.
Relevant disclosures in the Annual Report and Accounts 2022 • Financial statements: Note 3, Significant accounting policies; and • Financial statements: Note 5, Total revenue and other income and finance income.	**Our results** Based on our audit work, we did not identify evidence of material misstatement in relation to the occurrence of revenue outliers within the store, digital and wholesale revenue streams.

Key Audit Matter – Group	How our scope addressed the matter – Group
Impairment and impairment reversals of store right-of-use assets We identified the impairment and impairment reversals of store right-of-use assets as one of the most significant assessed risks of material misstatement due to fraud. The group has £31.8m of store right-of-use assets as at 02 April 2022, and recognised impairment charges of £5.7m and £24.9m in the periods ended 27 March 2021 and 28 March 2020 respectively due to the impact of Covid-19. There is judgement and estimation uncertainty involved in determining the forecast cash flows by store used to measure impairment charges and reversals, as these include key assumptions such as revenue growth, profit margin and discount rate assumptions.	In responding to the key audit matter, we performed the following audit procedures: • Evaluating the design and implementation effectiveness of relevant controls; and • Challenging the appropriateness of the group's impairment policy, including management's assessment of impairment indicators relating to right-of-use assets by assessing whether any stores showed further indicators of impairment such as a decline in performance or performance below budget. For stores identified containing indicators of an impairment charge or reversal, management prepared a value-in-use model, for which our procedures included: • Confirming the arithmetical accuracy of management's calculations; • Using our internal valuation specialists to inform our challenge of management and their valuation expert, namely that the assumptions used within the discount rates are reasonable and consistent with other similar groups in the market; • Challenging management over the reasonableness of the trading, working capital and cash flow assumptions based on the historical performance of each store and considering whether the assumptions are consistent with our knowledge of the business and our assessment of management's going concern review; • Testing the accuracy of management's forecasting through a comparison of budget to actual data and historical variance trends; • Performing sensitivity analysis to determine the impact of reasonably possible scenarios; and • Assessing the adequacy of related disclosures within the annual report. **Our results** Based on our audit work, we did not identify evidence of material misstatement in relation to the impairment and impairment reversals of store right-of-use assets.

Independent auditor's report to the members of Mulberry Group Plc (continued)

Key Audit Matter – Group	How our scope addressed the matter – Group
Going concern basis of accounting We identified the going concern basis of accounting as one of the most significant assessed risks of material misstatement due to error. In assessing whether the financial statements should be prepared on the going concern basis, the Directors are required to consider all available information about the future for a period of at least 12 months from the date of approval of the financial statements. In conducting their assessment, the Directors have concluded that adopting the going concern basis is appropriate. The uncertainties arising from the volatility in the retail sector and wider macro-economic environment result in a greater level of management judgement in forecasting the Group's future trading and funding position.	In responding to the key audit matter, we performed the following audit procedures: • Obtaining an understanding of how management prepared their base case and sensitised case forecasts for the period to 30 June 2023; • Considering the other inherent risks associated with the group's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19; • Assessing the accuracy of management's forecasting by comparing the reliability of past forecasts to management's actual results and considering whether management's historic forecasting accuracy impacts upon the reliance we can place upon the forecasts provided; • Obtaining an understanding of key trading, balance sheet and cash flow assumptions and testing those key assumptions to underlying historical financial analysis, post period end trading information and market analysis data; • Assessing the terms of the covenants agreed with the bank post period end and challenging management's assessment of a breach of covenant during the going concern assessment period; • Assessing the appropriateness and robustness of management's forecasts by applying our own sensitivities; • Evaluating the results of the reverse stress test performed by management; • Assessing the plausibility of the mitigating actions available to management to continue as a going concern if downside sensitivities were to crystalise; • Performing arithmetical and consistency checks on management's going concern base case model; and • Assessing the adequacy of related disclosures within the annual report. **Our results** We have nothing to add in addition to that stated in the 'conclusions relating to going concern' section of our report.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

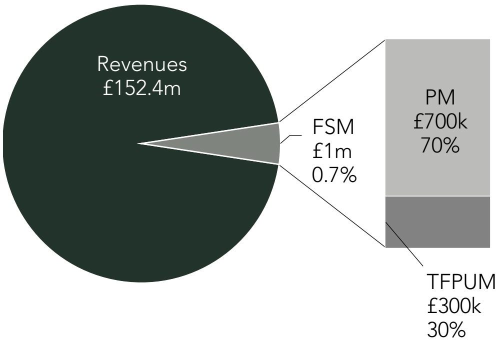
Materiality was determined as follows:

Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£1,000,000, which represents approximately 0.7% of the group's revenue but equates to 5% of the group's profit before tax.	£339,000, which represents approximately 1.5% of the parent company's total assets, adjusted for intercompany receivables.
Significant judgements made by auditor in determining materiality	In determining materiality, we considered revenue to be the most appropriate benchmark for the group because this is the key driver of the group's EBITDA. Materiality for the current period is higher than the level that we determined for the period ended 27 March 2021 to reflect the group's improved performance and increased revenue for the period.	In determining materiality, we considered this benchmark (total assets) to be the most appropriate as it reflects the company's status as a non-trading holding company. Materiality for the current period is lower than the level that we determined for the period ended 27 March 2021 to reflect the company's decreased asset base in the current period.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£700,000, which is 70% of financial statement materiality.	£237,300, which is 70% of financial statement materiality.
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made a significant judgement in respect of our risk assessment. We have identified a significant improvement in management's control environment and action has been taken to address control deficiencies previously reported, therefore we have considered it appropriate to use a higher threshold than in the previous period audited.	In determining performance materiality, we made a significant judgement in respect of our risk assessment. We have identified a significant improvement in management's control environment and action has been taken to address control deficiencies previously reported, therefore we have considered it appropriate to use a higher threshold than in the previous period audited.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: • Related party transactions; and • Directors' remuneration.	We determined a lower level of specific materiality for the following areas: • Related party transactions; and • Directors' remuneration.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£50,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£11,150 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

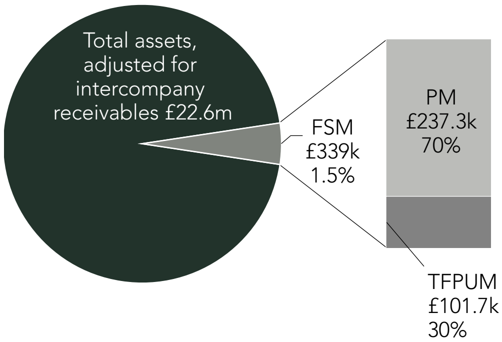
Independent auditor's report to the members of Mulberry Group Plc (continued)

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group



Overall materiality – Parent company



FSM: Financial statements materiality, PM: Performance materiality, TFPUM: Tolerance for potential uncorrected misstatements

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the group, its components, and their environments, including group-wide controls

- The group's accounting process is primarily resourced through a central function within the United Kingdom, with local finance functions overseas which report into the central group finance function. The engagement team have obtained an understanding of the group and its environment, including group-wide controls, and assessed the risks of material misstatement at the group level.
- We documented our understanding of the group's processes and controls over the following areas of identified audit risk and performed walkthroughs on these controls to confirm they are designed and implemented effectively:
  - Occurrence of revenue outliers within the store, digital and wholesale revenue streams
  - Management override of controls
  - Impairment and impairment reversals of store right-of-use assets
  - Going concern basis of accounting

Identifying significant components

- Component significance was determined based on the relative share of key group financial metrics including revenue, profit before tax and other significant balances relevant to the group.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- For all significant risks and key audit matters identified, the group engagement team obtained an understanding of the relevant controls that management has implemented over the related processes.
- For components classified as 'individually financially significant to the group', an audit of the financial information of the component using component materiality (full-scope audit) was performed. The components which fell into this scope were Mulberry Group Plc, Mulberry Company (Design) Limited and Mulberry Company (Sales) Limited.
- Specified audit procedures were performed for Mulberry (Asia) Limited, Mulberry Trading (Shanghai) Company Limited, Mulberry Company France Limited and Mulberry Korea Company Limited.
- Analytical procedures were performed for all other components.

Performance of our audit

- In order to address the audit risks identified during our planning procedures, the audit of the financial information of the components Mulberry Company (Design) Limited and Mulberry Company (Sales) Limited was completed by the group engagement team using component materiality (full-scope audit procedures). The group engagement team also performed a full-scope audit of the group's parent company, Mulberry Group Plc.
- Specified procedures over Mulberry Company France SARL and Mulberry Korea Company Limited were carried out by the group engagement team. We issued group instructions to component auditors in respect of specified procedures over Mulberry (Asia) Limited and Mulberry Trading (Shanghai) Company Limited.
- The financial information of the remaining operations of the group were subjected to analytical procedures carried out by the group engagement team.
- Alongside these procedures, the group engagement team also evaluated the group's internal control environment including both general and IT-based systems and controls.
- The group engagement team visited the significant components in the United Kingdom. The local component audit team also visited locations for Mulberry (Asia) Limited and Mulberry Trading (Shanghai) Company Limited. The remainder of the work performed on the overseas components in respect of specific audit procedures was carried out remotely. We held detailed discussions with the component audit team, including the remote review of the work performed and update calls on the progress of their fieldwork.
- Our full-scope audit procedures provided coverage of 81% of the group's consolidated revenues and 88% of the group's consolidated profit before taxation.

Communications with component auditors

- Detailed audit instructions were issued to the component auditors of the specific scope procedures required over Mulberry (Asia) Limited and Mulberry Trading (Shanghai) Company Limited. The instructions highlighted the risks to be addressed through the audit procedures and detailed the information that was required to be reported to the group engagement team.
- The group engagement team conducted a review of the work performed by the component auditor and communicated with the component auditor throughout the planning, fieldwork and concluding stages of the group audit.
- The component auditor was part of the Grant Thornton International Limited (GTIL) network.

Audit approach	No. of components	% coverage Revenue	% coverage Profit before tax
Full-scope audit	3	81%	88%
Specified audit procedures	4	6%	0%
Analytical procedures	12	13%	12%

Changes in approach from previous period

- The scope of the current period's audit was similar to that in the prior period, other than to incorporate specified audit procedures to ensure that sufficient coverage was obtained over the audit of all key group balances considered at our risk assessment stage.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts 2022, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent auditor's report to the members of Mulberry Group Plc (continued)

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified
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 period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the directors' report.

Matters on which we are required to report by exception
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 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 for the financial statements
As explained more fully in the directors' responsibilities statement, 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.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

How we obtained an understanding of the legal and regulatory framework
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and sector in which it operates, making enquiries of management and those charged with governance. We corroborated our enquiries through our review of Board minutes, review of legal costs and discussion with those outside of finance responsible for legal matters.

Which laws and regulations we identified as being significant in the context of the group
- Through the understanding that we obtained, we determined the most significant legal and regulatory frameworks which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks including UK-adopted international accounting standards; the AIM Listing Rules for Companies, the Companies Act 2006 and the relevant taxation regulations in the jurisdictions in which the group operates.

How we assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur

- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by considering management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to potential management bias in determining accounting estimates and in judgemental areas such as the calculation of impairment of right-of-use assets and management override of controls.
- Our audit procedures included:
  - Making enquiries of management concerning the group's and parent's policies and procedures relating to the identification, evaluation and compliance with laws and regulations; the detection and response to the risks of fraud; and the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
  - Making enquiries of management and those charged with governance of whether they were aware of any instances of non-compliance with laws and regulations, and whether they had any knowledge of actual, suspected, or alleged fraud.
  - Gaining an understanding of the controls that management has in place to prevent and detect fraud.
  - Challenging significant accounting assumptions, estimates and judgements made by management, including those relevant to the estimation and judgemental areas with a risk of fraud, including potential management bias.
  - Journal entry testing, with a focus on journals indicating large or unusual transactions or account combinations based on our understanding of the business, including material journal entries impacting revenue as well as journal entries posted by key management personnel.
  - Obtaining an understanding of, and testing, significant identified related party transactions.
  - Performing audit procedures to assess the compliance of disclosures in the financial statements with the applicable financial reporting framework requirements.
  - For components at which audit procedures were performed by the component auditor, we requested the component auditor to report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

How the engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge of the industry in which the group operates; and
  - Understanding of the legal and regulatory requirements specific to the parent company and the group including; the provisions of the applicable legislation and the applicable statutory provisions.

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.

REBECCA EAGLE
SENIOR STATUTORY AUDITOR
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

Birmingham
28 June 2022

Group income statement

53 weeks ended 2 April 2022

	Note	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Revenue	5	**152,411**	114,951
Cost of sales	20	**(43,106)**	(41,879)
Gross profit		**109,305**	73,072
Other operating expenses	8	**(85,878)**	(70,300)
Other operating income	5	**1,220**	6,006
Operating profit		**24,647**	8,778
Share of results of associates	19	**127**	(60)
Finance income	11	**19**	12
Finance expense	12	**(3,467)**	(4,176)
Profit before tax		**21,326**	4,554
Tax	13	**(2,157)**	43
Profit for the period		**19,169**	4,597
Attributable to:			
Equity holders of the parent		**19,985**	4,773
Non-controlling interests		**(816)**	(176)
Profit for the period		**19,169**	4,597
Basic profit per share	14	**32.2p**	7.7p
Diluted profit per share	14	**32.2p**	7.7p

All activities arise from continuing operations.

Group statement of comprehensive income

53 weeks ended 22 April 2022

	Note	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Profit for the period		**19,169**	4,597
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	27	**(116)**	(49)
Total comprehensive income for the period		**19,053**	4,548
Attributable to:			
Equity holders of the parent		**19,954**	4,294
Non-controlling interests		**(901)**	254
Total comprehensive income for the period		**19,053**	4,548

Group balance sheet

As at 2 April 2022

	Note	2 April 2022 £'000	27 March 2021 £'000
Non-current assets			
Intangible assets	15	**6,056**	14,965
Property, plant and equipment	16	**14,618**	13,608
Right-of-use assets	18	**32,221**	33,511
Interests in associates	19	**335**	134
Deferred tax asset	23	**2,148**	1,234
		55,378	63,452
Current assets			
Inventories	20	**36,783**	31,476
Trade and other receivables	21	**15,927**	12,609
Current tax asset		**–**	525
Cash and cash equivalents	21	**25,669**	11,820
		78,379	56,430
Total assets		**133,757**	119,882
Current liabilities			
Trade and other payables	24	**(24,975)**	(22,629)
Current tax liability		**(2,382)**	–
Lease liabilities	25	**(11,108)**	(14,820)
Borrowings	22	**(3,278)**	–
		(41,743)	(37,449)
Net current assets		**36,636**	18,981
Non-current liabilities			
Lease liabilities	25	**(52,547)**	(59,054)
Borrowings	22	**(1,721)**	(4,673)
		(54,268)	(63,727)
Total liabilities		**(96,011)**	(101,176)
Net assets		**37,746**	18,706
Equity			
Share capital	26	**3,004**	3,004
Share premium account		**12,160**	12,160
Own share reserve	27	**(1,269)**	(1,277)
Capital redemption reserve	27	**154**	154
Foreign exchange reserve	27	**1,158**	1,274
Retained earnings		**27,006**	6,957
Equity attributable to holders of the parent		**42,213**	22,272
Non-controlling interests	28	**(4,467)**	(3,566)
Total equity		**37,746**	18,706

The financial statements of Mulberry Group plc (company number 01180514) were approved by the Board of Directors and authorised for issue on 28 June 2022.

They were signed on its behalf by:

THIERRY ANDRETTA
DIRECTOR

CHARLES ANDERSON
DIRECTOR

Group statement of changes in equity

53 weeks ended 2 April 2022

	Share capital £'000	Share premium account £'000	Own share reserve £'000	Capital redemption reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
Balance at 29 March 2020	3,004	12,160	(1,061)	154	1,323	1,761	17,341	(3,820)	13,521
Profit/(loss) for the period	–	–	–	–	–	4,773	4,773	(176)	4,597
Other comprehensive expense for the period	–	–	–	–	(49)	–	(49)	–	(49)
Total comprehensive (expense)/income for the period	–	–	–	–	(49)	4,773	4,724	(176)	4,548
Charge for employee share-based payments (note 30)	–	–	–	–	–	105	105	–	105
Own shares	–	–	101	–	–	5	106	–	106
Exercise of share options	–	–	–	–	–	(4)	(4)	–	(4)
Release of impairment of shares in trust	–	–	(317)	–	–	317	–	–	–
Non-controlling interest foreign exchange	–	–	–	–	–	–	–	430	430
Balance at 27 March 2021	3,004	12,160	(1,277)	154	1,274	6,957	22,272	(3,566)	18,706
Profit/(loss) for the period	–	–	–	–	–	19,985	19,985	(816)	19,169
Other comprehensive expense for the period	–	–	–	–	(116)	–	(116)	–	(116)
Total comprehensive (expense)/income for the period	–	–	–	–	(116)	19,985	19,869	(816)	19,053
Charge for employee share-based payments (note 30)	–	–	–	–	–	69	69	–	69
Own shares	–	–	8	–	–	–	8	–	8
Exercise of share options	–	–	–	–	–	(5)	(5)	–	(5)
Non-controlling interest foreign exchange	–	–	–	–	–	–	–	(85)	(85)
Balance at 2 April 2022	**3,004**	**12,160**	**(1,269)**	**154**	**1,158**	**27,006**	**42,213**	**(4,467)**	**37,746**

Group cash flow statement

53 weeks ended 2 April 2022

	Note	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Operating profit for the period		**24,647**	8,778
Adjustments for:			
Depreciation and impairment of property, plant and equipment	16	**3,702**	4,777
Depreciation and impairment of right-of-use assets	18	**6,682**	13,245
Amortisation of intangible assets	15	**1,778**	1,476
Gain on lease modification, lease disposals and COVID-19 rent concessions	33	**(2,160)**	(10,314)
Loss on sale of property, plant and equipment		**38**	188
Profit on disposal of intangible assets		**(5,343)**	–
Own shares transferred from trust		**8**	106
Share-based payments expense	30	**69**	105
Operating cash inflows before movements in working capital		**29,421**	18,361
(Increase)/decrease in inventories		**(5,400)**	3,420
Increase in receivables		**(3,318)**	(1,534)
Increase in payables		**2,136**	75
Cash generated from operations		**22,839**	20,322
Income taxes (paid)/received		**(154)**	201
Interest paid		**(3,470)**	(3,960)
Net cash inflow from operating activities		**19,215**	16,563
Investing activities:			
Interest received and gains on foreign exchange contracts		**19**	12
Purchases of property, plant and equipment		**(4,419)**	(1,895)
Proceeds from disposal of property, plant and equipment		**59**	26
Acquisition of intangible assets		**(897)**	(2,233)
Proceeds from disposal of intangible assets (see note 7)	7	**13,316**	–
Net cash used in investing activities		**8,078**	(4,090)
Financing activities:			
Increase in loans from non-controlling interests	33	**313**	167
Repayment of borrowings	33	**–**	(750)
Principle elements of lease payments		**(13,736)**	(7,735)
Settlement of share awards		**(5)**	(4)
Net cash used in financing activities		**(13,428)**	(8,322)
Net increase in cash and cash equivalents		**13,865**	4,151
Cash and cash equivalents at beginning of period		**11,820**	7,998
Effect of foreign exchange rate changes		**(16)**	(329)
Cash and cash equivalents at end of period	21	**25,669**	11,820

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the Consolidated balance sheet position as shown above. Cash and cash equivalents does not include bank overdrafts that are not integral to the cash management of the Group.

Notes to the Group Financial Statements

53 Weeks ended 2 April 2022

1. GENERAL INFORMATION

Mulberry Group plc is a public company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006, and is registered in England and Wales. The address of the registered office is given on page 128. The nature of the Group's operations and its principal activities are set out in note 6 and in the Strategic report.

These financial statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 3.

2. ADOPTION OF NEW AND REVISED STANDARDS

New and amended standards adopted by the Group

In the current period, the Group has applied a number of amendments to IFRS Standards issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The March 2021 IFRS Interpretation Committee ("IFRIC") update included an agenda decision on "Configuration and Customisation costs in a Cloud Computing Arrangement" which was ratified by the IASB in April 2021. Where the Group has implemented Software as a Service ("SaaS") solutions during the year, the IFRIC agenda decision has been followed to determine the treatment of these costs.

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

The Directors do not expect that the adoption any Standards which have been issued but not yet effective to have a material impact on the financial statements of the Group in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

For the period ended 2 April 2022, the financial period runs for the 53 weeks to 2 April 2022 (2021: 52 weeks ended 27 March 2021).

The financial statements are prepared under the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below. The principal accounting policies adopted are set out below.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. As a result, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' report on pages 53 to 54.

Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to the Saturday closest to 31 March each year. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Notes to the Group Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the period are included in the Consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

In the event of a change in proportionate share of a non-controlling interest, this is accounted for as adjustment to retained earnings.

Business combinations
Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group. Acquisition related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Investments in associates
An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through the participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition (i.e. discount on acquisition) is credited in profit or loss in the period of acquisition.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Intangible assets
Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and any recognised impairment loss. Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the asset. Assets in the course of construction are carried at cost less any recognised impairment loss.

The intangible lease costs were created in 2014 when the Group purchased all of the shares of KJ Saint Honoré SA, a company registered in France. The company owned the rights to a lease on Rue Saint-Honoré, Paris where a flagship store opened in 2015. The store was closed during the period.

The gain or loss arising on the disposal of an intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Included in software is computer software, and website and omni-channel development costs which are amortised over the estimated useful life of the asset (typically four to five years). Computer software which is considered integral to an item of hardware is included as property, plant and equipment.

Computer software, including cloud customisation costs are recognised as an intangible asset during development, with amortisation commencing when the software is operational. SaaS related costs which do not meet the criteria for recognition as an asset under IAS 38 have been expensed in full.

Goodwill
Acquired goodwill is not amortised, and is subject to impairment review at each reporting date. Goodwill acquired through business combinations has been allocated to separate cash generating units ("CGUs") based on the acquisition date on which the goodwill arose, as they are monitored at this level by the Board.

Property, plant and equipment, and right-of-use assets
Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and any recognised impairment loss. Assets in the course of construction are carried at cost less any recognised impairment loss. Cost includes professional fees incurred directly in relation to construction of assets.

Depreciation is charged to write off the cost or valuation of assets less their residual value over their estimated useful lives, using the straight-line method, on the following bases:

Freehold buildings	4% to 5%
Short leasehold land and buildings, and right-of-use assets	Over the term of the lease
Fixtures, fittings and equipment	10% to 50%
Plant and equipment	14% to 25%
Motor vehicles	25%

Freehold land and assets under the course of construction are not depreciated. Depreciation on assets commences when the assets are ready for intended use.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Impairment of goodwill, tangible, intangible and right-of-use assets
The Group reviews the carrying amounts of its goodwill, tangible, intangible and right-of-use assets annually (or more frequently if there are indications that assets might be impaired), to determine whether there is any indication that those assets have suffered an impairment loss. For store fit out costs, these reviews are undertaken after the store has been trading for one year.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior periods.

Notes to the Group Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. For internally manufactured inventory, cost comprises materials, direct labour costs, design costs and other overheads incurred in bringing the inventories to their current location and condition. Cost is calculated using the standard cost method. For product manufactured by third parties, cost includes product purchase price plus design and associated inward transportation costs. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

The Group measures the effect of uncertainty on income tax positions using either the most likely amount or the expected value amount depending on which method is expected to better reflect the resolution of the uncertainty.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income in which case the deferred tax is also dealt with in Other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Leases

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) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). 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.

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 lessee uses its incremental borrowing rate.

In the event that any leases include a break clause, in calculating the value of right-of-use assets and corresponding lease liabilities, the Group makes an assessment on a case by case basis of whether the break clause will be exercised at the first available opportunity. The Board re-evaluates all leases at the occurrence of a possible break and would only sanction the continuation of a lease beyond the break point based on the circumstances prevailing at that time. The continuation of a lease beyond a break clause would be treated as a lease modification at that date.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures 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 or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- 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. The right-of-use asset is adjusted to reflect the change in the lease liability unless the movement exceeds the carrying value of the right-of-use asset in which case the excess is recognised as again in the income statement;
- the Group has applied the COVID-19 practical expedients in respect of unconditional forgiven lease payments which have been treated as variable lease payments and credited to the income statement.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, Plant and Equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in "Other operating expenses" in profit or loss (see note 19).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes to the Group Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and where it is probable that an outflow will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the proportion of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, performance conditions, exercise restrictions and behavioural considerations.

Retirement benefit costs

The Group operates a defined contribution pension scheme. Payments to employees' personal pension plans are charged as an expense as they fall due. Differences between contributions payable in the period and contributions actually paid are shown as accruals in the balance sheet.

Revenue recognition

Revenue is recognised when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service) and represents amounts receivable for goods provided in the normal course of business, net of discounts, returns VAT and other sales-related taxes and intra-Group transactions.

Revenue is recognised when the Group has satisfied its primary performance obligation.

Own store revenue

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 30 days for full priced goods and 14 days for sale goods 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 refund liability and corresponding adjustment to revenue is recognised for those products expected to be returned.

Digital revenue

Digital revenue from the provision of sale of goods is recognised at the point the control of inventory is passed to the customer which is when the goods are received by the customer. Digital revenues are settled 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 30 days for full priced goods and 14 days for sale items subject to discretionary extension. Provisions are made for digital 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 refund liability and corresponding adjustment to revenue is recognised for those products expected to be returned.

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 either upon collection from the Group's distribution centre or delivery of the goods to the location specified in the contract. Revenues are settled in cash, net of discounts. Provisions are made for Wholesale credit notes based on the expected level of returns, which in turn is based upon the historical rate of returns. At the point of sale, a refund liability and corresponding adjustment to revenue is recognised for those products expected to be returned.

Repair revenue
Repair revenue from the provision of a repair service is recognised at the point the control of inventory is passed to the customer which is when the repaired goods are received by the customer.

Gift cards
The Group sells gift cards and similar products to customers, which can be redeemed for goods, up to the value of the card, at a future date. Revenue relating to gift cards is recognised when the card is redeemed, up to the value of the redemption. Unredeemed amounts on gift cards are classified as contract liabilities. Typically, the Group does not expect to have significant unredeemed amounts arising on its gift cards.

Royalty and licence income
The Group receives royalty and licence income from its three 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.

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

Finance expenses
Finance expenses comprise interest payable on revolving credit facility, overdrafts, loans received from related parties and lease liabilities. Finance expenses are recognised in the Group statement of comprehensive income using the effective interest method.

Operating profit
Operating profit is stated before the share of results of associates, finance income and finance expense.

Alternative performance measures
The alternative performance measure ("APM") used by the Group is underlying profit/(loss) before tax.

In reporting financial information, the Group presents an APM, which is not defined or specified under the requirements of IFRS. The Group believes that this APM, which is not considered to be a substitute for, or superior to, IFRS measures, provides stakeholders with additional helpful information on the performance of the business. This APM is consistent with how the business performance is planned and reported within the internal management reporting to the Board of Directors. This measure is also used for the purpose of setting remuneration targets.

The Group makes certain adjustments to the statutory profit or loss measures in order to derive the APM. Adjusting items are those items which, in the opinion of the Directors, should be excluded in order to provide a consistent and comparable view of the performance of the Group's ongoing business. Generally, this will include those items that are largely one-off and material in nature as well as income or expenses relating to acquisitions or disposals of businesses or other transactions of a similar nature. Treatment as an adjusting item provides stakeholders with additional useful information to assess the year-on-year trading performance of the Group.

Adjusting items are identified and presented on a consistent basis each period and a reconciliation of reported loss before tax to underlying profit/(loss) before tax is included in note 7.

Foreign currencies
The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Group financial statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the Company and the presentation currency for the Group financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period and are included in the same line item as other movements in monetary balances. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in Other Comprehensive Income.

Notes to the Group Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
For the purposes of presenting the Group financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign exchange reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Derivative financial instruments and hedge accounting
Derivative financial instruments ("derivatives") are used to manage risks arising from changes in foreign currency exchange rates relating to the purchase of overseas sourced raw materials and finished products. The Group does not enter into derivatives for speculative purposes. Foreign currency derivatives are stated at their fair value, being the estimated amount that the Group would receive or pay to terminate them at the balance sheet date based on prevailing foreign currency rates.

Foreign currency derivatives
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates derivatives as hedges of highly probable forecast transactions unless they contain an option element.

Financial assets
The Group uses the simplified approach to impairment of trade receivables which are initially recognised at fair value when the entity becomes a party to the contractual provisions of the instrument, and subsequently at amortised cost after recognising a lifetime loss allowance.

Trade receivables do not carry any interest.

Derecognition of financial assets
The Group derecognises financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all of the risks and rewards of ownership of the asset to another entity.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Subsequent to initial recognition, all financial liabilities are stated at fair value and subsequently at amortised cost.

Trade payables
Trade payables are not interest-bearing and are stated at their amortised cost.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Bank borrowings
Interest-bearing bank loans and overdrafts are recorded at the fair value of the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis against profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Government grants for the Coronavirus Job Retention Scheme ("CJRS")
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 included in other income.

The Group was entitled to claim under the CJRS scheme for employees who were furloughed during the period of enforced lockdown in the UK. Grant income has been included in Other operating income (see note 5).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY
In the application of the Group's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies
The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Alternative performance measures
In reporting financial information, the Group presents Alternative Performance Measures ("APMs"), which are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board of Directors. Some of these measures are also used for the purpose of setting remuneration targets.

The Group makes certain adjustments to the statutory profit or loss measures in order to derive APMs. Adjusting items are those items which, in the opinion of the Directors, should be excluded in order to provide a consistent and comparable view of the performance of the Group's ongoing business. Generally, this will include those items that are largely one-off and material in nature as well as income or expenses relating to acquisitions or disposals of businesses or other transactions of a similar nature. Treatment as an adjusting item provides stakeholders with additional useful information to assess the year-on-year trading performance of the Group.

Adjusting items are identified and presented on a consistent basis each period and a reconciliation of adjusted profit or loss before tax is included in note 7.

Going concern
In determining whether the Group's accounts can be prepared on a going concern basis, the Directors considered the Group's business activities and cash requirements together with factors likely to affect its performance and financial position.

As set out in the Directors' report, the Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic Report on pages 6 to 19. The principal risks and uncertainties, including the mitigating actions which address these risks, are set out on pages 34 to 39.

Whilst the Directors have not identified a material uncertainty in respect of going concern, there was significant judgements applied in reaching this conclusion. The key judgements in relation to the going concern assessment are in respect to the more challenging trading environment due to macro-economic uncertainty, along with ongoing disruption in key markets, as demonstrated with the recent lockdowns in China. When making these judgements, the Directors considered the outlook for the Group against their detailed base case scenario. The Directors have also considered a reverse stress test scenario and compared this to a reasonable worse case downside scenario. This is further discussed within the Director's report in pages 53 to 54.

Notes to the Group Financial Statements (continued)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

Impairment of property, plant and equipment, right-of-use assets

Property, plant and equipment and right-of-use assets are reviewed for impairment if there are indicators of impairment that the carrying amount may not be recoverable.

When a review for impairment is conducted, the recoverable amount is determined based on the higher of value in use and fair value less costs to sell. The value in use method requires the Directors to determine appropriate assumptions (which are sources of estimation uncertainty) in relation to:

(i) the cash flow projections over the budgeted and forecast period of two further years and the long-term growth rate to be applied beyond this period; and

(ii) the risk-adjusted pre-tax discount rate used to discount the assumed cash flows to present value.

The Directors will assess the results of these valuation methods alongside their judgment of the future prospects in relation to that asset in order to determine whether to impair its carrying value.

A number of variables are involved in this assessment including current and future market conditions, cost of capital used in discounted cash flows, future long-term growth rate assumptions and underlying and price cost inflation factors.

A future change to the free cash flow assumption for any CGU could give rise to a significant impairment of property, plant and equipment. See notes 16 and 18 for further details on the Group's assumptions and associated sensitivities and reasonably possible changes.

Consideration is also given to any potential reversal of previous impairment costs, within this review. Given the level of uncertainty which remains in the sector, particularly in regard to the current macro-economic environment and the return of international tourism within our growth assumptions, we do not recommend the reversal of any prior year impairment costs.

Impairment of goodwill

Goodwill is reviewed annually for indicators of impairment that the carrying value may not be recoverable.

When a review for impairment is conducted, the recoverable amount is determined based on the higher of value in use and fair value less costs to sell. The value in use method requires the Directors to determine appropriate assumptions (which are sources of estimation uncertainty) in relation to:

(i) the cash flow projections over the budgeted and forecast period of two further years and the long-term growth rate to be applied beyond this period; and

(ii) the risk-adjusted pre-tax discount rate used to discount the assumed cash flows to present value.

The Directors will assess the results of these valuation methods alongside their judgement of the future prospects in relation to that asset in order to determine whether to impair its carrying value.

A number of variables are involved in this assessment including current and future market conditions, cost of capital used in discounted cash flows, future long-term growth rate assumptions and underlying and price cost inflation factors.

A future change to the free cash flow assumption for any CGU could give rise to a significant impairment of goodwill. See note 15 for further details on the Group's assumptions and associated sensitivities and reasonably possible changes.

5. TOTAL REVENUE AND OTHER INCOME AND FINANCE INCOME

	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Revenue		
Sale of goods	**152,411**	114,951
Other operating income		
Licence income	**374**	508
Royalty income	**191**	130
Other income [(1)]	**655**	5,368
	1,220	6,006
Finance income		
Interest income on cash balances	**19**	7
Other interest income	**–**	5
Total revenue and other income and finance income	**153,650**	120,969

(1) Included within Other income is £nil (2021: £4,868,000) of grants receivable under HM Revenue & Customs Coronavirus Job Retention Scheme and £435,000 (2021: £471,000) from similar overseas schemes.

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM"), defined as the Board of Directors, to allocate resources to the segments and to assess their performance. Inter-segment pricing is determined on an arm's length basis. The Group also presents analysis by geographical destination and product categories.

(a) Business segment

For the financial years to March 2020 and March 2021, the Group changed its segmental reporting to show a consolidated view of the Group's performance as one operating (and reporting) segment, reflecting the level of information the CODM considered the most appropriate to monitor business performance and allocate resources to support the growth of the Mulberry brand as a whole.

In the past financial year, the Group has extended its omni-channel network in order to support the Group's global growth ambitions. Mulberry has thus become increasingly reliant on individual market-level profitability metrics to enable them to make timely market-centric decisions that are operational and investment in nature. For the period ending March 2022, it is therefore appropriate to update the segmental analysis disclosures away from a consolidated view of segments and move towards a more regional view of segments (being UK, Asia Pacific and Other International) to reflect the current business operations and the way the business internally reports, and the information that the CODM reviews and makes strategic decisions based on its financial results. As a result of this change in approach the prior year numbers have been restated.

The principal activities are as follows:

The accounting policies of the reportable segment are the same as described in the Group's financial statements. Information regarding the results of the reportable segment is included below. Performance for the segment is assessed based on operating profit/(loss).

The Group designs, manufactures and manages the Mulberry brand for the segment and therefore the finance income and expense are not attributable to the reportable segments.

Notes to the Group Financial Statements (continued)

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

Group income statement

	53 weeks ended 2 April 2022				
	UK £'000	**Asia Pacific £'000**	**Other International £'000**	**Eliminations £'000**	**Total £'000**
Revenue					
Omni-channel	**163,727**	**27,551**	**11,849**	**(72,960)**	**130,167**
Wholesale	**3,968**	**3,862**	**14,414**		**22,244**
Total revenue	**167,695**	**31,413**	**26,263**	**(72,960)**	**152,411**
Segment profit/(loss)	**10,297**	**(232)**	**7,356**		**17,421**
Central costs					**469**
Store closure credit					**6,757**
Operating profit					**24,647**
Share of results of associates					**127**
Finance income					**19**
Finance expense					**(3,467)**
Profit before tax					**21,326**

	UK £'000	Asia Pacific £'000	Other International £'000	Central £'000	Total £'000
Segment capital expenditure	2,216	2,321	1,000	71	5,608
Segment depreciation and amortisation	8,639	954	565	2,004	12,162
Segment assets	89,026	20,707	11,701	10,175	131,609
Segment liabilities	61,660	8,221	13,597	12,511	95,989

Group income statement

	52 weeks ended 27 March 2021				
	UK £'000	Asia Pacific £'000	Other International £'000	Eliminations £'000	Total £,'000
Revenue					
Omni-channel	124,993	21,309	7,579	(53,930)	99,951
Wholesale	2,564	2,803	9,633		15,000
Total revenue	127,557	24,112	17,212	(53,930)	114,951
Segment profit	2,958	1,306	6,172		10,436
Central costs					(2,996)
Impairment charge relating to property plant and equipment					(590)
Impairment charge relating to right-of-use assets					(5,725)
Store closure credit					3,702
Lease modification					3,951
Operating profit					8,778
Share of results of associates					(60)
Finance income					12
Finance expense					(4,176)
Profit before tax					4,554

	UK £'000	Asia Pacific £'000	Other International £'000	Central £'000	Total £'000
Segment capital expenditure	2,850	924	200	22	3,996
Segment depreciation and amortisation	15,657	518	1,307	2,016	19,498
Segment assets	76,428	15,128	13,755	13,337	118,648
Segment liabilities	67,345	8,432	12,359	13,040	101,176

For the purposes of monitoring the segment performance and allocating resources the CODM, which is deemed to be the Board, monitors the tangible, intangible and financial assets. All assets are allocated to the reportable segment.

(b) Product categories

Leather accessories account for over 90% of the Group's revenues, of which bags represent over 70% of revenues. Other important product categories include small leather goods, shoes, soft accessories and women's ready-to-wear. Net asset information is not allocated by product category.

Notes to the Group Financial Statements (continued)

7. ALTERNATIVE PERFORMANCE MEASURES

A reconciliation of reported profit before tax to underlying profit before tax is set out below:

Reconciliation to underlying profit before tax:		53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Profit before tax		**21,326**	4,554
Restructuring costs		**–**	2,370
Store closure credit		**(6,757)**	(3,702)
Impairment charge related to property, plant and equipment		**–**	590
Impairment charge related to right-of-use assets		**–**	5,725
Lease modification		**–**	(3,951)
Licence agreement exit costs		**–**	300
Underlying profit before tax – non-GAAP measure		**14,569**	5,886
Adjusted basic earnings per share	14	**24.8p**	10.5p
Adjusted diluted earnings per share	14	**24.8p**	10.5p

In reporting financial information, the Group presents APMs, which are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board of Directors. Some of these measures are also used for the purpose of setting remuneration targets. The Group makes certain adjustments to the statutory profit or loss measures in order to derive APMs. Adjusting items are those items which, in the opinion of the Directors, should be excluded in order to provide a consistent and comparable view of the performance of the Group's ongoing business. Generally, this will include those items that are largely one-off and material in nature as well as income or expenses relating to acquisitions or disposals of businesses or other transactions of a similar nature. Treatment as an adjusting item provides stakeholders with additional useful information to assess the year-on-year trading performance of the Group.

Restructuring costs

During the period, one-off charges of £nil (2021: £2,370,000) were incurred relating to people restructuring costs.

Store closure costs

During the period, two UK and two international stores were closed (2021: two international stores) which had not been trading in line with expectations. The stores closure credit relates to the release to the income statement of lease liabilities of £1,323,000 (2021: £4,261,000) a profit on disposal of an intangible asset £5,343,000 (2021: £nil) and a credit for the release of lease exit and redundancy costs £91,000 (2021: charge of £559,000). The disposal of the lease resulted in net cash proceeds of £13,300,000. The right-of-use and tangible assets for these stores had been fully impaired in previous periods.

Impairment charge related to property, plant and equipment and right-of-use assets

The fixed assets and right-of-use assets of retail stores are subject to impairment based on whether current or future events and conditions suggest that their recoverable amount may be less than their carrying value. The recoverable amount of each store is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates, management assumptions and estimates on future performance. The carrying value for each store is considered net of the carrying value of any cash contribution received in relation to that store. For impairment testing purposes, the Group has determined that each store is a separate CGU. Each CGU is tested for impairment if any indicators of impairment have been identified. The value in use of each CGU is calculated based on the Group's latest budget and forecast cash flows. Cash flows are discounted using the weighted average cost of capital ("WACC") and are modelled for each store through to their lease expiry or break date. No lease extensions have been assumed when forecasting. As a result of this assessment impairment charges of £nil (2021: £590,000) and £nil (2021: £5,725,000) were recognised in the period against the property, plant and equipment and right-of-use assets respectively for the stores which are impaired.

Lease modification
During the period to 27 March 21 the Group renegotiated a lease that had 14 years remaining to one where only 9 years remain as at 27 March 2021. The resulting reduction in the lease liability was treated as an IFRS 16 lease modification and resulted in a credit of £3,951,000 to the income statement. There were no similar modifications in the period to 2 April 22.

Licence agreement exit costs
During the period the Group incurred charges of £nil (2021: £300,000) from the write-off of its ready-to-wear and footwear licence relating to final samples and materials on non-renewal of the licence and distribution agreement for these lifestyle products.

8. OTHER OPERATING EXPENSES

	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Other operating expenses have been arrived at after charging/(crediting):		
Net foreign exchange (gain)/loss	**(57)**	388
Amortisation of intangible assets (see note 15)	**1,778**	1,476
Depreciation of property, plant and equipment (see note 16)	**3,702**	4,187
Depreciation of right-of-use assets (see note 18)	**6,682**	7,520
Impairment of property, plant and equipment (see note 7)	**–**	590
Impairment of right-of-use assets (see note 7)	**–**	5,725
Store closure credit (see note 7)	**(6,757)**	(3,702)
Lease modification (see note 7)	**–**	(3,951)
Staff costs (see note 10)	**40,731**	36,330
Restructuring costs	**–**	2,370
Loss on disposal of property, plant and equipment and right-of-use assets	**38**	188
Other operating expenses	**39,761**	19,179
	85,878	70,300

9. AUDITOR'S REMUNERATION

	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
The analysis of auditor's remuneration is as follows:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**372**	345
Fees payable to the Company's auditor and their associates for the audit of the Company's subsidiaries	**47**	47
Total audit fees	**419**	392

	£'000	£'000
Other taxation advisory services	**–**	–
Tax compliance	**2**	2
Total non-audit fees	**2**	2

During the period to 2 April 22 Grant Thornton UK LLP did not perform tax compliance services for Mulberry Group plc in line with the ethical standard restrictions on use of auditors for non-audit services but will provide tax compliance services to some non-UK subsidiary companies. These services will take place after the signing of this Annual Report.

Notes to the Group Financial Statements (continued)

10. STAFF COSTS

The average monthly number of employees (including Executive Directors and those on a part-time basis) was:

	53 weeks ended 2 April 2022 Number	52 weeks ended 27 March 2021 Number
Production	**369**	367
Sales and distribution	**477**	490
Administration	**264**	255
	1,110	1,112

	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Their aggregate remuneration comprised:		
Wages and salaries	**35,328**	31,396
Social security costs	**4,007**	3,666
Other pension costs (see note 31)	**1,327**	1,163
	40,662	36,225
Share-based payments (see note 30)	**69**	105
	40,731	36,330

Details of Directors' remuneration is set out in the Directors' remuneration report on pages 50 to 52.

11. FINANCE INCOME

	53 weeks ended 2 April 2022 £'000	53 weeks ended 27 March 2021 £'000
Other interest income	**–**	5
Interest income on cash balances	**19**	7
	19	12

12. FINANCE EXPENSE

	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Interest on bank overdraft	**12**	7
Interest arising on adjustment from the hedged item in a designated fair value hedge accounting relationship	**–**	–
Interest on lease liabilities	**3,333**	3,992
Other interest expense	**9**	39
Interest paid on loans from related parties	**113**	138
	3,467	4,176

13. TAX

	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Current tax		
Corporation tax		
Current tax on income	**3,071**	7
Adjustments in respect of prior periods	**–**	(305)
Deferred tax (note 23)		
Origination and reversal of temporary differences	**(736)**	1,613
Adjustments in respect of prior periods	**(178)**	(1,358)
Tax charge/(credit) for the period	**2,157**	(43)

The charge for the period can be reconciled to the profit per the Group income statement as follows:

	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Profit before tax	**21,326**	4,554
Tax at the UK corporation tax rate of 19% (2021: 19%)	**4,052**	865
Tax effect of share of results of associate	**(24)**	20
Tax effect of expenses that are not deductible in determining taxable profit	**1,153**	360
Tax effect of differences in overseas tax base	**–**	(74)
Change in unrecognised deferred tax assets	**(3,308)**	87
Effect of different tax rates of subsidiaries operating in other jurisdictions	**394**	363
Effect of differences between deferred tax and current tax rates	**73**	–
Adjustments in respect of prior periods	**(183)**	(1,664)
Tax charge/(credit) for the period	**2,157**	(43)

The Finance Act 2021 which was enacted on 24 May 2021 increased the main rate of corporation tax from 19% to 25% from 1 April 2023. The Directors are not aware of any other factors that will materially affect the future tax charge.

£2,425,000 of the current tax charge relates to the disposal of the Paris lease.

Deferred tax assets are recognised for UK tax losses carried forward to the extent that the realisation of the related benefit through the future taxable profits is probable, in line with the Group's 3-year strategic plan. In the period to 2 April 2022 the Group recognised deferred tax assets of £2,148,000 (2021: £1,234,000) in respect of losses and short-term timing differences that are expected to be set off against future taxable income.

At 2 April 2022 the Group did not recognise deferred tax assets in respect of deductible temporary differences of £53,853,000 (2021: £67,591,000) gross in respect of cumulative tax losses, fixed asset timing differences, IFRS 16 and short-term timing differences. Deferred tax assets were not recognised due to the uncertainty of the timing of future taxable profits available to offset against these amounts.

Deferred tax prior period adjustments arose on the recognition of carried forward unrecognised losses used in the year. Adjustments also occurred as a result of finalised capital allowances, provisions and revenue losses compared to the deferred tax recognised on these amounts in the previous year which was based on future profit forecasts.

Notes to the Group Financial Statements (continued)

14. EARNINGS PER SHARE ("EPS")

	53 weeks ended 2 April 2022 pence	52 weeks ended 27 March 2021 pence
Basic earnings per share	**32.2**	7.7
Diluted earnings per share	**32.2**	7.7
Underlying basic earnings per share	**24.8**	10.5
Underlying diluted earnings per share	**24.8**	10.5

Earnings per share is calculated based on the following data:

	53 weeks ended 2 April 2022 £'000	53 weeks ended 27 March 2021 £'000
Profit for the period for basic and diluted earnings per share	**19,169**	4,597
Adjusting items:		
Restructuring costs*	**–**	1,931
Store closure credit*	**(4,411)**	(3,611)
Impairment relating to retail assets	**–**	590
Impairment charge related to right-of-use assets	**–**	5,725
Lease modification*	**–**	(3,200)
Licence agreement exit costs*	**–**	243
Profit for the period for underlying basic and diluted earnings per share	**14,758**	6,275

* These items are included net of £2,346,000 (2021: £346,000) of the corresponding tax expense.

	53 weeks ended 2 April 2022 Million	52 weeks ended 27 March 2021 Million
Weighted average number of ordinary shares for the purpose of basic EPS	**59.5**	59.5
Effect of dilutive potential ordinary shares: share options	**–**	–
Weighted average number of ordinary shares for the purpose of diluted EPS	**59.5**	59.5

The weighted average number of ordinary shares in issue during the period excludes those held by the Mulberry Group plc Employee Share Trust. Please refer to note 27.

15. INTANGIBLE ASSETS

	Goodwill £'000	Acquired software costs £'000	Lease costs £'000	Total £'000
Cost				
At 29 March 2020	2,531	16,974	8,307	27,812
Additions	–	2,236	–	2,236
Disposals	–	–	–	–
Foreign currency translation	(97)	(35)	(375)	(507)
At 27 March 2021	2,434	19,175	7,932	29,541
Additions	–	874	–	874
Disposals	–	(22)	(7,973)	(7,995)
Foreign currency translation	(63)	(22)	41	(44)
At 2 April 2022	2,371	20,005	–	22,376
Amortisation				
At 29 March 2020	–	13,111	–	13,111
Charge for the period	–	1,476	–	1,476
Disposals	–	–	–	–
Foreign currency translation	–	(11)	–	(11)
At 27 March 2021	–	14,576	–	14,576
Charge for the period	–	1,778	–	1,778
Disposals	–	(22)	–	(22)
Foreign currency translation	–	(12)	–	(12)
At 2 April 2022	–	16,320	–	16,320
Carrying amount				
At 2 April 2022	2,371	3,685	–	6,056
At 27 March 2021	2,434	4,599	7,932	14,965
At 28 March 2020	2,531	3,863	8,307	14,701

Goodwill

Goodwill represents the opportunity to grow by utilising an established distribution network in Korea. The recoverable amount of the goodwill is determined based on a value in use calculation which uses cash flow projections based on financial projections approved by the Directors, and using a pre-tax discount rate of 18.4% per annum (2021: 20.5%). Acquired goodwill is regarded as having an indefinite life and under IAS 36 is not subject to amortisation but is subject to annual tests for impairment.

Key assumptions used in value in use calculations of goodwill

Existing goodwill of £2.4m (2021: £2.4m) is wholly attributable to the acquisition of the Korea business. The recoverable amount of goodwill is determined based on a value in use calculation for the individual stores (CGUs) and online sales from the business using cash flow projections to March 2023 from financial budgets approved by the Board. The pre-tax discount rate applied to cash flow projections is 18.4% (2021: 20.5%); turnover growth rates up to March 2025 are between 4% and 11%, and beyond March 2025 are extrapolated using a 2% long-term growth rate. The discount rate is based on an average of the rates in the region over the period and is sourced from an independent third party.

Based on these projections and corresponding discounted cash flows no impairment of goodwill was indicated at 2 April 2022 (2021: £nil).

Sensitivity to changes in assumptions

With regard to the assessment of value in use of goodwill, a change in any of the above key assumptions could have a material impact on the carrying value of the CGU. A 5% decrease (2021:10%) in the turnover over three years would result in a reduction in the headroom from £0.3m to £nil (2021: £4.2m to £nil). A 10% increase (2021:10%) in the pre-tax discount rate would result in a reduction in the headroom from £0.3m to £nil (2021: £4.2m to £3.8m). These are considered reasonably possible changes.

Notes to the Group Financial Statements (continued)

15. INTANGIBLE ASSETS (CONTINUED)

Acquired software costs

At 2 April 2022, the Group had entered into contractual commitments for the acquisition of software of £111,000 (2021: £199,000). Included within software is £851,000 of projects still in development, where amortisation will not commence until the projects are complete and the assets come into use (2021: £311,000). The carrying value of website development costs within software is £2,249,000 (2021: £2,316,000). The estimated useful life of such assets is estimated as four to five years.

Lease costs

The intangible lease costs were created in 2014 when the Group purchased all of the shares of KJ Saint Honoré SA, a company registered in France. The company owned the rights to a lease on Rue Saint-Honoré, Paris. During the period the store was closed and the intangible asset was disposed of.

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings £'000	Leasehold improvements £'000	Plant and equipment £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 29 March 2020	12,324	20,582	9,691	28,520	32	71,149
Additions	–	153	352	1,251	4	1,760
Disposals	–	(1,129)	(1,006)	(5,165)	(6)	(7,306)
Foreign currency translation	–	(709)	(45)	(806)	–	(1,560)
At 27 March 2021	12,324	18,897	8,992	23,800	30	64,043
Additions	54	2,691	883	1,106	–	4,734
Disposals	(59)	(1,863)	(30)	(5,515)	–	(7,467)
Foreign currency translation	–	155	10	(13)	–	152
At 2 April 2022	12,319	19,880	9,855	19,378	30	61,462
Accumulated depreciation and impairment						
At 29 March 2020	4,738	18,122	7,533	23,771	32	54,196
Charge for the period	434	494	919	2,340	–	4,187
Impairment charge	–	342	–	248	–	590
Disposals	–	(1,054)	(1,016)	(5,015)	(6)	(7,091)
Foreign currency translation	–	(679)	(38)	(730)	–	(1,447)
At 27 March 2021	5,172	17,225	7,398	20,614	26	50,435
Charge for the period	420	1,055	671	1,555	1	3,702
Impairment charge	–	–	–	–	–	–
Disposals	(19)	(1,860)	(11)	(5,477)	–	(7,367)
Foreign currency translation	–	88	8	(22)	–	74
At 2 April 2022	5,573	16,508	8,066	16,670	27	46,844
Carrying amount						
At 2 April 2022	6,746	3,372	1,789	2,708	3	14,618
At 27 March 2021	7,152	1,672	1,594	3,186	4	13,608
At 28 March 2020	7,586	2,460	2,158	4,749	–	16,953

Included within the table above are the following assets under the course of construction which are not being depreciated:

At 2 April 2022	–	117	208	222	–	547
At 27 March 2021	–	–	13	112	–	125

The Group has the following contractual commitments:

	Freehold land and buildings £'000	Leasehold improvements £'000	Plant and equipment £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
At 2 April 2022	–	4	6	–		10
At 27 March 2021	–	4	4	23		31

Freehold land of £2,029,000 (2021: £2,029,000), leasehold improvements of £117,000 (2021: £nil), plant and equipment of £208,000 (2021: £nil) and store fixtures and fittings of £222,000 (2021: £125,000) which were not in use have not been depreciated.

The Group reviews property, plant and equipment at each reporting period end for indicators of impairment. Where indicators of impairment are identified, the recoverable amounts of the CGUs are determined from value in use calculations and are compared to the assets' carrying values at 2 April 2022. For the period ended 2 April 2022 the Group reviewed the property, plant and equipment in all of its retail stores.

During the period, an impairment charge of £nil (2021: £590,000) was identified as part of the Directors' impairment review of the retail store assets across the Group portfolio. The total recoverable amount for these stores at the balance sheet date was considered to be £36,000 at 27 March 2021.

The key assumptions for the value in use calculations are those regarding sales growth rates. The cash flow projections were based on the most recent financial budgets and the Board approved 3-year strategic plan, and thereafter a nominal growth rate is used.

With regard to the assessment of value in use, a change in any of the above key assumptions could have a material impact on the carrying value of the CGU. A 10% decrease in revenue would result in a reduction in the head room of up to £0.1m (2021: £0.1m to £0.2m). This is considered a reasonably possible change in the key assumption.

The growth rates reflect expectations of future changes in the market. In years four and after this is 2%, being the approximate average long-term growth rate for the relevant markets. A 10% decrease in the long-term growth rate would result in a reduction in headroom of up to £0.1m (2021: up to £0.1m). This is considered a reasonably possible change.

The pre-tax discount rates used in these calculations were between 14.9% and 16.4% (2021: 14.7% and 16.6%). This is based on the Group's weighted average cost of capital adjusted for country specific risks.

17. SUBSIDIARIES

A list of the investments in subsidiaries, including the name, country of incorporation and proportion of ownership interest is given in note 42 to the Company's separate financial statements.

Notes to the Group Financial Statements (continued)

18. RIGHT-OF-USE ASSETS

	Short leasehold land and buildings £'000	Fixtures fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 29 March 2020	105,269	124	88	105,481
Additions	1,114	–	–	1,114
Modifications	(201)	–	–	(201)
Disposals	–	–	–	–
Foreign currency translation	443	–	–	443
At 27 March 2021	106,625	124	88	106,837
Additions	4,989	401	–	5,390
Disposals	(124)	–	–	(124)
Foreign currency translation	23	–	–	23
At 2 April 2022	111,513	525	88	112,126
Depreciation				
At 29 March 2020	59,480	46	35	59,561
Charge for the period	7,447	40	33	7,520
Impairment charge for the period	5,725	–	–	5,725
Foreign currency translation	520	–	–	520
At 27 March 2021	73,172	86	68	73,326
Charge for the period	6,625	39	18	6,682
Impairment charge for the period	–	–	–	–
Foreign currency translation	(103)	–	–	(103)
At 2 April 2022	79,694	125	86	79,905
Carrying amount				
At 2 April 2022	31,819	400	2	32,221
At 27 March 2021	33,453	38	20	33,511
At 28 March 2020	45,789	78	53	45,920

The Group leases several assets including buildings, office equipment and cars. The average lease term is four years.

The maturity of lease liabilities is presented in note 25.

The Group reviews right-of-use assets at each reporting period end for indicators of impairment. Where indicators of impairment are identified, the recoverable amounts of the CGUs are determined from value in use calculations and are compared to the assets' carrying values at 2 April 2022. For the period ended 2 April 2022 the Group reviewed the right-of-use assets for all its retail stores where there was a potential impairment indicator.

During the period, an impairment charge of £nil (2021: £5,725,000) was identified as part of the Directors' impairment review of store assets (2021: 5 stores).

The key assumptions for the value in use calculations are those regarding sales growth rates and future cash flow projections. The sales growth and cash flow projections were based on the most recent financial budgets, and the Board approved three-year strategic plan, and thereafter a nominal growth rate is used.

With regard to the assessment of value in use, a change in any of the above key assumptions could have a material impact on the carrying value of the CGU. A 10% decrease in revenue would result in an impairment charge of up to £1.0m (2021: increased charge of £1.9m to £2.3m). This considered a reasonably possible change in the key assumption.

The growth rates reflect expectations of future changes in the market. After four years this rate reduces to 2%, being the approximate average long-term growth rate for the relevant markets. A 10% decrease in the long-term growth rate would not result in an impairment charge (2021: £0.1m increase in charge). This is considered a reasonably possible change in the key assumption.

The pre-tax discount rates used in these calculations were between 14.9% and 16.4% (2021: 14.7% and 16.6%). This is based on the Group's weighted average cost of capital adjusted for country specific risks. A 10% increase in the discount rate would not result in an impairment charge (2021: £0.5m to £0.8m increase in charge). This is also a reasonably possible change in the key assumption.

The following amounts have been recognised in the income statement:

	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Depreciation of right-of-use assets	**6,682**	7,520
Impairment charge for the period	**–**	5,725
Finance costs of lease liabilities	**3,333**	3,992
Expense relating to short-term leases	**1,423**	648
Expense relating to variable payments not included in the measurement of the lease liability	**10,592**	8,308
	22,030	26,193

The variable lease payments constitute up to 43% of the Group's entire lease payments. The Group expects this ratio to remain at a similar level in future years. The variable payments depend on sales and consequently on the overall economic development over the next few years. Taking into account the development of sales expected over the next three years, variable rent expenses are expected to continue to present a similar proportion of store sales in future years.

The total cash outflow for leases amounted to £29,084,000 (2021: £20,683,000).

19. INTERESTS IN ASSOCIATES

	2 April 2022 £'000	27 March 2021 £'000
Total assets	**1,664**	1,809
Total liabilities	**(448)**	(807)
Total net assets	**1,216**	1,002

	2 April 2022 £'000	27 March 2021 £'000
Group's share of net assets of associate	**335**	134

The above carrying value represents the initial cost of the investment undertaken, as well as any subsequent change in net assets of the associate, as at 2 April 2022.

The Group has one interest in an associate – Mulberry Oslo AS (see note 42).

	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Total revenue	**2,395**	1,714
Profit/(loss) for the period	**255**	(120)
Group's share of profit/(loss) of associate	**127**	(60)

Notes to the Group Financial Statements (continued)

20. INVENTORIES

	2 April 2022 £'000	27 March 2021 £'000
Raw materials	**2,402**	3,599
Work-in-progress	**696**	588
Finished goods	**33,685**	27,289
	36,783	31,476

Included in cost of sales is a release of a provision to write down of inventories of £2,071,000 (2021: charge of £3,227,000) and cost of inventories recognised as an expense £45,483,000 (2021: £38,512,000).

21. OTHER FINANCIAL ASSETS

Trade and other receivables

	2 April 2022 £'000	27 March 2021 £'000
Amount receivable for the sale of goods	**6,425**	6,675
Allowance for expected credit losses	**(666)**	(250)
	5,759	6,425
Amounts due from related parties (see note 34)	**285**	297
Amounts owed by associate undertakings (see note 34)	**159**	491
Other debtors [1]	**4,574**	2,589
Prepayments	**5,150**	2,807
	15,927	12,609

1. Other debtors as at 2 April 2022 includes £1,313,000 (2021: £nil) relating to the disposal of an intangible asset (see note 7).

Trade receivables

The average credit period taken on the sale of goods is 70 days (2021: 37 days). No interest is charged on the outstanding trade and other receivables. The carrying amount of receivables approximates to their fair value.

The Group has provided for expected credit losses from the sale of goods, where there is exposure to credit risk. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines individual credit limits by customer.

The Group's receivables comprise primarily department stores, franchisee partners and associates, and wholesale customers. There are no customers with a balance greater than 10% of the trade receivables.

Amounts due from related parties are due within 45 days. There is no interest payable on these receivables.

The table below details the risk profile of amounts receivable for the sale of goods.

	Total £'000	Current £'000	<30 days £'000	31-60 days £'000	>61 days £'000
2 April 2022					
Expected credit loss	n/a	1%	0%	39%	77%
Gross carrying amount	6,425	2,728	2,717	402	578
Loss allowance	(666)	(51)	(12)	(158)	(445)
Net trade receivable	5,759	2,677	2,705	244	133

	Total £'000	Current £'000	<30 days £'000	31-60 days £'000	>61 days £'000
27 March 2021					
Expected credit loss	n/a	2%	9%	11%	19%
Gross carrying amount	6,675	5,669	324	257	425
Loss allowance	(250)	(113)	(28)	(29)	(80)
Net trade receivable	6,425	5,556	296	228	345

Expected credit losses includes £565,000 for one franchise partner (2021: £nil).

The Group deferred VAT, PAYE and Customs Duty, of which VAT of £nil (2021: £694,000) was outstanding at the period end and which was repaid in the following period. Government grants in relation to HM Revenue & Customs CJRS and similar overseas schemes for the period were £435,000 (2021: £5,339,000). The Group also obtained business rates relief for retailers of £nil (2021: £2,600,000).

Cash and cash equivalents

	2 April 2022 £'000	27 March 2021 £'000
Cash and cash equivalents	**25,669**	11,820

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

Notes to the Group Financial Statements (continued)

22. BORROWINGS

	2 April 2022 £'000	27 March 2021 £'000
Bank overdrafts	–	–
Loans from related parties (see note 34)	3,278	3,171
Loans from non-controlling interests	1,721	1,502
Unsecured borrowings at amortised cost	4,999	4,673
Amounts due for settlement within 12 months	3,278	–
Amounts due for settlement after 12 months	1,721	4,673

Loans from related parties and non-controlling interests are due for repayment on the following dates:

	Loan repayment date	2 April 2022 £'000	27 March 2021 £'000
Related party			
Challice Limited	31 March 2023	3,278	3,171
Non-controlling interest			
Onward Holding Co., Limited	17 December 2023	1,721	167
Onward Holding Co., Limited	31 March 2022	–	1,335
		4,999	4,673

Loans from related parties and non-controlling interests are not secured, and incur interest at the following rates:

Challice Limited	3.0%
Onward Holding Co., Limited	1.0%

	Hong Kong Dollars £'000	Japanese Yen £'000	Total £'000
Analysis of borrowings by currency:			
Bank overdrafts	–	–	–
Loans from related parties	3,278	–	3,278
Loans from non-controlling interest	–	1,721	1,721
Carrying amount			
At 2 April 2022	3,278	1,721	4,999
Analysis of borrowings by currency:			
Bank overdrafts	–	–	–
Loans from related parties	3,171	–	3,171
Loans from non-controlling interest	–	1,502	1,502
Carrying amount			
At 27 March 2021	3,171	1,502	4,673

Since the year-end, the Group has extended the revolving credit facility until March 2024 and banking covenants remain unchanged. The £15.0m revolving credit facility is secured by fixed and floating debentures over the assets of its subsidiaries, excluding inventory and shares in Mulberry Japan Co. Limited, and fixed legal charges over its freehold premises and retains quarterly covenant testing against the Group's leverage and liquidity ratios.

The revolving credit facilities are secured with Group cross guarantees. At 2 April 2022 the Group had £4,999,000 (2021: £4,673,000) of related party loans payable at commercial rates within each country.

23. DEFERRED TAX

	Tax losses £'000	Losses in overseas territories £'000	Accelerated tax depreciation £'000	Short-term temporary differences £'000	Total £'000
At 29 March 2020	1,187	–	278	23	1,488
Charge to income	(148)	–	(87)	(19)	(254)
At 27 March 2021	1,039	–	191	4	1,234
Charge to income	1,253	–	(358)	19	914
Deferred tax asset as at 2 April 2022	**2,292**	**–**	**(167)**	**23**	**2,148**

£2,148,000 (2021: £191,000) of the deferred tax asset is expected to unwind in more than one year.

At the balance sheet date, the Group has cumulative unused tax losses of £24,602,000 (2021: £26,925,000) arising from overseas territories upon which deferred tax assets are not recognised.

The Group further has UK tax losses totalling £10,786,000 (2021: £15,397,000) arising from UK entities. A deferred tax asset has been recognised in respect of £9,165,000 (2021: £5,464,000) of the UK losses which are expected to be recovered against future taxable profits in the following three years.

Additionally, there are deferred tax asset balances (gross) on short-term timing differences (£3,809,000), and fixed asset timing differences (£4,773,000) and IFRS 16 differences (£19,048,000) which are unrecognised at a Group level.

Where no deferred tax asset has been recognised, this due to uncertainty of the timing of future taxable profits available to offset against these losses. The entity itself, Mulberry Group plc, has no deferred tax assets recognised on the balance sheet as there is no certainty of future profits within the entity and losses surrendered for Group relief are not paid for by the Group company claimant.

24. OTHER FINANCIAL LIABILITIES

Trade and other payables

	2 April 2022 £'000	27 March 2021 £'000
Trade payables	**10,608**	9,937
Accruals (1)	**12,943**	11,969
Other payables	**1,424**	723
	24,975	22,629

(1) Accruals includes £nil (2021: £385,000) for a lease liability under an authorised guarantee agreement which became the Group's liability when a sub-lessee went into administration.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 11 days (2021: 34 days). For most suppliers, no interest is charged on the trade payables for the first 60 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame. Due to the impact of COVID-19 on the Group's working capital, at 27 March 21 some payments for trade payables were made later than agreed credit terms whilst rent and supplier payment terms were being renegotiated.

At 27 March 21 liabilities payable to HM Revenue & Customs at the period end for VAT, PAYE and national insurance contributions were permitted by HM Revenue & Customs to be deferred beyond the normal payment terms as part of government allowances to businesses impacted by COVID-19.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

Notes to the Group Financial Statements (continued)

25. LEASE LIABILITIES

Lease liabilities are determined by calculating discounted lease payments using the discount rate implicit in the lease or the Group's incremental borrowing rates if this is not available. The rates used were at the date of transition to IFRS 16 or the date of the start of the lease if later. The discount rates applied range between 2.7% to 13.2% (2021: 2.4% to 13.2%) with a weighted average rate of 5.0% (2021: 5.0%). These rates have been determined based on comparable bond yields and are lease specific varying by territory and lease length.

	2 April 2022 £'000	27 March 2021 £'000
Analysed as		
Current	**11,108**	14,820
Non-current	**52,547**	59,054
	63,655	73,874

Future minimum lease payments at 2 April 2022 are as follows:

	2 April 2022 £'000	27 March 2021 £'000
Maturity analysis:		
Year 1	**13,928**	16,121
Year 2	**13,020**	13,375
Year 3	**11,538**	12,219
Year 4	**9,737**	10,794
Year 5	**9,424**	9,144
Year 6	**7,332**	8,858
Year 7	**4,589**	6,890
Year 8	**3,615**	4,052
Year 9	**544**	3,077
Year 10	**395**	–
Effect of discounting	**(10,467)**	(10,656)
Carrying amount of liability	**63,655**	73,874

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

26. SHARE CAPITAL

	2 April 2022 £'000	27 March 2021 £'000
Authorised		
65,000,000 ordinary shares of 5p each (2021: 65,000,000)	**3,250**	3,250
Issued and fully paid		
60,077,458 ordinary shares of 5p each (2021: 60,077,458)	**3,004**	3,004

No shares were issued during the period (2021: nil).

The Company has not granted any options in respect of 5p ordinary shares during the period (2021: nil).

27. RESERVES

Own share reserve
The Own share reserve represents 573,217 5p ordinary shares (2021: 576,647 5p ordinary shares) at a cost of £1,269,492 (2021: £1,276,866). The shares have been purchased in the market or issued as new shares by the Company, and are held by the Mulberry Group plc Employee Share Trust to satisfy the deferred and matching shares under the Deferred Bonus Plan and Co-ownership Equity Incentive Plan.

During the period, no 5p shares (2021: nil) at a cost of £nil (2021: £nil) were issued to the Mulberry Group plc Employee Share Trust. During the previous period the previous impairment in the value of the shares was reversed resulting in a credit of £316,952 to retained reflecting the increase in the market price of the Company. 3,430 shares were transferred to satisfy the vesting of shares awards (2021: nil). The maximum number of own shares held during the period was 576,647 (2021: 622,336).

Capital redemption reserve
The Capital redemption reserve arose following a capital reconstruction on admission of the Company's shares to the Alternative Investment Market on 23 May 1996. The Company purchased 3,074,396 of its own 5p ordinary shares at par.

Foreign exchange reserves

	Foreign exchange reserve £'000	Total £'000
At 29 March 2020	1,323	1,323
Exchange differences on translating the net assets of foreign operations	(49)	(49)
At 27 March 2021	1,274	1,274
Exchange differences on translating the net assets of foreign operations	(116)	(116)
At 2 April 2022	**1,158**	**1,158**

Translation reserve
Exchange differences relating to the translation of the net assets of the Group's foreign operations, from their functional currency into the Parent Company's functional currency, being Sterling, are recognised directly in the foreign exchange reserve.

Notes to the Group Financial Statements (continued)

28. NON-CONTROLLING INTERESTS

	Mulberry (Asia) Limited £'000	Mulberry Japan Co. Limited £'000	Total £'000
At 29 March 2020	(3,553)	(267)	(3,820)
Share of profits/(losses) for the period	175	(351)	(176)
Foreign currency translation	388	42	430
At 27 March 2021	(2,990)	(576)	(3,566)
Share of losses for the period	(490)	(326)	(816)
Foreign currency translation	(124)	39	(85)
At 2 April 2022	**(3,604)**	**(863)**	**(4,467)**

The proportion of ownership interests held by non-controlling interests is as follows;

Mulberry (Asia) Limited	40%
Mulberry Japan Co. Limited	50%

29. CONTINGENT LIABILITIES

Mulberry Group plc has acted as a guarantor on various property leases entered into between its subsidiaries and third-party lessors. No amounts were outstanding at the period end in respect of such guarantees (2021: £nil).

30. SHARE-BASED PAYMENTS

The Group operated the following schemes during the period:

Mulberry Group plc 2008 Unapproved Share Option Scheme

The scheme was established on 14 April 2008 and is open to all employees of Mulberry Group plc and its subsidiaries. The exercise price is equal to the market value of the shares on the date of grant. The vesting period is generally three years after the date of grant of options, and can be exercised for a period of ten years from the date of grant. If the options remain unexercised for a period of ten years from the date of grant, they expire. Options may be forfeited if the employee leaves the Group prior to vesting.

Details of the share options movements during the period are as follows:

	53 weeks ended 2 April 2022 Number of share options	**53 weeks ended 2 April 2022 Weighted average exercise price (in £)**	52 weeks ended 27 March 2021 Number of share options	52 weeks ended 27 March 2021 Weighted average exercise price (in £)
Outstanding at the beginning of the period	**922,815**	**6.00**	959,815	6.20
Granted during the period	**–**	**–**	–	–
Forfeited during the period	**(42,500)**	**9.76**	(37,000)	10.60
Exercised during the period	**–**	**–**	–	–
Outstanding at the end of the period	**880,315**	**5.83**	922,815	6.00
Exercisable at the end of the period	**780,315**	**6.23**	722,815	6.90

The options outstanding at 2 March 2022 had a weighted average remaining contractual life of 0.7 years (2021: 1 year).

Mulberry Group plc 2008 Deferred Bonus Plan
The plan was established on 8 August 2008 and is open to all employees of Mulberry Group plc and its subsidiaries. The share-based payments charge relates to the cost of matching shares awarded to employees participating in this plan. The vesting period is two years after the date of grant of options and can be exercised for a period of ten years from the date of grant. If the matching shares remain unexercised after a period of ten years from the date of grant, the award expires. The matching shares may be forfeited if the employee leaves the Group prior to vesting.

Details of the share options outstanding during the period are as follows:

	53 weeks ended 2 April 2022 Number of matching shares	52 weeks ended 27 March 2021 Number of matching shares
Outstanding at the beginning of the period	**523**	2,094
Exercised during the period	**(523)**	(1,571)
Outstanding at the end of the period	**–**	523
Exercisable at the end of the period	**–**	523

The weighted average share price at the date of exercise for share options exercised during the period was £2.90 (2021: £2.67). There were no options outstanding at 2 April 2022; the options outstanding at 27 March 2021 had a weighted average remaining contractual life of nil years and had an exercise price of £nil.

Mulberry Group plc 2009 Co-ownership Equity Incentive Plan
The plan was established on 20 August 2009. The vesting period is generally three years after the date of grant of options and can be exercised for a period of ten years from the date of grant. The jointly owned shares may be forfeited if the employee leaves the Group prior to vesting and the rights of the participant lapse if the award has not been exercised after a period of seven years from the date of vesting.

Details of the share awards outstanding during the period are as follows:

	53 weeks ended 2 April 2022 Number of share options	53 weeks ended 2 April 2022 Weighted average exercise price (in £)	52 weeks ended 27 March 2021 Number of share options	52 weeks ended 27 March 2021 Weighted average exercise price (in £)
Outstanding at the beginning of the period	**300,000**	**1.458**	300,000	1.458
Exercised during the period	**–**	**–**	–	–
Outstanding at the end of the period	**300,000**	**1.458**	300,000	1.458
Exercisable at the end of the period	**300,000**	**1.458**	300,000	1.458

During the period the exercise date for the co-owned share rights outstanding at 27 March 2021 was extended to 31 December 2022 and accordingly the weighted average remaining contractual life is 0.7 years (2021: 0.7 years). This resulted in an additional charge to the income statement of £21,000.

Notes to the Group Financial Statements (continued)

30. SHARE-BASED PAYMENTS (CONTINUED)

Mulberry Group plc Performance Share Plan

This option grant was made on 10 July 2017 and may be exercised after the Group's financial results for the financial period ended 30 March 2020 have been announced, and up to ten periods from the date of grant, upon attainment of the relevant performance conditions.

Further option grants were made on 25 November 2019, of which 426,000 options were exercisable after the financial results for period ended 27 March 2021 had been announced, and 48,000 options are exercisable after the financial results for the period ended 2 April 2022 have been announced.

Details of the share options movements during the period are as follows:

	53 weeks ended 2 April 2022 Number of shares	52 weeks ended 27 March 2021 Number of shares
Outstanding at the beginning of the period	**878,000**	1,258,500
Granted during the period	**—**	–
Lapsed during the period	**(428,000)**	(380,500)
Outstanding at the end of the period	**450,000**	878,000
Exercisable at the end of the period	**–**	–

The Group recognised the following expense related to share-based payments:

	53 weeks ended 2 March 2022 £'000	52 weeks ended 27 March 2021 £'000
Mulberry Group plc 2008 Unapproved Share Option Scheme	**48**	105
Mulberry Group plc 2009 Co-ownership Equity Incentive Plan	**21**	–
Total share option charge	**69**	105

The Group accounts for its share schemes as equity-settled.

31. RETIREMENT BENEFIT SCHEMES

The Group contributes to personal pension plans for all qualifying employees. The total cost charged to income of £1,327,000 (2021: £1,163,000) represents contributions payable to these personal plans by the Group at rates contractually agreed. As at 2 April 2022, contributions due in respect of the current reporting period which had not been paid over to the plans were £191,000 (2021: £144,000).

32. FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Group statement of changes in equity and notes 26 and 27.

Externally imposed capital requirement

The Group is not subject to externally imposed capital requirements.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note 3 to the financial statements.

Categories of financial instruments

	2 April 2022 £'000	27 March 2021 £'000
Financial assets		
Cash and cash equivalents measured at amortised cost (note 21)	**25,669**	11,820
Trade and other receivables measured at amortised cost (note 21)*	**10,777**	9,802
Derivative financial instruments measured at fair value through income statement	**–**	–
	36,446	21,622
Financial liabilities		
Trade and other payables measured at amortised cost (note 24)*	**22,324**	20,824
Borrowings (note 22)	**4,999**	4,673
Lease liabilities (note 25)	**63,654**	73,874
	90,977	99,371

* The prior year numbers were restated to reflect the correct disclosure presentation.

At 2 April 2022 the Group had derivatives in designated hedging relationships with a value of £nil (27 March 2021: £nil).

Financial risk management objectives
The Group Finance Director is responsible to the Board for the Group's financial risk management. This includes analysing the Group's exposure by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks where possible. It does this by maintaining bank accounts in all of the major currencies in which it trades and it operates its own internal hedging by offsetting currency receipts on sales against purchases in related currencies. Where there is significant risk remaining, and the Group deems it necessary, it uses derivative financial instruments to hedge these risk exposures. Participating forward derivatives include an element of both put and call option, which are valued using the Black-Scholes pricing model. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk
The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. In accordance with the Board approved foreign currency risk management policy, the Group uses derivative financial instruments to manage its foreign currency exposure. The Group is not significantly exposed to interest rate risk on its financial liabilities and continues to seek to maximise the returns from its bank deposits.

Foreign currency risk management
The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The Group's principal foreign currency exposure arises from purchase of overseas sourced raw materials and finished products. The Board regularly reviews the Group's foreign currency exposure, including the current market value of outstanding foreign exchange contracts, and sets an appropriate hedging strategy for the near-term future. This is determined in conjunction with percentage cover taken by season and financial period and current market conditions.

There were foreign currency contracts of £nil outstanding as at the period end (2021: £nil).

Notes to the Group Financial Statements (continued)

32. FINANCIAL INSTRUMENTS (CONTINUED)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities 2 April 2022 £'000	Liabilities 27 March 2021 £'000	**Assets 2 April 2022 £'000**	Assets 27 March 2021 £'000
Euro	**1,185**	840	**4,671**	4,273
US Dollar	**1,151**	290	**471**	744
South Korean Won	**–**	–	**1**	1
Australian Dollar	**–**	–	**20**	27
Japanese Yen	**–**	–	**65**	39
Canadian Dollar	**–**	–	**49**	47
Swedish Krona	**–**	15	**133**	68
Danish Krone	**–**	28	**4**	86
Swiss Franc	**19**	14	**12**	8

The liabilities are trade payables and the assets are cash and trade receivables.

Foreign currency sensitivity analysis

The Group is mainly exposed to the US Dollar and Euro currencies.

The following table details the Group's sensitivity to a 10% increase or decrease in Sterling against the relevant foreign currencies. A sensitivity rate of 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where Sterling strengthens 10% against the relevant currency. For a 10% weakening of Sterling against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative or positive.

	Impact on profit 53 weeks ended 2 April 2022 £'000	Impact on profit 52 weeks ended 27 March 2021 £'000
Euro	**(317)**	(312)
US Dollar	**62**	(41)
South Korean Won	**(1)**	(1)
Australian Dollar	**(2)**	(2)
Japanese Yen	**(6)**	(4)
Canadian Dollar	**(4)**	(4)
Swedish Krona	**(12)**	(5)
Danish Krone	**–**	(5)
Swiss Franc	**1**	1

Interest rate risk management and sensitivity analysis

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The Group's sensitivity to changes in interest rates has been illustrated based on a 1% increase or decrease in interest rates. For floating rate deposits and liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole period. Management's assessment of the reasonably possible change in interest rates is based on analysis of the opening and closing liability.

If interest rates had been 1% higher and all other variables were held constant, the Group's profit for the period ended 2 April 2022 would have decreased by £nil (2021: profit decreased by £2,000).

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining letters of credit where deemed appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, which are reviewed on a weekly basis to provide an escalation process if any payments are later than contracted terms. Credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit insurance cover is purchased.

Other than as disclosed in note 22, the Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected entities.

Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 22 is a description of additional undrawn facilities that the Group has at its disposal to reduce further liquidity risk.

Liquidity and interest risk tables
The Group's financial assets all contractually mature within the next period. Trade receivables do not accrue interest. The weighted average interest rate on cash and cash equivalents was -0.89% (2021: -2.98%).

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Less than 1 year £'000	1 to 2 years £'000	2 to 3 years £'000	3 to 4 years £'000	4 to 5 years £'000	Total £'000
2 April 2022						
Trade and other payables	**(24,975)**	**–**	**–**	**–**	**–**	**(24,975)**
Borrowings	**(3,377)**	**(1,733)**	**–**	**–**	**–**	**(5,110)**
Derivatives: gross settled						
Cash inflows	**–**	**–**	**–**	**–**	**–**	**–**
Cash outflows	**–**	**–**	**–**	**–**	**–**	**–**

	Less than 1 year £'000	1 to 2 years £'000	2 to 3 years £'000	3 to 4 years £'000	4 to 5 years £'000	Total £'000
27 March 2021						
Current liabilities	(22,629)	–	–	–	–	(22,629)
Borrowings (1)	–	(1,349)	(3,531)	–	–	(4,880)
Derivatives: gross settled						
Cash flows	–	–	–	–	–	–
Cash outflows	–	–	–	–	–	–

(1) The prior year numbers were restated to reflect the correct disclosure presentation

Fair value of financial instruments
The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair value. Participating forward derivatives include an element of both put and call option which are valued using the Black-Scholes pricing model.

Notes to the Group Financial Statements (continued)

33. NOTES TO THE CASH FLOW STATEMENTS

Cash and cash equivalents

	2 April 2022 £'000	27 March 2021 £'000
Cash and bank balances	**25,669**	11,820
Bank overdrafts	**–**	–
	25,669	11,820

Changes in liabilities arising from financing activities

	27 March 2021 £'000	Financing cash flows £'000	Foreign exchange £'000	New leases £,000	Lease modification[1] £,000	Store closures[1] £,000	COVID-19 rent concessions[1] £'000	2 April 2022 £'000
Lease liabilities (note 25)	73,874	(13,736)	286	5,390	–	(1,443)	(717)	63,654
Loans from related parties and non-controlling interests (note 22)	4,673	313	13	–	–	–	–	4,999
Total liabilities from financing activities	78,547	(13,423)	299	5,390	–	(1,443)	(717)	68,653

	28 March 2020 £'000	Financing cash flows £'000	Foreign exchange £'000	New leases £,000	Lease modification[1] £,000	Store closures[1] £,000	COVID-19 rent concessions[1] £'000	27 March 2021 £'000
Borrowings (note 22)	750	(750)	–	–	–	–	–	–
Lease liabilities (note 25)	92,104	(7,735)	(1,146)	965	(3,951)	(4,124)	(2,239)	73,874
Loans from related parties and non-controlling interests (note 22)	5,265	167	(759)	–	–	–	–	4,673
Total liabilities from financing activities	98,119	(8,318)	(1,905)	965	(3,951)	(4,124)	(2,239)	78,547

(1) Included within gains on modifications, lease disposal and COVID-19 rent concessions within cash flow statement.

34. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its related parties and associates are disclosed below.

Trading transactions with related parties

During the period, Group companies entered into the following transactions with related parties which are not members of the Group:

	Sale of goods 53 weeks ended 2 April 2022 £'000	Sale of goods 52 weeks ended 27 March 2021 £'000	**Loan interest payable and stock 53 weeks ended 2 April 2022 £'000**	Loan interest payable and stock 52 weeks ended 27 March 2021 £'000	**Amounts owed (to)/ from related parties 2 April 2022 £'000**	Amounts owed (to)/ from related parties 28 March 2021 £'000
Mulberry Oslo AS	**1,027**	1,004	**–**	–	**159**	491
Club 21 Pte Limited*	**820**	392	**–**	–	**163**	138
Club 21 (Thailand) Co Limited*	**543**	422	**–**	–	**70**	133
Club Twenty-One Retail (M) Sdn Bhd*	**241**	162	**–**	–	**52**	26
Challice Limited	**–**	–	**97**	138	**(3,278)**	(3,171)

* These are related parties of the Group as they are all related companies of Challice Limited, the majority shareholder of the Company. Please refer to Substantial Shareholdings in the Directors' report for further details.

All sales of goods have been made on an arm's length basis. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

During the period Mulberry Company (USA) Inc paid rent of £nil (2021: £77,594) to Como Holdings USA Inc, a company which is a related party to Challice Limited, the majority shareholder of the Company, and whose Chief Executive Officer is Steven Grapstein. No amounts were outstanding in relation to this at the period end or prior period end.

Transactions with the Group's Employee Benefit Trust are disclosed in note 28.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. Further information about the remuneration of individual Directors is provided in the Directors' remuneration report on pages 50 to 52.

	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Short-term employee benefits	**2,889**	2,001
Post-employment benefits	**79**	78
	2,968	2,079

Notes to the Group Financial Statements (continued)

35. COMMERCIAL RELATIONSHIPS

Trading transactions with significant shareholders

During the period, Group companies entered into the following transactions with significant shareholders:

	Sale of goods 53 weeks ended 2 April 2022 £'000	Sale of goods 52 weeks ended 27 March 2021 £'000	**Loan interest payable and stock 53 weeks ended 2 April 2022 £'000**	Loan interest payable 52 weeks ended 27 March 2021 £'000	**Amounts owed (to)/ from related parties 2 April 2022 £'000**	Amounts owed (to)/ from related parties 27 March 2021 £'000
House of Frasers plc*	**4,557**	2,490	**–**	–	**294**	23
The Flannels Group Limited *	**1,098**	38	**–**	–	**68**	21

* These are significant trading partners of the Group as they are all owned by Frasers Group plc which became a major investor of the Group on 19 November 2020 when it increased its shareholding to 36.82%. The Group does not consider Frasers Group plc to be a related party under the requirements of IAS 24 Related Party Disclosures. Despite having a greater than 25% shareholding, we do not consider Frasers Group to have a significant influence, as they do not have Board representation, and all transactions are of a commercial "arm's-length" basis. Additionally, no non-public management information is provided to Frasers Group plc.

36. CONTROLLING PARTY

At the period end and at the date of this report, Challice Limited controlled 56.14% of the issued share capital of the Company. The ultimate controlling parties of Challice Limited are Mr Ong Beng Seng and Mrs Christina Ong.

Challice Limited is registered in Gibraltar and is not required to prepare consolidated accounts. Therefore, the consolidated financial statements of Mulberry Group plc represent the highest and lowest level at which a consolidation is prepared for the Group.

37. EVENTS AFTER THE REPORTING PERIOD

Since the period end, the Group has extended the revolving credit facility with HSBC until March 2024 and banking covenants remain unchanged. The £15.0m revolving credit facility is secured by fixed and floating debentures over the assets of its subsidiaries, excluding inventory and shares in Mulberry Japan Co. Limited and fixed legal charges over its freehold premises. Covenants are tested on a quarterly basis and contain a 12-month rolling EBITDA target and a maximum net debt target. Covenants are tested on a "frozen GAAP" basis and exclude the impact of IFRS 16.

During the period the Directors have proposed the payment of a dividend of £1,785,000 (3p per share). As the distribution of dividends by the Group requires approval at the Annual General Meeting, no liability is recognised in the consolidated financial statements for the 53 weeks ended 2 April 2022.

Company financial statements

FINANCIAL STATEMENTS

Company balance sheet

	Note	2 April 2022 £'000	27 March 2021 £'000
Non-current assets			
Investments	42	**10,375**	10,375
Property, plant and equipment	43	**3,130**	3,429
Right-of-use assets	44	**8,980**	10,614
Deferred tax asset	47	**–**	–
		22,485	24,418
Current assets			
Trade and other receivables	45	**32,739**	19,021
Current tax		**–**	–
		32,739	19,021
Total assets		**55,224**	43,439
Current liabilities			
Trade and other payables	46	**(5,625)**	(807)
Lease liabilities	48	**(1,574)**	(1,508)
		(7,199)	(2,315)
Non-current liabilities			
Lease liabilities	48	**(7,972)**	(9,546)
Total liabilities		**(15,171)**	(11,861)
Net assets		**40,053**	31,578
Capital and reserves			
Called up share capital	26	**3,004**	3,004
Share premium account		**12,160**	12,160
Own share reserve	27	**(1,269)**	(1,277)
Capital redemption reserve	27	**154**	154
Retained earnings		**26,004**	17,537
Total equity		**40,053**	31,578

The Company reported a profit for the financial period ended 2 April 2022 of £8,403,000 (2021: loss £3,059,000). The financial statements of Mulberry Group plc (company number 01180514) were approved by the Board of Directors and authorised for issue on 28 June 2022.

They were signed on its behalf by:

THIERRY ANDRETTA
DIRECTOR

CHARLES ANDERSON
DIRECTOR

Company statement of changes in equity

	Share capital £'000	Share premium account £'000	Own share reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 28 March 2020						
As at 30 March 2019	3,004	12,160	(1,061)	154	20,173	34,430
Loss for the period	–	–	–	–	(3,059)	(3,059)
Total comprehensive loss for the period	–	–	–	–	(3,059)	(3,059)
Charge for employee share-based payments	–	–	–	–	105	105
Own shares	–	–	101	–	5	106
Exercise of share options	–	–	–	–	(4)	(4)
Release of impairment of shares in trust	–	–	(317)	–	317	–
Balance at 27 March 2021	3,004	12,160	(1,277)	154	17,537	31,578
Profit for the period	–	–	–	–	8,403	8,403
Total comprehensive income for the period	–	–	–	–	8,403	8,403
Charge for employee share-based payments	–	–	–	–	69	69
Own shares	–	–	8	–	–	8
Exercise of share options	–	–	–	–	(5)	(5)
Balance at 2 April 2022	**3,004**	**12,160**	**(1,269)**	**154**	**26,004**	**40,053**

Notes to the Company financial statements

38. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Please refer to note 1 for full details of the Company's incorporation, registered office, operations and principal activity.

Please refer to note 36 regarding the Company's ultimate controlling party.

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) "Reduced Disclosure Framework" as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that Standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, certain related party transactions, impairment, and accounting policies, change in accounting estimates and errors. Where required, equivalent disclosures are given in the Group financial statements.

The financial statements have been prepared on the historical cost basis. The principal accounting policies, and critical accounting judgements and key sources of estimation uncertainty adopted are the same as those set out in notes 3 and 4 to the Group financial statements. These have been applied consistently throughout the period and the preceding period.

At the date of approval of these financial statements, the Company has not applied any new and revised IFRS Standards that have been issued but are not yet effective.

IFRS 16 Leases

Please refer to note 2 for further details of Significant Accounting Policies and note 44 for details of right-of-use assets arising from implementation of IFRS 16.

Investments

Fixed asset investments in subsidiaries and associates are shown at cost less provision for impairment.

39. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

Impairment of fixed assets and right-of-use assets, and intercompany investments

Fixed assets, right-of-use assets, and investments are reviewed for impairment if there are indicators of impairment indicating that the carrying amount may not be recoverable.

When a review for impairment is conducted, the recoverable amount is determined based on the higher of value in use and fair value less costs to sell. The value in use method requires the Directors to determine appropriate assumptions (which are sources of estimation uncertainty) in relation to:

(i) the cash flow projections for the Group over a three-year budget period, with a long-term growth rate used thereafter.

(ii) the risk-adjusted pre-tax discount rate used to discount the assumed cash flows to present value.

The Directors will assess the results of these valuation methods alongside their judgement of the future prospects in relation to that asset in order to determine whether to impair its carrying value.

A number of variables are involved in this assessment including current and future market conditions, cost of capital used in discounted cashflows, future long-term growth rate assumptions and underlying and price cost inflation factors.

Reasonable possible changes to these estimates would not result in any impairment of the company only assets.

Estimated credit losses on intercompany debtors
The net assets of the Company exceed the net assets of the Group. This is largely due to the value of intercompany debtors which are eliminated on consolidation.

The carrying values of intercompany debtors are subject to a review of estimated credit losses. In determining estimated credit losses relating to intercompany debtors, probabilities of achieving forecasted trading cashflows or cashflows generated from sale of liquid and fixed assets are estimated which are a source of estimation uncertainty. These probabilities range from 20% to 100% chance of achievement.

Reasonable possible changes to these estimates would not give rise to a material change in estimated credit losses.

40. PROFIT/(LOSS) FOR THE PERIOD
As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the period. Mulberry Group plc reported a profit for the financial period ended 2 April 2022 of £8,403,000 (2021: loss £3,059,000). Included in the profit for the period is net credit of £2,747,000 (2021 £3,566,000 credit) relating to intercompany balances.

The auditor's remuneration for audit and other services is disclosed within note 9 to the Group financial statements. The only employees of the Company are the Directors whose emoluments are disclosed in the Directors' remuneration report.

No dividends were declared and paid during the financial period.

Details of share-based payments made during the financial period and outstanding options are disclosed in note 30 of the accounts.

41. STAFF COSTS
The average monthly number of employees (including Executive Directors and those on a part-time basis) was:

	53 weeks ended 2 April 2022 Number	52 weeks ended 27 March 2021 Number
Administration	**10**	11
	10	11

	53 weeks ended 2 April 2022 £'000	52 weeks ended 27 March 2021 £'000
Their aggregate remuneration comprised:		
Wages and salaries	**2,386**	1,612
Social security costs	**411**	289
Other pension costs (see note 31)	**7**	10
Share-based payments (see note 30)	**69**	105
	2,873	2,016

Directors' emoluments of the Company are shown in the Directors' report on page 51.

Notes to the Company financial statements (continued)

42. INVESTMENTS

	Shares in subsidiaries £'000
Cost	
At 28 March 2021	12,244
Additions	–
Disposals	–
At 2 April 2022	12,244
Provision for impairment	
At 28 March 2021	1,869
Charge for the period	–
At 2 April 2022	1,869
Net book value	
At 2 April 2022	10,375
At 27 March 2021	10,375

The Company has investments in the ordinary shares of the following subsidiaries and associates which contributed to the results or net assets of the Group at the period ended 2 April 2022 and 27 March 2021 (except as highlighted):

Subsidiaries	Country of incorporation	Principal activity	Proportion of ownership interest and voting power
Mulberry Company (Design) Limited [1]	England and Wales	Design and manufacture of clothing and fashion accessories in the UK	100% π
Mulberry Company (France) SARL [2]	France	Establishment and operation of retail stores in France	100%
Mulberry Company (Sales) Limited [1]	England and Wales	Establishment and operation of retail shops in the UK	100%†
Mulberry Company (Europe) Limited [1]	England and Wales	Dormant company	100% π
Mulberry Group Holding Company Limited ¶ [1]	England and Wales	Intermediary holding company	100%
Mulberry Trading Holding Company Limited ¶ [1]	England and Wales	Intermediary holding company	100% Ω
KCS Investments Limited ¶ [1]	England and Wales	Dormant company	100% Ω
Fashion AZ Limited ¶ [1]	England and Wales	Dormant company	100%β
Mulberry Company (USA) Inc [3]	USA	Establishment and operation of retail stores in the USA	100% π
Mulberry Group Plc Employee Share Trust [4]	Guernsey	Operation of an employee share trust	100%
Mulberry Company (Germany) GmbH [5]	Germany	Establishment and operation of retail stores in Germany	100% π
Mulberry Company (Switzerland) GmbH [6]	Switzerland	Establishment and operation of retail stores in Switzerland	100%

Mulberry Company (Canada) Inc [7]	Canada	Establishment and operation of retail stores in Canada	100% π
Mulberry France Services SARL [2]	France	Operation of non-retail services	100%
Mulberry Company (Australia) Pty Limited [8]	Australia	Establishment and operation of retail stores in Australia	100%
Mulberry (Asia) Limited [9]	Hong Kong	Establishment and operation of retail stores in Asia	60% π
Mulberry Trading (Shanghai) Company Limited ¶(10)	China	Establishment and operation of retail stores in China	100%§
Mulberry Japan Co. Limited ¶ #(11)	Japan	Establishment and operation of retail stores in Japan	50% π
Mulberry Korea Co., Ltd ¶ (13)	Korea	Establishment and operation of retail stores in Korea	100% π
Mulberry Company (Shoes) Limited [1]	England and Wales	Dormant company	100%
Mulberry Company (Holdings) Limited [1]	England and Wales	Dormant company	100%
Mulberry Fashions Limited [1]	England and Wales	Dormant company	100%‡
Mulberry Leathers Limited [1]	England and Wales	Dormant company	100%‡
Mulberry (UK) Limited [1]	England and Wales	Dormant company	100%
Associates			
Mulberry Oslo AS*(12)	Norway	Operation of retail store in Oslo	50%†

* Mulberry Oslo AS is treated as an associate as, while the Group effectively owns 50% of the issued ordinary share capital, the entity is controlled by a third party. It has an accounting reference date of 30 September.

† Owned by Mulberry Company (Europe) Limited.

‡ Owned by Mulberry Company (Holdings) Limited.

§ Owned by Mulberry (Asia) Limited.

Ω Owned by Mulberry Group Holding Company Limited.

π Owned by Mulberry Trading Holding Company Limited.

ß Owned by KCS Investments Limited.

¶ New company formed in the period ended 30 March 2018.

\# Mulberry Japan Co. Limited is treated as a subsidiary of Mulberry Group plc.

The registered offices of the subsidiaries and associates are as follows:

(1) The Rookery, Chilcompton, Bath, Somerset, BA3 4EH
(2) 142 Rue de Rivoli, 75001, Paris, France
(3) 100 Wooster Street, New York, New York 10012, USA
(4) Cambridge House, Le Truchot, St. Peter Port, Guernsey, GY1 3UW
(5) c/o Osborne Clarke, Innere Kanalstrasse 15, 50823 Cologne, Germany
(6) Rotfluhstrasse 91, 8702 Zollikon, Switzerland
(7) 340 Albert Street, Suite 1400, Ottawa, Ontario K1R 0A5, Canada
(8) 225 George Street, Sydney NSW 2000, Australia
(9) Shop 116A, Level 1, K11 Musea, 18 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong
(10) Shop No B130, Plaza 66, No 1266, West Nanjing Road, Jing'an District, Shanghai, 200041
(11) 3F Onward Bay Park Building, 3-9-32 Kaigan, Minato-ku, Tokyo, Japan 108-8439
(12) Nedre Slottsgate 8, 0157Oslo, Norway
(13) 3rd Floor, Saman Building, 945, Daechi-dong, Gangnam-gu, Seoul

Subsidiaries designated as dormant companies have taken advantage of S394A of the Companies Act 2006 and are exempt from preparing individual accounts. Their registered numbers in England are shown below:

Fashion AZ Limited	11662601
Mulberry Company (Shoes) Limited	01624079
Mulberry Company (Holdings) Limited	02950035
Mulberry Company Fashions Limited	02950006
Mulberry Leathers Limited	02950004
Mulberry (UK) Limited	03791974
Mulberry Company (Europe) Limited	02342172
KCS Investments Limited	11363562

Notes to the Company financial statements (continued)

43. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 28 March 2021	6,842	7,751	644	15,237
Additions	40	31	–	71
Disposals	–	(4)	–	(4)
At 2 April 2022	6,882	7,778	644	15,304
Depreciation				
At 28 March 2021	3,771	7,393	644	11,808
Charge for the period	243	127	–	370
Disposals	–	(4)	–	(4)
At 2 April 2022	4,014	7,516	644	12,174
Net book value				
At 2 April 2022	2,868	262	–	3,130
At 27 March 2021	3,071	358	–	3,429

Freehold land of £997,000 (2021: £997,000) has not been depreciated.

At 2 April 2022, the Company had entered into contractual commitments for the acquisition of property of £nil (2021: £nil) and there were assets under the course of construction where depreciation has not yet commenced of £nil (2021: £nil).

44. RIGHT-OF-USE ASSETS

	Short leasehold land and buildings £'000
Cost	
At 28 March 2021	13,883
At 2 April 2022	13,883
Amortisation	
At 28 March 2021	3,269
Charge for the period	1,634
At 2 April 2022	4,903
Carrying amount	
At 2 April 2022	8,980
At 27 March 2021	10,614

45. TRADE AND OTHER RECEIVABLES

	2 April 2022 £'000	27 March 2021 £'000
Amounts falling due within one year:		
Amounts owed by Group undertakings	32,641	18,740
Prepayments and accrued income	98	281
	32,739	19,021

Amounts owed by Group undertakings are repayable on demand.

Interest is charged on amounts owed by Group undertakings at the following rates:

Mulberry Asia Limited	3%	

46. TRADE AND OTHER PAYABLES

	2 April 2022 £'000	27 March 2021 £'000
Amounts falling due within one year:		
Amounts owed to Group undertakings	**3,912**	–
Accruals and deferred income	**1,713**	807
	5,625	807

Interest is not charged on amounts owed to Group undertakings.

47. DEFERRED TAX

	2 April 2022 £'000	27 March 2021 £'000
Deferred tax – accelerated capital allowances	**–**	–
Deferred tax asset at 27 March 2021	**–**	
Charge for the period	**–**	
Deferred tax asset at 2 April 2022	**–**	

At 2 April 2022 the Company had unrecognised deferred tax assets of £73,000 (2021: £151,000) in respect of fixed asset timing differences and short-term timing differences. Deferred tax assets were not recognised due to the uncertainty of the timing of future taxable profits available to offset against these amounts.

Notes to the Company financial statements (continued)

48. LEASE LIABILITIES
Lease liabilities are determined by calculating discounted lease payments using the Company's incremental borrowing rates at the date of transition to IFRS 16 for one lease which is due to expire in 2027. The discount rates applied were 4.3% (2021: 4.3%). These rates have been determined based on comparable bond yields and are lease specific.

	2 April 2022 £'000	27 March 2021 £'000
Analysed as:		
Current	**1,574**	1,508
Non-current	**7,972**	9,546
	9,546	11,054

Future minimum lease payments at 2 April 2022 are as follows

	2 April 2022 £'000	27 March 2021 £'000
Maturity analysis:		
Year 1	**1,940**	1,940
Year 2	**1,940**	1,940
Year 3	**1,940**	1,940
Year 4	**1,940**	1,940
Year 5	**1,940**	1,940
Year 6	**959**	1,940
Year 7	**–**	959
Effect of discounting	**(1,113)**	(1,545)
Carrying amount of liability	**9,546**	11,054

49. RELATED PARTY TRANSACTIONS
Details of related party transactions are provided in note 34 to the Group financial statements. The Company has taken advantage of the exemption in FRS 101:8 not to disclose details of transactions with other wholly owned Group companies.

50. CONTINGENT LIABILITIES
Mulberry Group plc has acted as a guarantor on various property leases entered into between its subsidiaries and third party lessors. No amounts were outstanding at the period end in respect of such guarantees (2021: £nil).

Since the period end, the Group has extended the revolving credit facility with HSBC until March 2024 which is secured on assets of Mulberry Group plc and other companies within the Group.

51. SHARE CAPITAL
The movements in share capital are disclosed in note 26 to the Group financial statements.

52. RESERVES
The movements in the Own share reserve are disclosed in note 27 to the Group financial statements.

53. SHARE-BASED PAYMENTS
Details of the Company's share-based payments are disclosed in note 30.

Details of the Capital redemption reserve are disclosed in note 27 to the Group financial statements.

54. EVENTS AFTER THE REPORTING PERIOD
Please refer to note 37.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Mulberry Group plc will be held at Mulberry Group plc's offices, 30 Kensington Church Street, London, W8 4HA on 7 September 2022 at 11 am for the following purposes:

Ordinary Business:
To consider and, if thought fit, pass the following resolutions, which will be proposed as ordinary resolutions:

Adoption of financial statements

1. That the report of the Directors and the financial statements for the period ended 2 April 2022 together with the independent auditor's report be received and adopted.

Dividend declaration

2. To declare a final dividend of 3.0p per ordinary share for the period ended 2 April 2022.

Re-election of retiring Directors

3. That Mr S Grapstein who retires as a Director by rotation in accordance with the Company's Articles of Association be re-elected as a Director.
4. That Mr C Cornu who retires as a Director by rotation in accordance with the Company's Articles of Association be re-elected as a Director.
5. That Mr A C Roberts who retires as a Director by rotation in accordance with the Company's Articles of Association be re-elected as a Director.

Appointment of auditor

6. That Grant Thornton UK LLP be reappointed as auditor of the Company until the conclusion of the next general meeting before which accounts are laid, and that their remuneration be agreed by the Directors.

Special Business:
To consider and, if thought fit, pass the following resolutions, of which resolution 7 will be proposed as an ordinary resolution, and resolutions 8 and 9 will be proposed as special resolutions:

Directors' power to allot relevant securities

7. That, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, the Directors be and they are generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 ("the Act") to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "relevant securities") up to an aggregate nominal amount of £1,001,291, provided that, unless previously revoked, varied or extended, this authority shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2023, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

Waiver of statutory pre-emption rights

8. That the Directors be and they are empowered pursuant to Section 570(1) of the Act to allot equity securities (as defined in Section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the Directors under Section 551 of the Act conferred by resolution 7 above, and/or by way of a sale of treasury shares (by virtue of Section 573 of the Act), in each case as if Section 561(1) of the Act did not apply to such allotment, provided that:

   (a) the power conferred by this resolution shall be limited to:

      (i) the allotment of equity securities in connection with an offer of equity securities to the holders of ordinary shares in the capital of the Company in proportion as nearly as practicable to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

      (ii) the allotment, otherwise than pursuant to sub-paragraph (i) above, of equity securities up to an aggregate nominal value equal to £300,387; and

   (b) unless previously revoked, varied or extended, this power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2023 except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

Authority to purchase ordinary shares (market purchases)

9. That the Company be and is hereby unconditionally and generally authorised for the purposes of Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of its ordinary shares of 5p each ("Ordinary Shares") provided that:

   (a) the maximum number of Ordinary Shares authorised to be purchased is 3,003,873;

   (b) the minimum price which may be paid for any such Ordinary Share is 5p;

Notice of Annual General Meeting (continued)

(c) the maximum price which may be paid for an Ordinary Share shall be an amount equal to 105% of the average middle market prices for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and

(d) this authority shall, unless previously renewed, revoked or varied, expire on the earlier of the date falling 18 months after the date of the passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 2023, but the Company may enter into a contract for the purchase of Ordinary Shares before the expiry of this authority which would or might be completed (wholly or partly) after its expiry.

By order of the Board

Kate Anthony Wilkinson
Secretary

29 June 2022

Registered office: The Rookery, Chilcompton, Bath, Somerset, BA3 4EH

Notes:

1. All members holding ordinary shares are entitled to attend, speak and vote at the meeting. Such members may appoint a proxy to attend, speak and vote instead of them. The Company recognises that some members may have concerns about attending a physical meeting at this time. The Company will be taking additional precautions in order to safeguard the health and safety of all attendees but would encourage members to consider appointing the Chairman as their proxy to exercise their vote to avoid the need to attend in person. A proxy need not also be a member of the Company but must attend the AGM in order to represent his appointer. Appointing the Chairman as proxy will reduce the number of additional people required to attend the meeting and will assist the Company in ensuring the safety of all attendees. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A form of proxy is enclosed. The notes to the form of proxy include instructions on how to appoint the Chairman of the AGM or another person as proxy. Members are encouraged to appoint the Chairman as their proxy in order to exercise their vote. To be effective the form must reach the Company's registrar, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 11 am on 5 September 2022.
2. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those persons registered in the register of members of the Company at 6 pm on 5 September 2022 (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.
3. Please note that communications regarding the matters set out in this Notice of Annual General Meeting will not be accepted in electronic form other than as specified in the enclosed form of proxy.
4. As at 29 June 2022 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 60,077,458 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 29 June 2022 are 60,077,458.

The following documents are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this Notice until the conclusion of the AGM and will also be available for inspection at the place of the AGM from 10.45 am on the day of the AGM until its conclusion:

(a) the register of Directors' interests in the shares of the Company; and

(b) copies of the Executive Directors' service contracts with the Company and letters of appointment of the Non-Executive Directors.

Notice of Annual General Meeting (continued)

EXPLANATORY NOTES TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING

Resolution 7 – Directors' power to allot relevant securities

Resolution 7, which will be proposed as an ordinary resolution, grants the Directors authority to allot shares in the capital of the Company and other relevant securities up to an aggregate nominal value of £1,001,291, representing approximately one-third of the nominal value of the issued ordinary share capital of the Company as at 29 June 2022, being the latest practicable date before publication of this Notice. The Directors do not have any present intention of exercising the authorities conferred by this resolution but they consider it desirable that the specified amount of unissued share capital is available for issue so that they can more readily take advantage of possible opportunities in the future.

Unless revoked, varied or extended, this authority will expire at the conclusion of the next Annual General Meeting of the Company or the date falling 18 months from the passing of the resolution, whichever is the earlier.

Resolution 8 – waiver of statutory pre-emption rights

Resolution 8, which will be proposed as a special resolution, authorises the Directors in certain circumstances to allot equity securities for cash other than in accordance with statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). The relevant circumstances are either where the allotment takes place in connection with a rights issue or the allotment is limited to a maximum nominal amount of £300,387, representing approximately 10% of the nominal value of the issued ordinary share capital of the Company as at 29 June 2022, being the latest practicable date before publication of this Notice. Unless revoked, varied or extended, this authority will expire at the conclusion of the next Annual General Meeting of the Company or 18 months after the passing of the resolution, whichever is the earlier.

The Company may hold any shares it buys back "in treasury" and then sell them at a later date for cash rather than simply cancelling them. Any such sales are required to be made on a pre-emptive, pro-rata basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued ordinary shares on a non pre-emptive basis, resolution 8 will also give the Directors power to sell ordinary shares held in treasury on a non pre-emptive basis, subject always to the limitations noted above.

The Directors consider that the power proposed to be granted by resolution 8 is necessary to retain flexibility in relation to the management of the Company's share capital, although they do not have any intention at the present time of exercising such power.

Resolution 9 – authority to purchase ordinary shares (market purchases)

Resolution 9, which will be proposed as a special resolution, authorises the Directors to make market purchases of up to 3,003,873 ordinary shares (representing approximately 5% of the Company's issued ordinary shares as at 29 June 2022, being the latest practicable date before publication of this Notice). Shares so purchased may be cancelled or held as treasury shares as noted above. The authority will expire at the end of the next Annual General Meeting of the Company or 18 months from the passing of the resolution, whichever is the earlier. The Directors intend to seek renewal of this authority at subsequent Annual General Meetings.

The minimum price that can be paid for an ordinary share is 5p, being the nominal value of an ordinary share. The maximum price that can be paid is 5% over the average of the middle market prices for an ordinary share, derived from the Daily Official List of the London Stock Exchange, for the five business days immediately before the day on which the share is contracted to be purchased.

The Directors intend to exercise this right only when, in light of the market conditions prevailing at the time and taking into account all relevant factors (for example, the effect on earnings per share), they believe that such purchases are in the best interests of the Company and shareholders generally. The overall position of the Company will be taken into account before deciding upon this course of action. The decision as to whether any such shares bought back will be cancelled or held in treasury will be made by the Directors on the same basis at the time of the purchase.

Group five-year summary

	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000
Results					
Revenue	169,718	166,268	149,321	114,951	**152,411**
Operating profit/(loss)	6,736	(4,980)	(43,020)	8,778	**24,647**
Profit/(loss) before tax	6,917	(5,008)	(47,866)	4,554	**21,326**
Profit/(loss) attributable to equity shareholders	6,391	(2,479)	(44,126)	4,773	**19,897**
Loss attributable to non-controlling interests	(1,485)	(2,372)	(2,732)	(176)	**(816)**
Assets employed					
Non-current assets	34,421	41,580	79,249	63,452	**55,378**
Current assets	84,914	67,590	54,346	56,430	**78,379**
Current liabilities	(29,707)	(26,693)	(40,708)	(37,449)	**(41,743)**
Non-current liabilities	(1,385)	(1,770)	(79,366)	(63,727)	**(54,268)**
Net assets	88,243	80,707	13,521	18,706	**37,746**
Key statistics					
Earnings/(loss) per share	8.3p	(8.2p)	(78.9p)	7.7p	**32.2p**
Diluted earnings/(loss) per share	8.2p	(8.2p)	(78.9p)	7.7p	**32.2p**

Directors, Secretary & Advisers

Directors:	Godfrey Pawle Davis FCA Thierry Patrick Andretta Charles Anderson ACMA Andrew Christopher (Chris) Roberts FCCA Steven Grapstein CPA Melissa Ong Christophe Olivier Cornu Julie Gilhart
Registered Office:	The Rookery Chilcompton Bath Somerset BA3 4EH
Company Secretary:	Katherine Anthony Wilkinson LLB
Nominated Adviser:	Houlihan Lokey UK Limited London
Nominated Broker:	Barclays Bank PLC London
Registered Auditor:	Grant Thornton UK LLP 17th Floor 103 Colmore Row Birmingham B3 3AG
Solicitors:	Osborne Clarke Bristol
Principal Bankers:	HSBC Bank PLC Bristol
Registrars:	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH

Notes

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