Mulberry

Annual Report and Accounts

For the 52 week period ended 1 April 2023

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

£159.1m

+4%

(2022: £152.4m)
as we continued to deliver on strategic objectives, despite macro-economic uncertainty:

- UK retail sales of £87.7m (2022: £88.5m)[1]. The first half of the year in particular was impacted by the broader economic environment, however performance improved in the second half
- Asia Pacific retail sales increased by 3% to £28.9m (2022: £28.0m), despite a number of COVID-19 lockdowns in the region, particularly in China and South Korea
- International retail sales increased 12% to £46.5m (2022: £41.7m)
- Digital sales £48.4m (2022: £47.5m) up 2% and representing 30% of total revenue (2022: 31%). This continues to be above pre COVID-19 levels

Gross margin

71.2%

(2022: 71.7%)
with full price retail sales increasing by 6% and representing 78% of total retail sales (2022: 76%)

Underlying profit before tax

£2.5m

(2022: profit before tax £14.6m)[2]
included £4.0m (2022: £0.5m) of Software as a Service (SaaS) costs and additional investment in the Group

Reported profit before tax

£13.2m

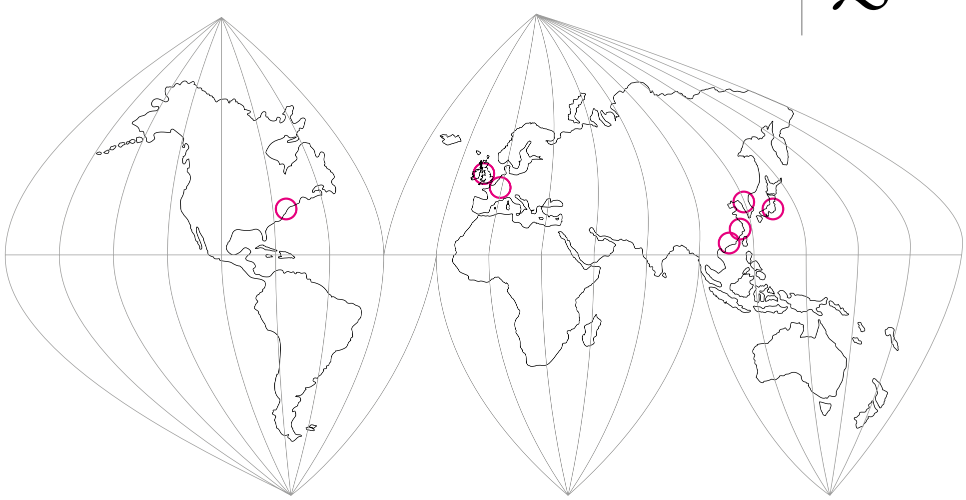
(2022: profit before tax £21.3m)

The Group's revolving credit facility, extended until September 2027

£15.0m

Our global presence

○ 2 head offices – The Rookery, Somerset and Kensington, London, 2 factories in Somerset, 6 international offices in Paris, New York, Hong Kong, Tokyo, Shanghai and Seoul



1 Prior year report states UK as £89.8m, however this included Ireland stores which have now been re-classified as international as outside of the UK.

2 The alternative performance measure (APM) used by the Group is underlying profit/(loss) before tax. A reconciliation of reported profit before tax to underlying profit before tax is set out in note 7.

Sustainability highlights

100%

of all leather, suede and nappa is sourced from tanneries with environmental accreditations, which include Leather Working Group, Sustainable Leather Foundation and ISO:14001

Lifetime Service Centre at The Rookery, which is now restoring more than

10,000

bags a year

In November 2022, awarded the Sustainability Luxury Brand of the Year at the Walpole British Luxury Awards and in February 2023 were recognised by the Great British Brands Awards for Championing the Planet, recognising our accelerated progress towards achieving a truly regenerative and circular business

Carbon reduction targets submitted to the Science-Based Targets initiative (SBTi) in February 2023

Within our circular Mulberry Exchange programme, we have expanded the use of our camera technology to give customers a true-to-life view of every preloved bag

Operational highlights

Three stores in Sweden and five stores in Australia previously owned by our franchise partners were acquired during the period, further developing our direct-to-customer model

Launch of the new M Zip bag family in November 2022, followed in December 2022 by the Link bag family

Gross margins maintained with a continued strategic focus on full price sales and increased volume efficiencies

Digital sales as a % of Group revenue

30%

(2022: 31%)
This was 24% in 2020 and reflects the ongoing strength and importance of this channel

Established a transformation function to support the delivery of our strategy, including projects and systems that will underpin our growth in the longer term

Current trading and outlook

- Group revenue for the first 12 weeks of the new financial year is 6% ahead of last year
- Retail revenue is up 15%, with our newly acquired Sweden and Australia stores continuing to perform well
  - International retail sales are 46% above the same period last year
  - Asia Pacific retail sales 34% above the same period last year, which now includes our newly acquired stores in Australia
  - As anticipated, due to the impact of the broader economic environment, UK retail sales are in line with the same period last year
- Total franchise and wholesale revenue is up 5% against the same period last year, excluding stores now reported within omni-channel revenue
- As part of the Group's strategy to expand the direct-to-customer model, Mulberry plc now has full ownership of Mulberry Japan Co. Limited, with effect from 27 June 2023

Vision and 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.

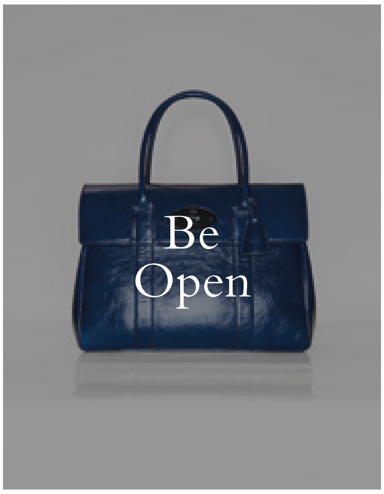
Today we see heritage as the start of our story, not the end and our vision is one of regenerative and circular luxury.

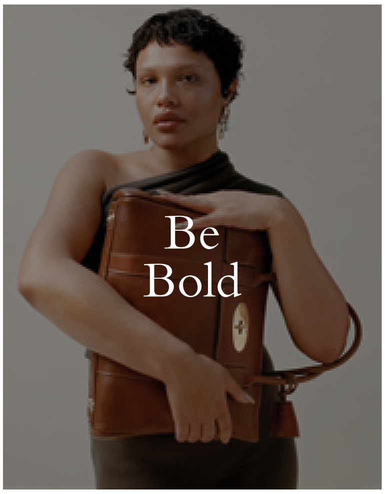
PURPOSE STATEMENT

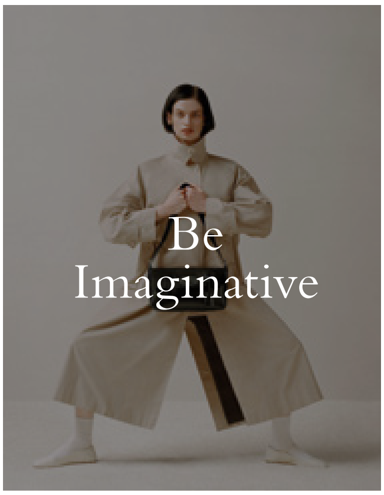
Progressive British luxury that is made to last.

OUR VALUES

Our employee values underpin the key behaviours that drive Mulberry's culture and success. They unite our teams globally and support to shape our employee experience, employer branding and approaches to performance and development. As the business grows, we identify a clear vision, purpose and values which are core to delivery.







Business model

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

Our resources

A proud heritage and focus on quality, our drive for constant innovation, our 'family' of talented employees and a commitment to sustainability are behind everything we do.

CREATIVITY & INNOVATION

Constant innovation through new services, materials and methods of creation. Heritage meets a modern sense of rebellion – the rules are broken to make something new.

BRITISH CRAFTSMANSHIP

We are the largest manufacturer of luxury leather goods in UK and have two Somerset factories producing 50% of bags, delivering class-leading quality and representing best value for price in the sector.

TALENTED PEOPLE

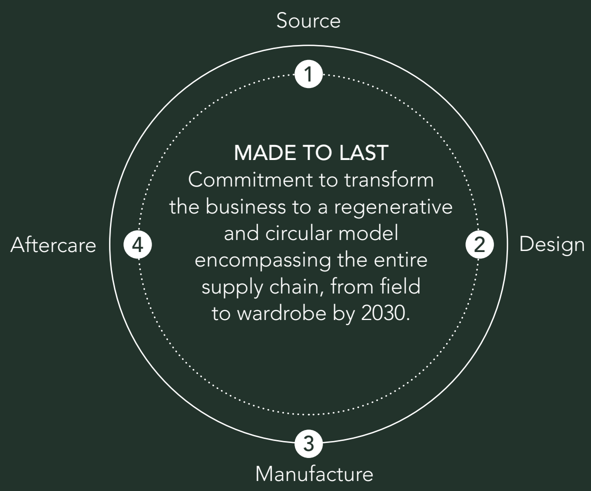
1,400 employees globally with a head office in London, two factories in Somerset and international offices in Paris, New York, Hong Kong, Tokyo, Shanghai and Seoul.

SUSTAINABLE LUXURY BRAND

Complemented by a range including soft accessories, footwear, luggage, ready-to-wear, jewellery and eyewear.

What we do

We source, design and manufacture leather goods, including bag ranges and other lifestyle accessories, which we sell direct-to-customer 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.



Outputs and benefits

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.

Group revenue

£159.1m

Bags a year restored at The Rookery

10,000

Underlying profit before tax

£2.5m

All UK operations carbon-neutral

100%

Chairman's letter

"The Group is in a strong position to continue with strategic growth plans."

DEAR SHAREHOLDER,

This is my first set of results as Chairman of Mulberry, following over 20 years in the business as a non-executive Director. In this new position, since my appointment I have continued to see Mulberry deliver against its strategic growth plan as one of the most iconic British luxury brands, with a rich heritage and reputation.

As a Board we are responsible for the long-term success of the Company and as part of that, I remain committed to achieving the best standards of governance. To do this, the Board has a mix of skillsets and experience across the luxury sector and the public markets. We are well advanced in broadening the skills base and experience still further with the appointment of an additional independent non-executive Director, which I expect will be announced shortly.

The Group is in a strong position to continue with strategic growth plans, taking the opportunities to accelerate our direct-to-customer model, maintaining our full price strategy and crucially, continuing to produce beautiful products in our Somerset factories and serving our customers in both our welcoming stores and on our market-leading digital platform.

Whilst we see every opportunity for Mulberry to continue to succeed, we must remain mindful of the external climate and ongoing sector headwinds including high inflation. The Board is recommending a final dividend for the 52-week period to 1 April 2023 of 1 pence per ordinary share (2022: 3 pence per ordinary share) to be paid, (subject to shareholder approval) on 24 November 2023 to shareholders on the register at 27 October 2023.

We have made excellent progress so far and while there is much more to do, we are confident that we have the right strategy in place to continue to deliver for our shareholders and broader stakeholders alike.

I would like to thank our teams again for all their hard work this year.

CHRISTOPHER ROBERTS
CHAIRMAN
27 June 2023

Chief Executive Officer's Statement

Thierry Andretta
Chief Executive Officer

"The work of building Mulberry as a sustainable global luxury brand is making good progress based on each of our four strategic pillars. Much of this progress is thanks to the hard work and commitment of our many colleagues around the world and I recognise and thank them for their enduring efforts."

Chief Executive Officer's Statement (continued)

OVERVIEW
We have continued to deliver on our strategic objectives despite a backdrop of macro-economic uncertainty, which demonstrates that the decisions we have taken over the last few years have contributed to our long-term resilience. The work of building Mulberry as a sustainable global luxury brand is making good progress based on each of our four strategic pillars: omni-channel distribution; international development; constant innovation; and sustainable lifecycle. Much of this progress is thanks to the hard work and commitment of our many colleagues around the world and I recognise and thank them for their enduring efforts.

PROGRESS AGAINST OUR STRATEGY
Our investment in omni-channel distribution and international development continued during the period, especially in Asia Pacific where our business continues to make great progress. With the acquisitions made during the period, Australia and Sweden, we are well positioned to deliver on our strategy. We established a transformation function to support its delivery, with a particular focus on systems that will underpin our growth in the longer term. These include further enhancements to our store and digital platforms to build on our omni-channel capabilities and changes to our back-office systems, which will enhance efficiency, streamline our operations and support the continued evolution of the business.

Our omni-channel approach allows our customers to use Mulberry.com and our store network to research, buy and return our products in the way that suits them. With our established digital channel, we are well positioned to adapt to changing customer preferences between different retail channels. In line with our omni-channel distribution strategy, we have launched new digital platforms in Korea – Naver.com and GS.com – and we also have a digital concession at Harrods in the UK.

We continued to develop our business in Asia Pacific, despite the impact of COVID-19 in China, opening new stores in China and Korea. Further international developments included the relocation of our flagship store in New York and the refurbishment of our Amsterdam store.

In October 2022, we opened a new store at the iconic Battersea Power Station development. In February 2023 we made the difficult decision to close our Bond Street store. Much of our business came from its popularity with tourists enjoying the VAT-free shopping environment. However, when this was removed, we saw a dramatic drop in footfall and sales. We have redeployed all Bond Street colleagues across our London store network.

We continued to build our direct-to-customer model which enables us to engage with our customer, progress our pricing strategy and maintain our brand positioning. In September 2022 we launched Mulberry Sweden following the acquisition of three stores previously operated by our Swedish franchisee. We also acquired the assets of five stores in Australia previously owned and run by our Australian franchisee, having provided financial support to the business during the period. We will now operate these stores and online, directly as Mulberry Australia.

TRADING PERFORMANCE
Trading in the first half of the period was challenging, primarily driven by the macro-economic environment in the UK and ongoing COVID-19 lockdowns in China. We saw an improvement in retail revenue over the second half, with Group revenue 9% ahead of the same period last year. This was helped by an improving environment in China over recent months and under-pinned by our direct-to-customer model and increased brand awareness.

Group revenue for the period increased by 4% and our continued strategic focus on full price sales helped to maintain the gross margin at 71%.

Asia Pacific retail revenue grew by 3%, despite the COVID-19 lockdowns, particularly in China and South Korea. This region also now includes our newly acquired stores in Australia and we are pleased with their performance at this early stage.

Franchise and wholesale revenue increased by 12% as our partners continued their recovery post COVID-19 and demand increased. This was despite taking full ownership of stores in Sweden and Australia during the period, which would previously have been classified as franchise and wholesale revenue.

OPERATING PERFORMANCE
I am proud of our growing product range, which is tailored to the varying preferences of both traditional Mulberry store purchasers and digital shoppers. The emphasis continues to be on high quality and full price sales, as we champion beautiful products, which are made to last, in our carbon-neutral Somerset factories.

Our continuing investment in the Asia Pacific region during the year, despite a number of ongoing COVID-19 restrictions, has further helped diversify our network and we have seen an improving environment in China over recent months.

MADE TO LAST
Our Made to Last manifesto continues to set us apart and we are progressing in our aim to reach zero carbon emissions by 2035. We will achieve this through product innovation and continuing our progress to a regenerative and circular business model, whilst striving to implement pertinent practices into our own operations and wider supply chain.

We continue to innovate in materials and product. We source all our leather, suede and nappa from tanneries with environmental accreditations. All of the non-leather materials we use are also fully sustainable. Furthering our partnership with the World Land Trust, we are offsetting the carbon emissions associated with our leather purchasing, another small step on our ambitious path to reduce our overall carbon footprint.

Supporting circularity, our Lifetime Service Centre – where customers can have their products repaired and renewed – now restores more than 10,000 bags a year. 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.

> "I am proud of our growing product range, which is tailored to the varying preferences of both traditional Mulberry store purchasers and digital shoppers."

In November 2022, we won the award for Sustainability Luxury Brand of the Year at the Walpole British Luxury Awards and in February 2023 our accelerated progress towards achieving a truly regenerative and circular business was recognised by the Great British Brands Awards for Championing the Planet.

FINANCIAL PERFORMANCE

Despite the ongoing challenges and volatility in the period, particularly in the UK and China, Group revenue increased by 4% over the prior year and overall gross margin was maintained at 71.2% (2022: 71.7%) due to our continued focus on full price sales and volume efficiencies. Underlying profit for the period of £2.5m (2022: £14.6m) included £4.0m (2022: £0.5m) of Software as a Service (SaaS) costs, additional investment in the Group and the additional operational costs of our new stores in Sweden and Australia. The prior period also benefitted from £3.5m of COVID-19 related reliefs.[1]

A reported profit before tax of £13.2m (2022: £21.3m), includes impairment reversals for our Bond Street and Regent Street stores of £14.8m, as a result of the closure of Bond Street in February 2023. Further detail can be found in the Financial Review on pages 22 to 24.

Digital sales were 30% (2022: 31%) of Group revenue in the period, reflecting the ongoing strength of this channel and our omni-channel approach. China retail sales increased by 2% despite being impacted by a number of COVID-19 lockdowns throughout the period.

We ended the year with net cash of £0.7m[2] (2022: £25.7m). During the period we continued to invest in projects and systems that will underpin our growth in the longer term and continued to invest in the Group's global brand awareness.

Supported by the new transformation function, projects are being progressed to update the Group's legacy systems and to build on our omni-channel capabilities. We expect this increase in investment to continue in current year and beyond.

As a business we continue to manage inflationary challenges through various measures. We fixed our energy price in October 2021 for a three-year period, which has helped mitigate the impact of much of the current energy-price increases. We introduced price increases in March 2022 and September 2022 – as part of our global strategy – to ensure we make no compromises on the quality of our product and our Made to Last manifesto and to help protect our margins.

CURRENT TRADING AND OUTLOOK

Group revenue for the first 12 weeks of the new financial year is 6% ahead of last year. Omni-channel (stores and digital) revenue is up 15%, with our newly acquired Sweden and Australia stores continuing to perform well.

Total international retail sales are 46% above the same period last year. Asia Pacific retail sales are up 34%, which now includes our newly acquired stores in Australia. As anticipated, due to the impact of the broader economic environment, UK retail sales are in line with the same period last year.

Total franchise and wholesale revenue is up 5% against the same period last year, excluding stores now reported within omni-channel revenue.

On 25 May 2023 Mulberry was awarded the "Brand of the Year" award at the Drapers Sustainable Fashion Awards. We were recognised for the progress made on our Made to Last manifesto goals, including our ongoing commitment to a Net Zero future. We were also praised for our thriving apprenticeship programme which nurtures the next generation of craftspeople and manufacturing leaders and our longstanding commitment to British manufacturing.

We continue to build and optimise our global network and from 27 June 2023 the Group now holds 100% ownership of Mulberry Japan.

Notwithstanding the ongoing uncertainty in the economic and geopolitical environment, we are confident in our strategy and continue to invest, including in 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
27 June 2023

1 The alternative performance measure (APM) used by the Group is underlying profit/(loss) before tax. A reconciliation of reported profit before tax to underlying profit before tax is set out in note 7.

2 Net cash comprises cash balances of £6.8m (2022: £25.7m) less bank borrowings of £6.1m (2022: £nil), which excludes loans from related parties and non-controlling interests of £5.5m (2022: £5.0m).

Our strategy

With our rich heritage in leather craftmanship and reputation for innovation, our aim is to continue 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 highlight

111

stores at the end of the year

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

Acquisitions

Acquisition of our franchise stores in Sweden and Australia represented further progress in our international development

PRINCIPAL RISKS

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

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

M Zip/Link

Launch of the new M Zip bag family in November 2022, followed in December 2022 by the Link 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


Mulberry

Strategy in action

STRATEGIC PILLAR

01

Omni-channel distribution

Above: Men's Pop-Up, Spitalfields Market, London, UK

Left: NK Gothenburg, Sweden

We look to continually enhance our omni-channel distribution model. This includes through selective store openings, the continued roll-out of the latest Mulberry store concept and further enhancements to our digital platforms. Our latest 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.

Aligned with our strategic growth plans and omni-channel approach to distribution, we also look to continue to build on our direct-to-customer model and reduce our franchised operations. This allows us to increase our focus on customer experience and grow the proportion of our omni-channel business.

We ended the period with 111 points of sale. During the period we acquired our Swedish and Australian stores previously operated by our franchise partners, as well as new agreements with Nordstrom and Selfridges.

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 four House of Fraser concessions. In February 2023 we took the difficult decision to close our Bond Street store in London. The lack of VAT-free shopping in the UK and the decline in tourist shoppers had impacted footfall and sales. All colleagues were re-deployed across our London store network.

Virtual and in-store appointments continued to drive value, accounting for 8% of all UK store sales during the period and resulting in a larger average transaction value than for walk-in customers.

In Asia Pacific, following the conversion of five stores in Australia, we operated 43 retail stores at the year end (2022: 37). China experienced a number of store closures and lockdowns which had a significant impact on revenue and South Korea was also impacted with reduced footfall throughout the period. Full price mix of retail sales in Asia Pacific increased to 76% (2022: 75%) driven by higher sell-throughs and reduced mark-down periods.

During the year, 30% of Group revenue came from digital sales, demonstrating the continuing trend towards omni-channel shopping across all regions. In Asia Pacific, digital sales were 22% 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. During the period we also launched new platforms in Korea, Naver.com and GS.com, as well as Little Red Book in China.

Strategy in action (continued)

STRATEGIC PILLAR

02

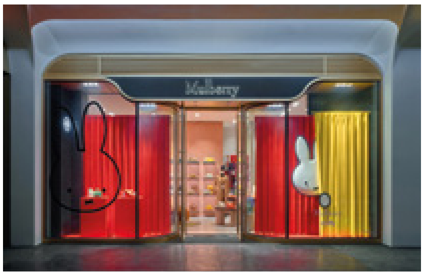
International development

Our continued investment in our international subsidiaries supported the Group's overall growth. During the period, we opened stores in the region at Nanjng Deji, China, in April 2022, a pop-up in Gwang Ju, Korea, in May 2022, Chengdu SKP and Hainan duty free store, both in China in October 2022. We launched on new digital platforms in Korea, Naver.com and GS.com and Little Red Book in China. The openings further enhance brand awareness, strengthen our luxury positioning and support our full-price strategy.

The acquisition of our franchise stores in Sweden and Australia represented further progress in our international development, along with the opening of our first men's concession in NK Stockholm in March 2023.

New agreements are in place with Nordstrom in the US and Selfridges in the UK, further developing our direct-to-customer model. At the period end, we operated three Nordstrom concessions as well as a digital platform, with the view to expand this further in the current financial period.

Further international developments include the relocation of our flagship store in New York in April 2022, the refurbishment of our Amsterdam store in June 2022 and the opening of a standalone store in Dublin in January 2023.



Above: Chengdu SKP store, opened on 5th January 2023

Right: Heritage Tote Clipper Black Printed Eco Scotchgrain and Flat Calf


Mulberry

STRATEGIC PILLAR

03 Constant innovation

We continue 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.

We launched the Softie family in February 2022, with new colours and shapes being added throughout the year, targeting a younger luxury customer. In September 2022, we diversified across categories with the launch of Softie ready-to-wear products – eight outerwear garments with recycled nylon and recycled silk padding, echoing the launch of the new Softie bag family. We continued the expansion of the Softie line with a versatile clutch bag.

Following the strong trend for mini bags, particularly in Asia, we launched micro bags for a number of our iconic bag families. This bridged the gap between our small leather goods and our bags and made our icons more affordable and potentially appealing to a broader range of customers.

In November 2022 we launched M Zip, a modern, M-shaped silhouette available in three sizes. This was followed in December 2022 by Link, a re-interpretation of our previous soft shaped Leighton bag, a fresh take on a beloved classic, available in two sizes.

Mulberry x Miffy launched at the end of December 2022, to celebrate the Lunar new year of the Rabbit, featuring Miffy across a series of bags and accessories. This collection further supported the Group's ongoing commitment to sustainable innovation through its Made to Last ethos; sustainable products made with 100% environmentally accredited carbon neutral leather.

The exciting Mulberry x Paul Smith collaboration will launch in Autumn 2023. With a shared approach to heritage style and sustainable innovation, the ten-piece capsule reworks our timeless Antony bag, utilising pops of primary colours alongside Paul Smith's hallmark Signature Stripe.

Above: M Zipped Lancaster Red Silky Calf

Left: Mulberry x Miffy collection

Strategy in action (continued)

STRATEGIC PILLAR

04 Sustainable lifecycle

We were very proud to be recognised for several awards during the period:

- Sustainable Luxury Brand of The Year award at the Walpole British Luxury Awards in November 2022, recognising the significant progress we have made towards our Made to Last manifesto.
- Championing the Planet award at the Great British Brands Awards for our outstanding work in getting ahead of our targets to achieve a truly regenerative and circular business.
- On 25 May 2023 Mulberry was awarded the "Brand of the Year" award at the Drapers Sustainable Fashion Awards. We were recognised for the progress made towards our Made to Last manifesto goals, including our ongoing commitment to Net Zero future. We were also praised for our thriving apprenticeship programme which nurtures the next generation of craftspeople and manufacturing leaders and our longstanding commitment to British manufacturing.

You can read more about our sustainable approach on pages 27 to 37.

Above: All our paper and card is FSC certified

Right: Bayswater Powder Rose Heavy Grain

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 for pre-loved bags. 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.

We are carbon-neutral across all of our UK operations and source all the leather, suede and nappa we use from tanneries with environmental accreditations. For over five years, we have worked with our tannery partners to help them improve their environmental standards and achieved certification, stimulating positive changes within the whole leather industry. We have also taken on new tanneries that already have certification. Other sustainable materials in the Mulberry range include ECONYL, Better Cotton, Eco-Scotchgrain, Bio-Acetate, recycled polyester/nylon and responsibly sourced down and feathers. All Mulberry green paper packaging is cup cycled, with more than 2.8m cups upcycled to date and since 2011 all cardboard and paper is Forest Stewardship Council (FSC) certified.

In May 2022, we launched the Carbon Neutral Lily. We also launched a partnership with circular rental marketplace, Hurr from June 2022, further developing the circularity of Mulberry bags.

In February 2023, we submitted our science-based targets for carbon reduction to the Science-Based Targets Initiative (SBTi). We expect to have our targets approved and validated by the end of 2023. Furthering our partnership with World Land Trust, we are also offsetting the carbon emissions associated with our leather purchasing through their Carbon Balanced programme. Our project aims to protect approximately 316,000 acres of tropical rainforest and other habitats in Guatemala to prevent the area from being cleared to make way for cropland and pasture. Carbon offsetting is a small step on our ambitious path to reducing our overall business carbon footprint, with an aim of achieving net zero by 2035.

We have been a certified Living Wage employer since 2021 and a hybrid working policy is in place reducing emissions and costs associated with commuting. We are also offsetting all carbon emissions associated with business travel.

We have a long history of donating to local charities and organisations and as the business grows, we will continue to support our charity partners. We categorise our charitable activity into three streams: Strategic Corporate Partnerships; Tactical Local Partnerships; and Other/Reactive Partnerships. To help support this, our Charity and Community Committee, made up of Mulberry employees from various business areas, helps increase awareness of our charitable activities, arranges fundraising and liaises with our partners. During the period we have donated seventeen pallets of write-off leather, fabric, ready to wear and offcuts to universities and we regularly donate bags and offcuts to scrap stores, craft groups and schools.

Financial review

GROUP REVENUE AND GROSS PROFIT

	52 weeks ended 1 April 2023 £m	53 weeks ended 2 April 2022 £m	% Change
Digital	48.4	47.5	2%
Stores	85.8	82.7	4%
Retail (omni-channel)	**134.2**	**130.2**	**3%**
Franchise and Wholesale	**24.9**	**22.2**	**12%**
Group Revenue	**159.1**	**152.4**	**4%**
Digital	33.8	35.7	(5%)
Stores	53.9	52.8	2%
Omni-channel – UK	**87.7**	**88.5**[1]	**(1%)**
Digital	6.3	5.8	9%
Stores	22.6	22.2	2%
Omni-channel – Asia Pacific	**28.9**	**28.0**	**3%**
Digital	8.3	5.9	41%
Stores	9.3	7.8	19%
Omni-channel – Rest of World	**17.6**	**13.7**	**28%**
Retail (omni-channel)	**134.2**	**130.2**	**3%**
UK	3.4	2.8	21%
Asia Pacific	4.2	3.9	8%
Rest of World	17.3	15.5	12%
Franchise and Wholesale	**24.9**	**22.2**	**12%**

1 Prior year report states UK as £89.8m, however this included a branch in Ireland which have now been re-classified as international.

Group revenue for the period increased by 4% over the prior period, with the challenges of the first half of the year, being offset by increased revenues across the second half.

	H1			H2			FY		
	FY23	FY22	% Change	FY23	FY22	% Change	FY23	FY22	% Change
Digital	16.3	19.1	(15%)	32.1	28.4	13%	48.4	47.5	2%
Stores	35.3	36.5	(3%)	50.5	46.2	9%	85.8	82.7	4%
Retail (omni-channel)	**51.6**	**55.6**	**(7%)**	**82.6**	**74.6**	**11%**	**134.2**	**130.2**	**3%**
Franchise and Wholesale	**13.3**	**10.1**	**32%**	**11.6**	**12.1**	**(4%)**	**24.9**	**22.2**	**12%**
Group Revenue	**64.9**	**65.7**	**(1%)**	**94.2**	**86.7**	**9%**	**159.1**	**152.4**	**4%**

UK retail sales were 1% below the prior period, with growth impacted by the challenging macro-economic environment particularly in the first half of the year. The second half saw an improved performance, with UK retail revenue 6% ahead of the same period last year. UK digital sales declined by 5% year-on-year and represented 39% of UK retail sales (2022: 40%) and still well above pre COVID-19 levels. In line with overall trends, UK digital sales in the second half grew 6% above the prior period. Omni-channel full price sales in the UK increased by 3% to £68.9m (2022: £67.1m), representing 79% (2022: 76%) of total omni-channel revenue for the period.

Asia Pacific retail revenue increased by 3%. From November 2022, this region now includes the five stores in Australia now wholly owned by the Group. During the period footfall in the Asia Pacific region was heavily impacted by a number of COVID-19 related restrictions and lockdowns, particularly within China and South Korea.

Franchise and wholesale sales increased by 12%, despite a number of previously franchised stores being recategorised as retail during the period.

Continuing our strategic focus on full-price sales, gross margin during the period was maintained at 71.2% (2022: 71.7%), despite actions taken during the second half to optimise inventory levels.

KEY PERFORMANCE INDICATORS

Key performance indicators (KPIs) help management to measure progress against the Group's strategy. Currently the focus is on financial KPIs, which include total revenue, gross margin and profit before tax, 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 page 93.

OTHER OPERATING EXPENSES

Other operating expenses in the period increased by 26% to £108.5m (2022: £85.9m), with underlying operating expenses increasing by 6%. A breakdown of which is given below.

	52 weeks ended 1 April 2023	53 weeks ended 2 April 2022	% Change
Operating expenses	36.0	36.7	(2%)
Staff costs	44.2	40.7	9%
Depreciation and amortisation	13.9	12.2	14%
Systems & comms	7.0	5.7	23%
Foreign exchange gain	(0.2)	(0.1)	100%
Underlying operating expenses	**100.9**	**95.2**	**6%**
SaaS costs	4.0	0.5	700%
Store closure credit	(0.2)	(6.8)	(97%)
New initiatives – Sweden & Australia	3.8	–	–
	7.6	**(6.3)**	**(221%)**
COVID-19 relief	–	(3.0)	–
	–	**(3.0)**	–
	108.5	**85.9**	**26%**

The prior period benefitted from COVID-19 related business rates and rent relief of £3.0m. These schemes were not available in the period to 1 April 2023.

The prior period also benefited from store closure credits of £6.8m, which largely related to the disposal of the Paris lease.

In light of the March 2021 IFRIC agenda decision to clarify the treatment of Software as a Service (SaaS) costs, during the period we expensed £4.0m (2022: £0.5m) of SaaS costs, in line with the accounting for configuration and customisation cost arrangements. We expect to incur further SaaS costs in the current period. We also increased technology spend to £7.0m (2022: £5.7m) to support the investment in projects and systems investments.

The acquisition of our stores in Sweden and Australia have increased costs during the period by £3.8m. The full year impact of these new initiatives will be included in the current period.

OTHER OPERATING INCOME

Included within other operating income is £nil (2022: £0.5m) of grants receivable in non-UK territories for COVID-19 relief.

PROFIT BEFORE TAX

The Group's underlying profit for the period was £2.5m (2022: £14.6m), included £4.0m (2022: £0.5m) of SaaS costs, additional investment in the Group and the additional operational costs of our new stores in Sweden and Australia. The prior period also benefitted from £3.5m of COVID-19 related reliefs.

Reported profit before tax for the period was £13.2m (2022: profit before tax £21.3m) and includes impairment reversals of £14.8m in relation to Bond Street and Regent Street, as a result of the closure of the Bond Street store in February 2023, net of an impairment charge of £2.4m in respect of Korea goodwill. More details of which can be found in note 7 on page 96.

	52 weeks ended 1 April 2023	53 weeks ended 2 April 2022
Underlying profit before tax pre-SaaS costs	**6.5**	**15.1**
SaaS costs	4.0	0.5
Underlying profit before tax	**2.5**	**14.6**
Store closure credit	0.2	6.7
Net impairment credit	11.4	–
Australia and Sweden acquisition costs	(1.0)	–
Reported profit before tax	**13.2**	**21.3**

TAXATION

The Group reported a tax charge of £1.8m (2022: charge £2.2m), an effective rate of tax of 13% (2022: 10%). 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.

Financial review (continued)

BALANCE SHEET

Net working capital, which comprises inventories, trade and other receivables and trade and other payables increased by £12.3m to £40.0m at the period end (2022: £27.7m).

This increase was predominantly driven by increased inventories of £11.5m, to support our strategy to focus on a direct-to-customer model. We have taken actions during the second half of the year to optimise inventory levels and continue to closely monitor inventory levels, in light of continued macro-economic uncertainty.

At the period end, other trade receivables were £19.9m (2022: £15.9m), the increase principally due to the treatment of SaaS prepayments, as well as timing of rent and rates prepayments at the period end. Trade and other payables increased by £3.1m to £28.1m (2022: £25.0m) largely driven by timing of payments due.

Gross margin

71.2%

Proposed final dividend per share ordinary share

1 pence

DIVIDENDS

The Board is proposing a final dividend for the 52-week period to 1 April 2023 of 1 pence per ordinary share (2022: 3 pence per ordinary share) to be paid, (subject to shareholder approval) on 24 November 2023 to shareholders on the register at 27 October 2023.

CASHFLOW

The net decrease in cash and cash equivalents of £19.0m (2022: increase of £13.9m) included a £4.0m drawdown of the Group's revolving credit facility (RCF) and £2.1m of overdraft utilisation. In the prior period the Group benefitted from the proceeds from the early termination of the Paris lease of £13.3m.

During the period we continued to invest including £11.0m (2022: £5.3m) of capital expenditure, £4.0m (2022: £0.5m) of SaaS costs and £3.2m (2022: £nil) of acquisition costs. This spend supports investment in our omni-channel distribution and international development, including the development of a new digital platform and the acquisition of new stores in Sweden and Australia.

Inventories have also increased by £11.5m to support our strategy to focus on our direct-to-customer model as well as mitigate any cost increases.

Additional corporation tax was incurred in the period of £2.4m, in relation to the profit on disposal of our Paris lease in July 2021.

BORROWING FACILITIES

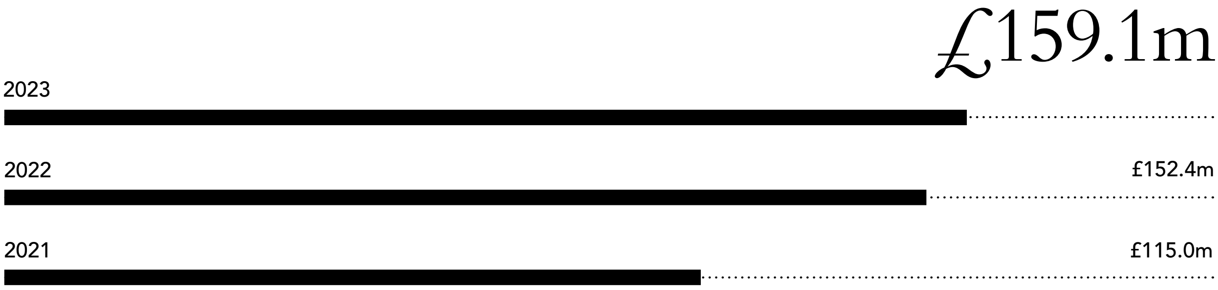
The Group had bank borrowings related to drawdowns under its revolving credit facility (RCF) of £4.0m at 1 April 2023 (2022: £nil). The borrowings shown in the Balance Sheet also include loans from minority shareholders in the Chinese and Japanese subsidiaries of £5.5m (2022: £5.0m).

The Group's net cash balance (comprising cash and cash equivalents, less overdrafts and borrowings) at 1 April 2023 was £0.7m (2022: £25.7m). Net cash comprises cash balances of £6.8m (2022: £25.7m) less bank borrowings of £6.1m (2022: £nil), excluding loans from related parties and non-controlling interests of £5.5m (2022: £5.0m). Net cash also excludes lease liabilities of £55.3m (2022: £63.7m), which are not considered to be core borrowings.

Since the period end the Group has extended its RCF with HSBC until September 2027, with unchanged banking covenants. The £15.0m RCF is secured and 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 and SaaS costs. 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 61.

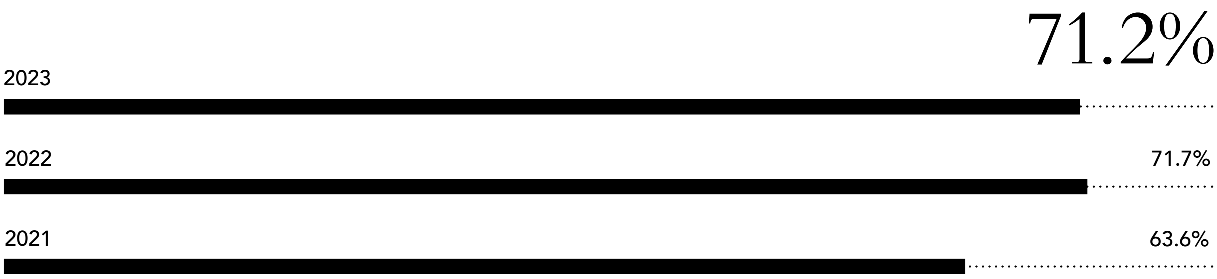
Key performance indicators

TOTAL REVENUE



Description
Group revenue for the period increased by 4% over the period, with challenges of the first half of the year being offset by increased revenues across the second half.

GROSS MARGIN



Description
Continuing our strategic focus on full price sales, gross margin during the period was maintained at 71.2% (2022: 71.7%) despite actions taken during the second half to optimise inventory levels.

UNDERLYING PROFIT BEFORE TAX[1]

Description
The Group's underlying profit for the period was £2.5m (2022: £14.6m), included £4.0m (2022: £0.5m) of SaaS costs, additional investment in the Group and the additional operational costs of our new stores in Sweden and Australia. The prior period also benefitted from £3.5m of COVID-19 related reliefs.

1 The alternative performance measure (APM) used by the Group is underlying profit before tax. A reconciliation of reported profit before tax to underlying profit before tax is set out in note 7.

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

Made to Last is also the name given to our business sustainability strategy. It's evolved from our previous policies and practices that aimed for a responsible and sustainable future. 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

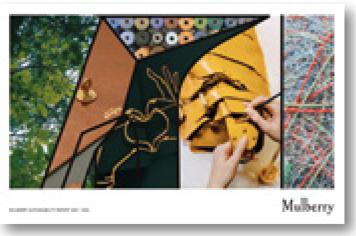
We will measure our impact so we can protect the environment and the livelihoods within our supply chain.

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

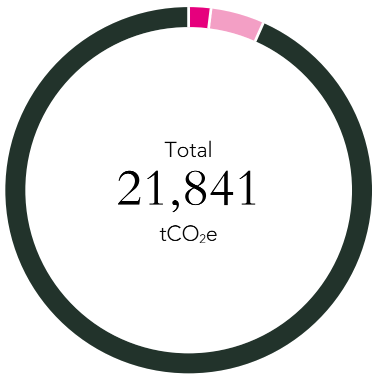
Net Zero Future

Baseline Carbon Footprint: 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. We are now working on an update to our global carbon footprint for 2023, which will serve as an update to our 2020 footprint.

UK Carbon Footprint: in line with SECR requirements we have carried out a UK carbon footprint calculation. Details of this can be found in the Directors' Report on page 61. We continue to offset the carbon emissions associated with our UK carbon footprint in partnership with World Land Trust, investing in their Carbon Balanced programme.

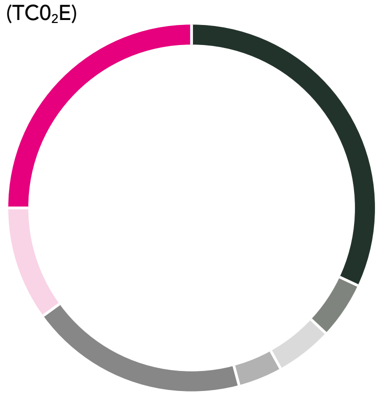
SCOPE 1 AND 2



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 submitted them in February 2023 for approval by the Science-Based Target initiative (SBTi). The targets show companies how much and how quickly they need to reduce their greenhouse gas 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. We expect to have our targets assessed by SBTi in October 2023.

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 longstanding 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 the period, 40% were sourced from suppliers we've worked with for more than ten years and 60% 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.


SEIKO
SEIKO

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.

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, Equity and Inclusion (DE&I) Committee meets regularly to discuss our DE&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

Since the publication of our last Gender Pay Gap Report, we have seen notable improvement in both our median and mean hourly pay gap. Comparing our gender pay gap results with industry data we see that our median results are significantly better than the Office for National Statistics (ONS) benchmark. Mulberry's median hourly pay gap is in favour of women at -5.2% compared to ONS benchmark at 8.3% in favour of men.

Our Management Board and Senior Leadership Team is weighted towards women.

LIVING WAGE EMPLOYER

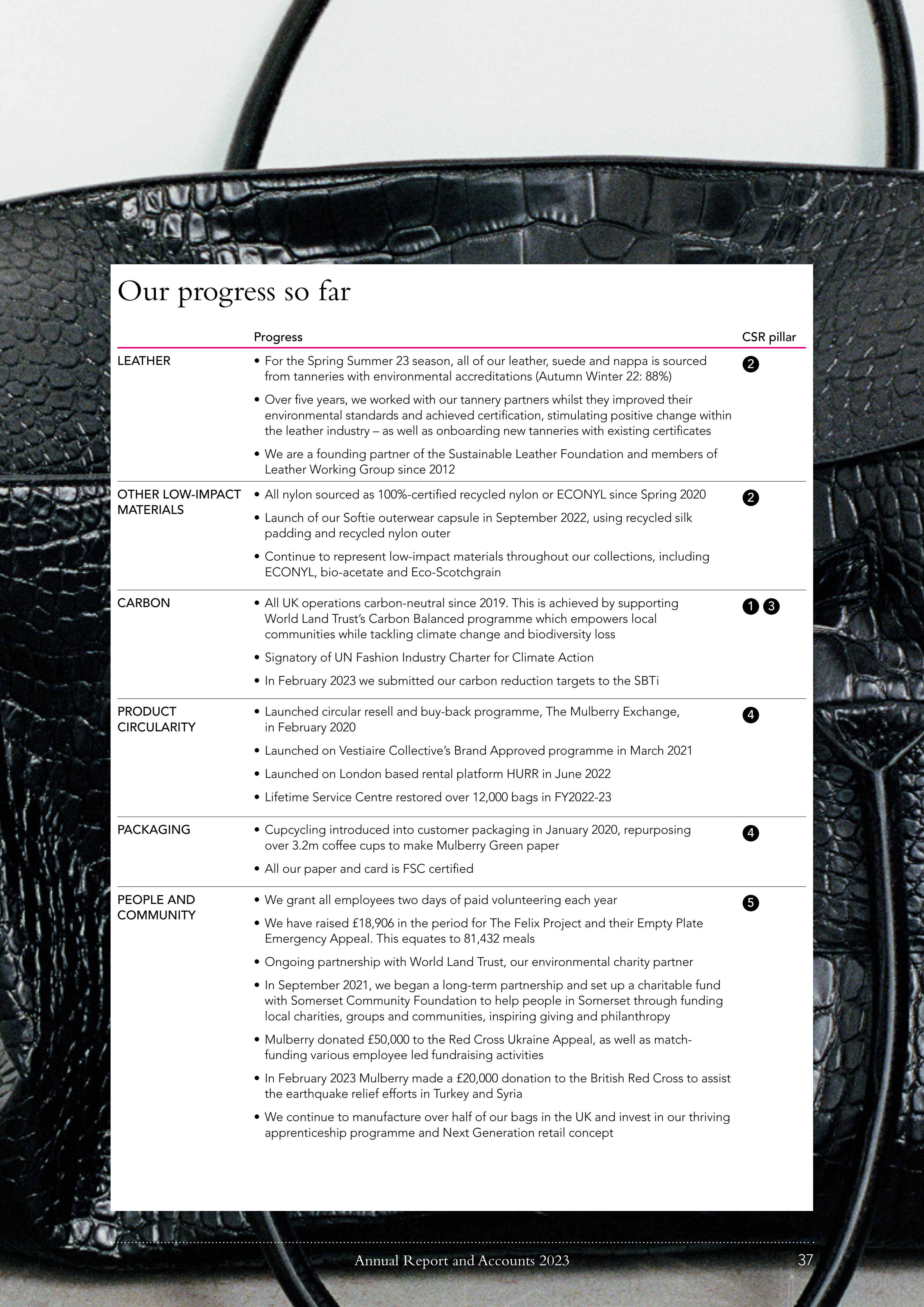
We are proud to be an accredited Living Wage Employer. This means that all UK employees will earn higher than the Government's minimum or National Living Wage. Living Wage is an independently calculated hourly pay rate based on the actual cost of living, calculated each year by the Living Wage Foundation. We continue to use available global benchmarks and insights to ensure our global employees earn a living wage comparable with their location.

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.

Our leather goods manufacturing apprenticeship programme continues to support the upskilling of workers into the leather goods industry and in the period saw us employ four new apprentices into the scheme. The programme has been reinvigorated to encourage cross functional learning across several departments within Mulberry, expanding the apprentices' experience and providing more exposure to the business.



Our progress so far

	Progress	CSR pillar
LEATHER	• For the Spring Summer 23 season, all of our leather, suede and nappa is sourced from tanneries with environmental accreditations (Autumn Winter 22: 88%) • Over five years, we worked with our tannery partners whilst they improved their environmental standards and achieved certification, stimulating positive change within the leather industry – as well as onboarding new tanneries with existing certificates • We are a founding partner of the Sustainable Leather Foundation and members of Leather Working Group since 2012	2
OTHER LOW-IMPACT MATERIALS	• All nylon sourced as 100%-certified recycled nylon or ECONYL since Spring 2020 • Launch of our Softie outerwear capsule in September 2022, using recycled silk padding and recycled nylon outer • Continue to represent low-impact materials throughout our collections, including ECONYL, bio-acetate and Eco-Scotchgrain	2
CARBON	• All UK operations carbon-neutral since 2019. This is achieved by supporting World Land Trust's Carbon Balanced programme which empowers local communities while tackling climate change and biodiversity loss • Signatory of UN Fashion Industry Charter for Climate Action • In February 2023 we submitted our carbon reduction targets to the SBTi	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 • Launched on London based rental platform HURR in June 2022 • Lifetime Service Centre restored over 12,000 bags in FY2022-23	4
PACKAGING	• Cupcycling introduced into customer packaging in January 2020, repurposing over 3.2m coffee cups to make Mulberry Green paper • All our paper and card is FSC certified	4
PEOPLE AND COMMUNITY	• We grant all employees two days of paid volunteering each year • We have raised £18,906 in the period for The Felix Project and their Empty Plate Emergency Appeal. This equates to 81,432 meals • Ongoing partnership with World Land Trust, our environmental charity partner • 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 • Mulberry donated £50,000 to the Red Cross Ukraine Appeal, as well as match-funding various employee led fundraising activities • In February 2023 Mulberry made a £20,000 donation to the British Red Cross to assist the earthquake relief efforts in Turkey and Syria • We continue to manufacture over half of our bags in the UK and invest in our thriving apprenticeship programme and Next Generation retail concept	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 key stakeholders, deemed to be 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 1 April 2023, we engaged with shareholders on a range of topics, including business strategy, financial results and business performance. We have also updated the investor relations section of our website to ensure that we are communicating the business strategy and performance clearly.

The Annual General Meeting was held on 7 September 2022, 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

Mulberry is committed to a culture where our employees feel valued, respected and able to thrive. We foster a culture of inclusion and deliver equal opportunities for all to learn and develop.

Mulberry has an incredible pool of talented people who all play a part in achieving our strategic goals. The last year has seen significant investment in learning and delivery of a calendar of development opportunities. Employees are given equal opportunity to self-subscribe to a range of different training topics to enhance the skills and behaviours required to thrive at Mulberry and empower our teams to flourish in the modern workplace. These include workshops such as Growth Mindset, Creative Solutions and Focus on Success.

In 2023 we are delighted to introduce LinkedIn Learning to Mulberry. This on-demand learning solution provides our global teams globally unlimited access to personalised recommended courses to help them gain new skills and advance their careers with content relevant to their professional interests and goals.

We continue to deliver bespoke activity aimed to further support the development of our next generation of leaders through our Leading the Future programme.

We know an environment where employee wellbeing is prioritised is crucial to our continued success and growth. Our people policies and processes underpin this. In the last year we have introduced an IVF & Fertility Treatment Policy to support employees going through fertility treatment – whether that's their own or a partner they are supporting. We also published a Menopause and Andropause Policy, to support our employees' health and wellbeing at every stage of life. Our Maternity and Pregnant Parent Policy was enhanced to include full pay for the first 18 weeks of leave.

"Mulberry has an incredible pool of talented people who all play a part in achieving our strategic goals. The last year has seen significant investment in learning and delivery of a calendar of development opportunities."

We are proud of our network of Mental Health First Aiders and ensure the availability of these experts across all business areas and physical workspaces. During the period we held additional training to further equip our managers to feel confident to support our employees when they experience challenges with poor mental health or wellbeing.

We continue to ensure our employees have a voice and help shape our actions for the year ahead through our various employee committees and regular business area huddles where views, ideas and questions are welcomed and encouraged. Topics discussed at these committees are wide ranging from the working environment to potential contractual changes. In 2023 we will be launching a new engagement platform, regularly surveying our employees to provide the Board with a direct understanding of how our employees are feeling and help shape our people strategy.

DE&I remains an important focus for our People Team. Our DE&I Employee Committee continues to meet regularly to discuss ideas and serves as an important platform for employees to contribute to evolving the business culture. During 2023 we will establish Employee Resource Groups (ERGs) across several DE&I topics. These ERGs will be led by members of our DE&I Committee with an aim of driving conversations and advocating new initiatives across Mulberry.

We recognise that the right partnerships are critical to delivering our strategy, continuing our learning journey and ensuring Mulberry is positively contributing to the wider community. We have been pleased to partner with Mentoring Matters, The Outsider's Perspective and Flourish in Diversity who are external organisations aiming to redress the balance of ethnic minorities within fashion and remove barriers to careers within the industry. We have supported a number of collaborative events including hosting a "live session" where our Chief Commercial Officer and Head of Global Planning gave a career talk followed by Q&As.

During the period we started a journey to modernise our Human Resources (HR) systems landscape by implementing Dayforce. In February 2023 we went live in the UK, with an integrated platform combining HR, workforce management and payroll including employee and manager self-service functionality. Leaders are empowered with greater access to data and teams' responses to Dayforce have been overwhelmingly positive. Over the next year we will expand upon this platform and digitalise our performance management and annual pay award processes.

Our Stakeholders (continued)

Customers

Customer engagement and creating a seamless omni-channel experience continues to be a priority, where customers can engage with the brand, our products and people. 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 which continue to drive value.

During the period a number of local events were held focused on our Made to Last manifesto welcoming customers into stores for more information on how to care for their Mulberry bag, the repair service of the Lifetime Service Centre as well as highlighting our circularity programme, Mulberry Exchange. These events were extremely popular and we often saw a rise in buy-backs as a result.

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.

Further enhancing our omni-channel approach, we have focused on providing our pre-loved collection within our omni-channel proposition, as the perfect owner for a pre-loved bag may not always walk into one of our stores it is being displayed in. Stock is now consolidated, ensuring as much as possible is available online so more customers have more opportunity to view the pre-loved collection. We have also invested in a 360-degree camera to ensure customers can get an accurate and detailed view of each pre-loved bag.

During the period we trialled virtual inductions for our retail employees and given its success this is now being rolled out globally. In January 2023 we launched a more seamless returns solution for our UK customers and since the period end our assisted selling and clientelling tool has been upgraded to enable enhanced customer outreach with Whatsapp tracking now added.

The majority of Mulberry's engagement with customers is at an operational level, however the Board also receives regular updates from the Chief Executive Officer 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.

Suppliers

We continue to work closely with key, long-term suppliers of finished goods and raw materials to manage the ongoing global economic challenges. Our supply chain continues to be robust and able to offer agility in a difficult economic climate. Building and maintaining our long-term relationships with our suppliers remains critical to meeting customer needs and instrumental in delivering our sustainability strategy.

Travel to Asia continued to be restricted during the period, however visas are now being issued which means that business travel can now recommence. Despite the restrictions, contact with our Asian suppliers has continued to be successful via Zoom/Teams channels. Travel to other regions such as Italy and Turkey has returned to pre-pandemic normality.

The rise in global inflation and increasing energy costs continued to be the biggest challenge with suppliers, meaning they were only committing to short-term pricing due to the volatility of labour and material costs. This position has started to ease during March and April 2023 with a more stable supply and costing environment. We continue to monitor this to inform margin and pricing decisions.

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, understand product needs, ongoing preferences and opportunities, to ensure we understand ways in which we can support them and create the best experiences for customers.

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

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

Communities and environment

Mulberry's Charity and Community Committee supports the "Inclusive Communities" section of our Made to Last sustainability manifesto, which aims to make a positive difference to the people, environment and communities where we work.

Mulberry made a number of donations to charity. These included donations to The Felix Project and in particular their Empty Plate Emergency Appeal, which was launched in December 2022 to raise awareness and fill millions of empty plates with nutritious surplus food at Christmas time. Alongside donating to the campaign, Mulberry also worked with The Felix Project to highlight the Appeal on social media pages and offered a customer donation point on Mulberry.com. A £50 donation allows The Felix Project to distribute 225 meals and from our donations in the period, we raised £18,906 for The Felix Project, the equivalent of 81,432 meals.

Mulberry also made a £20,000 donation to the British Red Cross to assist the earthquake relief efforts in Turkey and Syria, along with a donation of £23,800 from the Mulberry Somerset Community Fund via the Somerset Community Foundation.

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 27 to 37.

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. Two risks have been removed from the list of principal risks compared to the prior period, COVID-19 and Brexit implications, as both are no longer deemed to be a significant risk to the Group and their impact is managed as part of normal business operations.

EXTERNAL RISKS

1. Domestic and global economic climate

The Group may be impacted by a downturn in the UK or the wider global economic climate, which could impact our financial performance and operations.

Disruptions to and increased costs associated with UK and external supply chain could also have an impact on sales and profitability.

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. During the period the Group has further developed the direct-to-customer model taking direct ownership of stores In Sweden and Australia, as well as new agreements with Nordstrom and Selfridges.

The Group continues to optimise the UK store network through selective openings and closures in order to manage the growth of omni-channel shopping.

As an example of this, in the period we made the difficult decision to close our Bond St store. Much of the business came from tourists enjoying the benefit of tax-free shopping. However, when this was removed, we saw a dramatic decline in footfall and sales. All Bond St colleagues have been redeployed across our London store network.

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. Recommended Retail Prices (RRPs) have also increased during the period to mitigate any cost inflation and preserve margins. This has had minimal effect on customer volumes and revenues.

Unchanged

STRATEGIC RISKS		
2. 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. 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. **Potential impact** A deterioration in brand position would lead to a loss of customers, which could 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, followed by ongoing review and management. New suppliers must adhere to Mulberry's Global Sourcing Principles.	**Unchanged** ◀▶
3. Global Chinese consumer spending With a growing proportion 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. A slower recovery, or further COVID-19 restrictions could impact revenues and profits, as well as growth opportunities. **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 has strengthened its local senior management in Asia and continues to invest 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. Ongoing marketing and technology investments in the region to support growth targets.	**Increased** ▲

Principal Risks and Uncertainties (continued)

OPERATIONAL RISKS		
4. 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 wholesale or concession 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, as well as stress testing and sensitivity analysis of budgets and forecasts. The Group has a £15.0m revolving credit facility in place with HSBC until 30 September 2027, in addition to a £4.0m 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** ◀▶
5. Attraction and retention of talent 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. Retention and engagement of critical employees, talent and knowledge is invaluable and particularly during periods of economic uncertainty. **Potential impact** Loss of key members of the senior management team or other key 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 increased recruitment costs.	**Mitigation** Regular review of succession plans for key roles and a continued investment in internal and external talent to strengthen capability at all levels, develop our future leaders and drive internal career progression. Ongoing modernisation of core people systems and foundations, including a refreshed performance and talent management process to drive consistency. A Reward strategy is in place to continually review our reward and wellbeing benefits across the Group. A review of effectiveness and skills review is in place, as well as succession plans for key talent and senior management across the Group.	**Unchanged** ◀▶

OPERATIONAL RISKS		
6. 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 and commerce platforms 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, as well as investment in system upgrades, which increase security and address any key risks. 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 52.	**Unchanged** ◀▶
7. Cyber security and UK Data Protection Act 2018 All business sectors are at risk of increasingly sophisticated cyber security attacks. The continued availability and integrity of our systems is critical to the trading and performance of the Group. 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 the UK Data Protection Act 2018, 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 are maintained to ensure these are up to date and of best practice. Ongoing and regular employee training is in place and constantly monitored on topics such as phishing, sharing of data and data protection.	**Unchanged** ◀▶

Principal Risks and Uncertainties (continued)

OPERATIONAL RISKS CONTINUED		
8. 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 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 and could negatively impact sales and profits.	**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.	**Unchanged** ◀▶
9. 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 brand image.	**Mitigation** Trademarks are registered and where any infringements are identified, appropriate legal action is taken.	**Unchanged** ◀▶

SUSTAINABILITY AND CLIMATE CHANGE RISK

10. Sustainability and climate change
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.

As global climate change is critical, the Group is committed to addressing long-term sustainability challenges and impacts. This has the potential to impact its supply chain, manufacturing and operational processes and could influence our reputation, operations and finances.

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 greenhouse gas emissions in line with the Paris Agreement goals.

Potential impact
Manufacturing processes, especially around the tanning of leather, utilise chemicals, energy and water and 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.

Failure to meet expectations around sustainability could lead to climate activism and threatened relationships with employees, investors, regulators, suppliers and other stakeholders, which could result in loss of sales and profits for the Group.

Increased regulation and environmental standards could impact our business by increasing operational and manufacturing costs and the agility of our operations.

Mitigation
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 subgroup 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.

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. 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.

From the Spring Summer 23 season, all of our leather, suede and nappa is sourced from tanneries with environmental accreditations (Autumn Winter 22: 88%).

Over five years, we have worked with our tannery partners whilst they improved their environmental standards and achieved certification, stimulating positive change within the leather industry – as well as onboarding new tanneries with existing certificates.

Unchanged ◀▶

The Strategic Report was approved by the Board of Directors and authorised for issue on 27 June 2023.

THIERRY ANDRETTA
CHIEF EXECUTIVE OFFICER
27 June 2023

Governance Report

Board of Directors

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

Thierry Andretta
Chief Executive Officer

Thierry Andretta, 66, was appointed as Chief Executive Officer 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 each of SCI TMLS and SCI TM Bearn. 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, 53, 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.

Christopher Roberts
Chairman

Christopher Roberts, FCCA, 59, is Chairman of the Board (appointed 30 September 2022). He was appointed to the Board on 6 June 2002 and held the position of Chair of the Nominations and Remuneration Committee from 2013 to 30 September 2022. 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, 65, was appointed as 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 New York Stock Exchange and is the Chairman of their Compensation 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, 49, is Chairman of the Nominations and Remuneration Committee (appointed on 30 September 2022). She was appointed to the Board 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, COMO 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, 65, 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 Copenhagen Fashion Week, 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, 59, was appointed on 7 May 2013 and is an independent director. With effect from 1 March 2023, Mr Cornu is Senior Vice President, Zone Europe, Société des Produits Nestlé SA, after having previously served as President of Nestlé France SA, CEO of Nestlé Suisse SA and Chief Commercial Officer for Nestlé 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.

Godfrey Davis
Life President

Godfrey Davis, FCA, 74, stood down as non-executive Chairman of the Board with effect from 30 September 2022 and now holds the non-board role Life President.

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 five Non-Executive Directors. Thierry Andretta acts as Chief Executive Officer, Charles Anderson as Group Finance Director and Chris Roberts 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 Christophe Cornu and Julie Gilhart.

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.

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 have now established 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 5 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. 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 2024 and the Board held a special Board meeting to focus on strategy which was held in May 2023, with a follow up session scheduled for late June 2023. Progress against the strategy is reviewed throughout the year with an analysis of resources needed to realise the steps identified and to deliver the growth projected. 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. During the course of last year, the Group established a Transformation project team to lead major cross functional transformational projects. These projects, which are each sponsored by members of the Group's management board, are allocated across the pillars of Commercial, IT, Digital, Finance, Supply Chain and HR and are identified as being aligned to the Group's strategy and driving or supporting growth. The Board receives a monthly progress report on the Transformation projects as well as undertaking a review of progress against plan at each Board meeting.
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 2023. Three Board members have connections with the Company's majority shareholder, Challice, or its owners. Meetings are offered to and have been held during the previous year with Fraser Group plc, a significant minority shareholder in the Company, to understand their issues or concerns; a further meeting will be held following the 2022/23 full year results announcement. In addition, the Company communicates to all shareholders and the wider market through the Company's Investor Relations website, through news releases and a trading update which, this last year, was issued in March 2023. The executive directors are also available for telephone calls, written 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 which were updated in June 2023. The Group takes great pride in the relationships that it has with its suppliers. The Global Sourcing Principles act as a code of conduct, setting out the standards for both suppliers and the Group and cover both employee rights and animal welfare. The Group is proud of its "Made to Last" ethos and approach to manufacturing which was launched in 2021 and is set out in its Made to Last manifesto and its Lifetime Service Centre which provides a product repair and renovation service. The Group recognises the benefits of a regenerative and circular business model and strives to implement pertinent practices across its own operations and wider supply chain. 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 over the last two years has been assessing its global carbon footprint. In February 2023 it submitted its science-based targets for carbon reduction to the Science Based Targets initiative for approval and validation. The Group has already committed to reaching net zero emissions by 2035 and has implemented many initiatives and actions to meet that target, including during 2023, the replacement and extension of the solar panels which provide solar energy to its Bridgwater factory and additional initiatives to reduce wastage or consumption. 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 annually publishes its 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 Sustainability team led by 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.

Code Principle	How Mulberry applies the Principle
3	
(continued)	As a natural progression of its commitment to sustainability and Made to Last, the Group is currently working with an external consultant to benchmark the Group against the requirements for B-Corp accreditation. The Group is committed to paying the National Living Wage (which is higher than the minimum wage) to its UK employees and is accredited by the Living Wage Foundation. It also supports the health and wellbeing of all employees through a variety of HR initiatives and policies. In addition, there are employee committees which meet regularly to ensure two-way communication throughout the Group and a Senior Leadership Team which meets to discuss business performance, initiatives and strategy to ensure top-down alignment. In terms of the wider community, the Group operates a Mulberry Somerset Community Fund which is part of the Somerset Community Foundation to support wider and more significant charitable and community projects within Somerset and holds a number of local fundraising events to support charities and initiatives chosen by employees. As part of its Christmas festivities, the Company made donations to and assisted with fundraising 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 Turkish/Syrian earthquake in February 2023, the Company made a donation to the British Red Cross Appeal. A group of employees have recently completed a fundraising walk along Hadrian's Wall to raise money for Brake Road Safety Charity in memory of a former employee. The Group operates a volunteering policy, enabling all employees to have two days' paid leave each year for volunteering with charitable or good causes in their community. During the last year the Group introduced a mentoring programme working with Mentoring Matters, a global mentoring organisation which offers advice and support to young people from ethnic minority backgrounds to help demystify the arts and creative industries and help them along their professional path. This enables Group employees to volunteer to give mentoring support over a 12-week period. Recognising its commitment to its employees and climate change, partnering with Ecologic Action Ltd, the Group has enabled a new tree to be planted for every new employee who has joined, resulting in over 621 new trees having been planted since the scheme was introduced.
4	
Embed effective risk management, considering both opportunities and threats, throughout the organisation	Principle risks and plans to mitigate these risks, are set out in the Annual Report and are discussed during Board and Audit Committee 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 pandemics, government actions, natural disasters and war are considered when appropriate and where relevant are embedded in the strategy and budget. During the year the Group undertook workshops and reviews to consider specific risk issues, including cyber security and is currently undertaking an update of its Business Continuity Plan.

Corporate governance (continued)

Code Principle	How Mulberry applies the Principle
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, since October 2022, five 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. However, the Board has reviewed the range of skills considered desirable at board level to assist the Group and the Board and currently is undertaking a search for an additional independent non-executive Director. 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. Since the COVID-19 crisis the Board and its Committees have embraced a hybrid approach to meetings with a mixture of virtual Board and Committee meetings and in person Board and Committee meetings. This arose partially due to the success of virtual meetings during COVID-19 restrictions but also as a response to the Group's focus on sustainability. Specific meetings, such as Budget review, strategy discussions and AGMs, are held as in person meetings, but where a virtual meeting is possible, this is considered more appropriate to avoid travel and unnecessary costs. All Directors are able to fully participate in virtual meetings. 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.
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. The Chairman has proposed that during the course of the coming year an external board review be undertaken; the outcome will be reported in next year's QCA Code update.

Code Principle	How Mulberry applies the Principle
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, Sustainability Report, Global Sourcing Principles 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 policies around Anti-corruption and 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.
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 2023. 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. The Board is keen to ensure communication with and participation by shareholders; consequently, the Board has decided to move forward with electronic communication with its shareholders including electronic voting. Invitations to register will be sent to shareholders in summer 2023 with the Annual Report and AGM documentation to take effect after the AGM.

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:

- Melissa Ong (Chairman and 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 sets 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 150% 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	**52 weeks ended 1 April 2023 Total £'000**
Executive Directors					
Thierry Andretta[1]	714	–	404	40	**1,158**
Charles Anderson[3]	318	–	28	40	**386**
Non-Executive Directors					
Godfrey Davis	150	–	–	–	**150**
Chris Roberts	75	–	1	–	**76**
Steven Grapstein	45	–	1	–	**46**
Melissa Ong	45	–	–	–	**45**
Christophe Cornu	45	–	1	–	**46**
Julie Gilhart	45	–	–	–	**45**
	1,437		435	80	**1,952**

	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

Notes:

1 Thierry Andretta was the highest paid Director during the period. He was appointed as Chief Executive Officer 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

	2 April 2022	Granted	Exercised	**1 April 2023**	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

	2 April 2022	Granted	Exercised	1 April 2023	Exercise price (£)	Date of exercise	Average market price on exercise (£)
Godfrey Davis	300,000	–	300,000	–	1.458	6 July 2022	n/a

During the period 300,000 (2022: nil) options were exercised. The share price at the date of exercise was £3.05 and the options were satisfied by the transfer of 156,590 shares from the Mulberry Group plc Employee Share Trust.

(C) OPTIONS GRANTED UNDER THE PERFORMANCE SHARE PLAN

	2 April 2022	Granted	Lapsed	1 April 2023	Exercise price (£)
Thierry Andretta[1]	250,000	–	250,000	–	nil

Notes:

1 Shares have now lapsed due to performance conditions not met.

(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 1 April 2023.

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 1 April 2023.

RESULTS AND DIVIDENDS

The results for the period are set out in the Group income statement, as well as the financial review on pages 22 to 24, which includes management's comments and report on the results. The Directors are recommending the payment of a final dividend of 1 pence per ordinary share (2022: 3 pence per ordinary share).

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. The going concern period reviews the 12-month period from the date of this announcement to the end of June 2024.

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 9 to 47. The principal risks and uncertainties, including the mitigating actions which address these risks, are set out on pages 42 to 47.

Whilst the Directors have not identified a material uncertainty in respect of going concern, there were significant judgements applied in reaching this conclusion. The key judgements made in the going concern assessment are in relation 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. 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 £0.7m (2022: £25.7m) at 1 April 2023 which included a £4.0m drawdown on its revolving credit facility (RCF).

Borrowing facilities

The Group has a £15.0m RCF with security granted in favour of HSBC banking, which has been extended for a further four-year period to 30 September 2027. 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 and SaaS costs. In addition, the Group has a £4.0m overdraft facility and a further USD1.9m overdraft facility in China which is currently capped at USD0.5m, 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 39.

The RCF was drawn down by £4.0m at the period end and this increased to £12.0m at the date of this report. The Group had net debt of £8.8m at 23 June 2023.

Base case scenario

The Directors' base case scenario assumes that revenue will increase by 10.8% versus 2022/23 with growth primarily driven by the full year impact of 2022/23 initiatives of Sweden and Australia. Caution has been applied on the UK and China markets reflecting a level of uncertainty. The Directors compared the base case scenario against external analysis which supported our strategic approach and growth plans, including market opportunities.

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.

Under this scenario, banking covenants will be met however it is anticipated an element of the RCF will continue to be required between April 2023 and June 2023.

Reverse stress test and downside scenario

The Directors have considered a plausible but remote downside scenario, which models out the risk in the UK and South Korea, which are considered the main regions which could impact full year revenue. The impact of this would result in a 5.5% reduction in Group revenue against the base case scenario and further mitigating actions are available.

The Directors have prepared 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 RCF 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:

- current trading is outperforming the reverse stress assumptions. This is anticipated to continue;
- revenue in this scenario would be below the level achieved in 2022/23, with current trading above last year;
- despite the fall in revenue in this scenario, the RCF would not be fully drawn although available to the Group throughout the going concern period; and
- if trading was to be challenging over the key trading periods, there is time to react and take further mitigating actions before the covenant is breached in June 2024, 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.

The reverse stress test shows that Group revenue could fall by 14.0% versus the base case scenario before the leverage covenant is breached in June 2024. However, once mitigating actions are applied, this increases to 17.2%.

Under this scenario, the RCF 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 2024. 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.

Directors' report (continued)

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 2023	5p ordinary shares 2022
Godfrey Davis	**875,117**	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 1 April 2023 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

Notes:

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 1 April 2023 was £2.15 (2022: £3.10) and the range during the period was £2.05 to £3.10 (2022: £2.32 to £4.07).

MOVEMENT IN THE COMPANY'S OWN SHAREHOLDING

Please refer to notes 27 and 28.

EVENTS AFTER THE REPORTING PERIOD

Renewal of the revolving credit facility (RCF);

Since the period end, the Group has extended the RCF with HSBC until September 2027 and banking covenants remain unchanged. The £15.0m RCF 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 and SaaS costs.

Acquisition of New Zealand store;

On 12 May 2023 the Group acquired one store previously operated by our New Zealand franchisee. The Group paid £0.3m to purchase the assets from the franchisee. The store will be operated by a branch of Mulberry Company (Australia) Pty Limited.

Assignment of Bond Street Lease;

In February 2023 our store at Bond Street closed; as at 1 April 2023 the balance sheet of the Group includes a right-of-use asset of £11.8m and discounted lease liabilities of £17.3m relating to the store. On 3 April 2023 the lease on this store was assigned to a third party; the Group has committed to pay the first £5.2m of the outstanding lease liability to the third party and will remain a guarantor for the remaining five years of the lease. This transaction will be treated as a lease disposal in the period ended 30 March 2024.

Investment in Mulberry Japan Co. Limited;
On 27 June 2023 the Group, via its subsidiary Mulberry Trading Holding Company Limited, acquired the share capital held by its Joint Venture partner, Onward Holding Co Limited, in Mulberry Japan Co. Limited. Following the acquisition, the Group owns 100% of Mulberry Japan Co. Limited.

BRANCHES

The Group operates branches, as defined in S1046(3) of the Companies Act 2006, in Ireland, Netherlands, New Zealand 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 1 April 2023 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

	52 weeks ended 1 April 2023	53 weeks ended 2 April 2022
Energy Consumption, including electricity, natural gas, LPG and transport fuel (kWh)	**4,248,507**	4,420,438
Scope 1 emissions in metric tonnes CO_2e		
Natural Gas	**175.4**	250.0
Company-owned transport	**27.4**	22.9
LPG	**30.3**	0.0
Total Scope 1	**233.1**	272.9
Scope 2 emissions – Purchased electricity (tonnes CO_2e)	**574.0**	631.6
Scope 3 emissions – Business travel where responsible for fuel (tonnes CO_2e)	**15.7**	4.8
Total gross emissions in metric tonnes CO_2e	**822.8**	909.3
Intensity ratio (CO_2e/£m Revenue)	**5.17**	5.98

Our emissions intensity relative to sales has reduced by 8% in the period and our total carbon emissions has reduced by 3.8%. This reduction is largely due to the stagnation of carbon emissions due to the active implementation of energy efficiency measures.

In the period we have helped minimise energy consumption by installing LED lighting in a number of offices and buildings and we have also conducted a sustainability gap analysis in our UK retail stores. The results of this will form an action plan for the coming year and consider a multitude of further energy saving opportunities including energy metering and energy efficient equipment.

We have reported on all the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and Companies (Directors' 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.

Directors' report (continued)

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 11.

CORPORATE GOVERNANCE

Corporate governance which forms part of the Directors' report is discussed in the Governance Report section of the Annual Report on pages 49 to 65.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is discussed in the Our Stakeholders section of the Annual Report on pages 38 to 41.

CHARITABLE AND POLITICAL DONATIONS

The Group made charitable donations during the period, details of which can be found in the Communities & Environment section on page 41. The Group made no political donations in either period.

RISK MANAGEMENT

The Group's financial instruments risk management policies can be found in note 33.

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 re-appoint GT as external auditor to the Group for FY2023-24 will be proposed at the forthcoming AGM. The Independent Auditor's Report can be found on pages 67 to 77.

The Directors' Report was approved by the Board of Directors and authorised for issue on 27 June 2023.

CHARLES ANDERSON
GROUP FINANCE DIRECTOR
27 June 2023

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.

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 27 June 2023 and is signed on its behalf by:

THIERRY ANDRETTA
CHIEF EXECUTIVE OFFICER

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 52 week period ended 1 April 2023, 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 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 1 April 2023 and of the group's profit and the parent company'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.

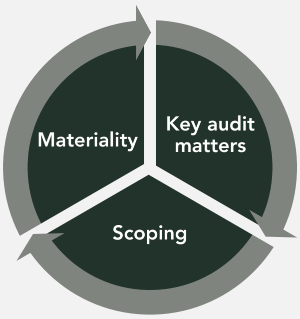
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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.

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

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

OUR APPROACH TO THE AUDIT



Overview of our audit approach

Overall materiality:

Group: £1,000,000, which represents approximately 0.6% of the group's total revenues.

Parent company: £311,000, which represents approximately 1.5% of the parent company's total assets.

Key audit matters were identified as:

- Occurrence of revenue outliers within the store, digital and wholesale revenue streams (same as previous period);
- Impairment and impairment reversals of store right-of-use assets (same as previous period); and
- Going concern basis of accounting (same as previous period)

Our auditor's report for the period ended 2 April 2022 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.

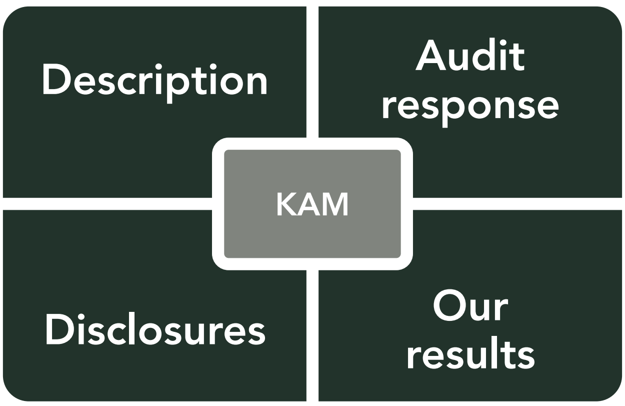
For the following components, we performed specific audit procedures using group materiality: Mulberry (Asia) Limited and Mulberry Trading (Shanghai) Company Limited.

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.

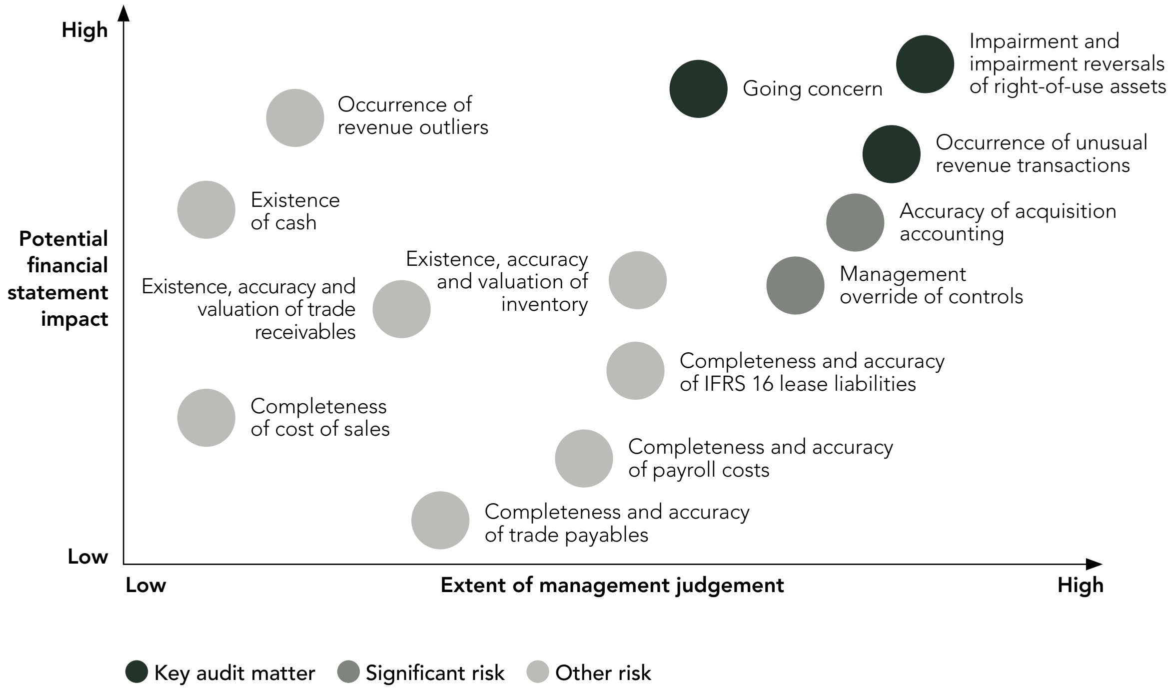
Our work performed over components covered 86% of the group's revenue and 93% of the group's profit before tax.

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.



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 2023 • 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.

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

Key Audit Matter – Group	How our scope addressed the matter – Group
Impairment and impairment reversals of store right-of-use assets We identified impairment and impairment reversals of store right-of-use assets as one of the most significant assessed risks of material misstatement due to fraud or error. The group has £57.3m of store right-of-use assets as at 01 April 2023. An impairment charge of £773k has been recognised in the current period, but no impairment charges were recognised in the prior period. In the current period, impairment reversals of £13.7m have been recognised. No impairment reversals were recognised in the prior period. 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 or impairment reversal arising from variances in performance. • 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; • Challenging management's consideration of valuation techniques for closed stores to determine whether an impairment is required under the standard, including a review of any fair value assumptions made; • 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.
Relevant disclosures in the Annual Report and Accounts 2023 • Financial statements: Note 19, Right-of-use assets • Financial statements: Note 7, Alternative performance measures	**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.

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 our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and parent company's business model including effects arising from macro-economic uncertainties such as the volatility in the retail sector and wider macro-economic environment, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.	In responding to the key audit matter, we performed the following audit procedures: • Obtaining an understanding of how management prepared their base case, downside scenario and reverse stress test for the period to 30 June 2024; • Considering the other inherent risks associated with the group's business model including effects arising from macro-economic uncertainties such as the rising cost of inflation, including consideration of the industry in which the group operates and the forecasting assumptions of other comparable competitors; • 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; • 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.
Relevant disclosures in the Annual Report and Accounts 2023 • Directors' report: Going concern • Financial statements: Note 3, Significant accounting policies	**Our results** We have nothing further to add in addition to that stated in the 'conclusions relating to going concern' section of our report.

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

OUR APPLICATION OF MATERIALITY

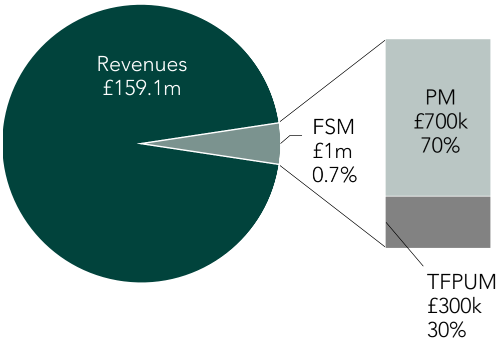
We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

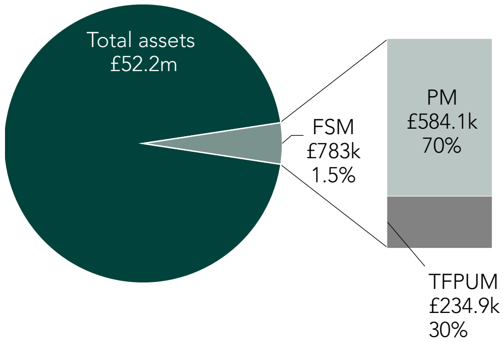
Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£1,000,000, which is approximately 0.6% of the group's total revenues.	£311,000, which is approximately 1.5% of the parent company's total assets.
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 year is the same level that we determined for the period ended 02 April 2022 to reflect the relatively consistent revenues in the current 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 higher than the level that we determined for the period ended 02 April 2022 to reflect the company's increased 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.	£217,000, which is 70% of financial statement materiality.
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made the following significant judgement in respect of our risk assessment. We have considered it appropriate to use a threshold consistent with the prior year, as there have been no significant changes to management's control environment.	In determining performance materiality, we made the following significant judgement in respect of our risk assessment. We have considered it appropriate to use a threshold consistent with the prior year, as there have been no significant changes to management's control environment.
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; Directors' remuneration.	We determined a lower level of specific materiality for the following areas: Related party transactions; 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.	£15,550 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

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:

Article I. 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.
- We documented our understanding of the group's processes and controls over all areas of significant risk and significant classes of transactions and performed walkthroughs on these controls to confirm they are designed and implemented effectively.

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. The following section details component scoping in further detail.

Article II. 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 and Mulberry Trading (Shanghai) Company Limited.
- Analytical procedures were performed for all other components.

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

Article III. 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.
- 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 86% of the group's consolidated revenues and 93% of the group's consolidated profit before taxation.

Article IV. 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.

Article V. Changes in approach from previous period

- The scope of the current period's audit was similar to that in the prior period, other than changes made to our specified audit procedures to ensure that sufficient coverage was obtained over the audit of all key group balances considered at our risk assessment stage.
- In the prior year, specified audit procedures were performed over Mulberry Company France SARL and Mulberry Korea Company Limited, which were not required in the current year to obtain sufficient coverage over key group balances.

Audit approach	No. of components	% coverage Revenue	% coverage Profit before tax
Full-scope audit	3	81%	93%
Specified audit procedures	2	5%	0%
Analytical procedures	14	14%	7%

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 year 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 their 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
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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- 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.
- 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.
- 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. We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- 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.

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.

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.

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

17th Floor, 103 Colmore Row
Birmingham
B3 3AG

27 June 2023

Group income statement

52 WEEKS ENDED 1 APRIL 2023

	Note	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Revenue	5	**159,129**	152,411
Cost of sales	21	**(45,879)**	(43,106)
Gross profit		**113,250**	109,305
Impairment charge relating to intangibles		**(2,366)**	–
Impairment credit relating to property, plant and equipment		**850**	–
Impairment credit relating to right-of-use assets		**12,949**	–
Other operating expenses	8	**(108,485)**	(85,878)
Other operating income	5	**776**	1,220
Operating profit		**16,974**	24,647
Share of results of associates	20	**52**	127
Finance income	11	**11**	19
Finance expense	12	**(3,887)**	(3,467)
Profit before tax		**13,150**	21,326
Tax	13	**(1,753)**	(2,157)
Profit for the period		**11,397**	19,169
Attributable to:			
Equity holders of the parent		**13,243**	19,985
Non-controlling interests		**(1,846)**	(816)
Profit for the period		**11,397**	19,169
Basic profit per share	15	**19.1p**	32.2p
Diluted profit per share		**19.1p**	32.2p

All activities arise from continuing operations.

Group statement of comprehensive income

52 WEEKS ENDED 1 APRIL 2023

	Note	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Profit for the period		**11,397**	19,169
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	28	**(483)**	(116)
Total comprehensive income for the period		**10,914**	19,053
Attributable to:			
Equity holders of the parent		**12,888**	19,954
Non-controlling interests		**(1,974)**	(901)
Total comprehensive income for the period		**10,914**	19,053

Group balance sheet

AS AT 1 APRIL 2023

	Note	1 April 2023 £'000	2 April 2022 £'000
Non-current assets			
Intangible assets	16	**6,015**	6,056
Property, plant and equipment	17	**19,817**	14,618
Right-of-use assets	19	**57,520**	32,221
Interests in associates	20	**254**	335
Deferred tax asset	24	**622**	2,148
		84,228	55,378
Current assets			
Inventories	21	**48,250**	36,783
Trade and other receivables	22	**19,901**	15,927
Cash and cash equivalents	22	**6,872**	25,669
		75,023	78,379
Total assets		**159,251**	133,757
Current liabilities			
Trade and other payables	25	**(28,143)**	(24,975)
Current tax liability		**(182)**	(2,382)
Lease liabilities	26	**(10,932)**	(11,108)
Borrowings	23	**(11,562)**	(3,278)
		(50,819)	(41,743)
Net current assets		**24,204**	36,636
Non-current liabilities			
Lease liabilities	26	**(61,666)**	(52,547)
Borrowings	23	**–**	(1,721)
		(61,666)	(54,268)
Total liabilities		**(112,485)**	(96,011)
Net assets		**46,766**	37,746
Equity			
Share capital	27	**3,004**	3,004
Share premium account		**12,160**	12,160
Own share reserve	28	**(896)**	(1,269)
Capital redemption reserve	28	**154**	154
Foreign exchange reserve	28	**675**	1,158
Retained earnings		**38,110**	27,006
Equity attributable to holders of the parent		**53,207**	42,213
Non-controlling interests	29	**(6,441)**	(4,467)
Total equity		**46,766**	37,746

The financial statements of Mulberry Group plc (company number 01180514) were approved by the Board of Directors and authorised for issue on 27 June 2023.

They were signed on its behalf by:

THIERRY ANDRETTA
DIRECTOR

CHARLES ANDERSON
DIRECTOR

Group statement of changes in equity

52 WEEKS ENDED 1 APRIL 2023

	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 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
Profit/(loss) for the period	–	–	–	–	–	13,243	13,243	(1,846)	11,397
Other comprehensive expense for the period	–	–	–	–	(483)	–	(483)	–	(483)
Total comprehensive (expense)/ income for the period	–	–	–	–	(483)	13,243	12,760	(1,846)	10,914
Charge for employee share-based payments (note 30)	–	–	–	–	–	23	23	–	23
Own shares	–	–	346	–	–	–	346	–	346
Exercise of share options	–	–	–	–	–	(346)	(346)	–	(346)
Impairment of shares in trust	–	–	27	–	–	(27)	–	–	–
Non-controlling interest foreign exchange	–	–	–	–	–	–	–	(128)	(128)
Dividends paid (note 14)	–	–	–	–	–	(1,789)	(1,789)	–	(1,789)
Balance at 1 April 2023	**3,004**	**12,160**	**(896)**	**154**	**675**	**38,110**	**53,207**	**(6,441)**	**46,766**

Group cash flow statement

52 WEEKS ENDED 1 APRIL 2023

	Note	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Operating profit for the period		**16,974**	24,647
Adjustments for:			
Depreciation and impairment of property, plant and equipment	17	**3,487**	3,702
Depreciation and impairment of right-of-use assets	19	**(5,021)**	6,682
Amortisation and impairment of intangible assets	16	**4,041**	1,778
Gain on lease modification and lease disposals	34	**(441)**	(2,160)
Loss on sale of property, plant and equipment		**96**	38
Business combination gain		**(304)**	–
Profit on disposal of intangible assets		**–**	(5,343)
Own shares transferred from trust		**–**	8
Share-based payments expense	31	**23**	69
Operating cash inflows before movements in working capital		**18,855**	29,421
Increase in inventories		**(9,722)**	(5,400)
Increase in receivables		**(3,974)**	(3,318)
Increase in payables		**2,001**	2,136
Cash generated from operations		**7,160**	22,839
Income taxes paid		**(2,427)**	(154)
Interest paid		**(3,899)**	(3,470)
Net cash inflow from operating activities		**834**	19,215
Investing activities:			
Interest received		**15**	19
Acquisition of businesses	35	**(3,182)**	–
Purchases of property, plant and equipment		**(7,129)**	(4,419)
Proceeds from disposal of property, plant and equipment		**2**	59
Acquisition of intangible assets		**(3,919)**	(897)
Dividend received from associate		**40**	
Proceeds from disposal of intangible assets	7	**–**	13,316
Net cash (used in)/generated from investing activities		**(14,173)**	8,078
Financing activities:			
Increase in loans from non-controlling interests	34	**246**	313
New borrowings	34	**6,100**	–
Dividends paid		**(1,789)**	–
Principle elements of lease payments		**(10,261)**	(13,736)
Settlement of share awards		**–**	(5)
Net cash used in financing activities		**(5,704)**	(13,428)
Net (decrease)/increase in cash and cash equivalents		**(19,043)**	13,865
Cash and cash equivalents at beginning of period		**25,669**	11,820
Effect of foreign exchange rate changes		**246**	(16)
Cash and cash equivalents at end of period	22	**6,872**	25,669

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

52 WEEKS ENDED 1 APRIL 2023

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 127. 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 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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 1 April 2023, the financial period runs for the 52 weeks to 1 April 2023 (2022: 53 weeks ended 2 April 2022).

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 61 and 62.

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 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. Software as a Service (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 cash generating unit 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 cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) 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 (cash generating unit) 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 (cash generating unit) 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; and
- 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 APMs, 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, provide 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.

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.

Notes to the Group Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 9 to 25. The principal risks and uncertainties, including the mitigating actions which address these risks, are set out on pages 42 to 47.

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 Directors' Report in pages 61 and 62.

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.

Notes to the Group Financial Statements (continued)

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

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 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 cashflows, 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 17 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.

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.

Where a store has been closed and has been reassigned to a third party the Directors use the future discounted cash flow savings, that will benefit the Group over the remaining life of the lease, to determine the fair value of the asset.

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.

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

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Revenue		
Sale of goods	**159,129**	152,411
Other operating income		
Licence income	**387**	374
Royalty income	**230**	191
Other income	**159**	655
	776	1,220
Finance income		
Interest income on cash balances	**11**	19
Other interest income	**–**	–
Total revenue and other income and finance income	**159,916**	153,650

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

The Group continues to extend 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. It is therefore appropriate for the segmental analysis disclosures to be a 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.

The principal activities are as follows:

- The accounting policies of the reportable segments 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

	52 weeks ended 1 April 2023				
	UK £'000	**Asia Pacific £'000**	**Other International £'000**	**Eliminations £'000**	**Total £'000**
Revenue					
Omni-Channel	**171,615**	**27,234**	**13,073**	**(77,677)**	**134,245**
Wholesale	**4,918**	**4,254**	**15,712**		**24,884**
Total revenue	**176,533**	**31,488**	**28,785**	**(77,677)**	**159,129**
Segment profit/(loss)	**533**	**(1,222)**	**12,398**		**11,709**
Central costs					**(5,374)**
Store closure credit					**205**
Impairment of property, plant and equipment					**850**
Impairment of right-of-use assets					**12,949**
Impairment of intangible					**(2,366)**
Australia acquisition costs					**(806)**
Sweden acquisition costs					**(193)**
Operating profit					**16,974**
Share of results of associates					**52**
Finance income					**11**
Finance expense					**(3,887)**
Profit before tax					**13,150**

	UK £'000	Asia Pacific £'000	Other International £'000	Central £'000	Total £'000
Segment capital expenditure	7,866	1,101	1,731	138	10,836
Segment depreciation and amortisation net of impairment	(6,142)	4,942	1,747	1,960	2,507
Segment assets	108,065	27,812	14,539	8,213	158,629
Segment liabilities	72,006	16,312	13,877	10,290	112,485

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

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:		52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Profit before tax		**13,150**	21,326
Store closure credit		**(205)**	(6,757)
Impairment credit related to property, plant and equipment		**(850)**	–
Impairment credit related to right-of-use assets		**(12,949)**	–
Impairment charge related to intangibles		**2,366**	–
Australia acquisition costs		**806**	–
Sweden acquisition costs		**193**	–
Underlying profit before tax – non-GAAP measure		**2,511**	14,569
Adjusted basic earnings per share	15	**5.8p**	24.8p
Adjusted diluted earnings per share	15	**5.8p**	24.8p

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.

Store closure costs

During the period, one UK and one international store were closed (2022: two UK and two international stores). The stores closure credit relates to the following items (released)/charged to the income statement:

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Release of lease liabilities	**(635)**	(1,323)
Profit on disposal of an intangible asset	**–**	(5,343)
Lease exit and redundancy costs	**430**	(91)
	(205)	(6,757)

The disposal of the leases resulted in net cash proceeds of £nil (2022: £13,300,000).

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 cash-generating unit (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.

The Group also tests whether there should be any reversal of previously impaired assets. The results of this assessment are shown in the table below:

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Impairment charge related to property, plant and equipment – 1 store (2022: nil)	**204**	–
Reversal of impairment charge related to property, plant and equipment – 1 store (2022: nil)	**(1,054)**	–
Net impairment credit related to property, plant and equipment	**(850)**	–
Impairment charge related to right-of-use assets – 2 stores (2022: nil)	**773**	–
Reversal of impairment charge related to right-of-use assets – 2 stores (2022: nil)[1]	**(13,722)**	–
	(12,949)	–

1 Included within the impairment reversal credit is £7,845,000 for Bond Street which was closed during the period. On 3 April 2023 the lease on this store was assigned to a third party (see note 39). Based on the future discounted cash flow savings that will benefit the Group over the remaining life of the lease the Directors have determined that the fair value less costs to sell of the store right-of-use asset at 1 April 2023 was higher than its carrying value and therefore it was appropriate to reverse £7,845,000 of previously charged impairment. The balance relates to a reversal of a previous impairment of our Regent Street store. This store has seen improved performance post the Bond Street closure, which we anticipate to continue.

Impairment charge related to intangibles
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 22.3% per annum (2022: 18.4%). 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. As a result of this assessment the Group incurred an impairment charge during the period of £2,366,000 (2022: £nil).

Australia acquisition costs
During the period the Group incurred costs of £806,000 (net of a business combination gain of £304,000) on the acquisition of five stores in Australia (see note 35.)

Sweden acquisition costs
During the period the Group incurred costs of £193,000 on the acquisition of three stores in Sweden (see note 35)

8. OTHER OPERATING EXPENSES

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Other operating expenses have been arrived at after charging/(crediting):		
Impairment of intangible assets (see note 16)	**2,366**	–
Impairment of property, plant and equipment (see note 17)	**(850)**	–
Impairment of right-of-use assets (see note 19)	**(12,949)**	–
Amortisation of intangible assets (see note 16)	**1,675**	1,778
Depreciation of property, plant and equipment (see note 17)	**4,337**	3,702
Depreciation of right-of-use assets (see note 19)	**7,928**	6,682
Net foreign exchange gain	**(158)**	(57)
Store closure credit (see note 7)	**(205)**	(6,757)
Staff costs (see note 10)	**44,991**	40,731
Other operating expenses	**49,917**	39,799
	108,485	85,878

Notes to the Group Financial Statements (continued)

9. AUDITOR'S REMUNERATION

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'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	**425**	372
Fees payable to the Company's auditor and their associates for the audit of the Company's subsidiaries	**48**	47
Total audit fees	**473**	419

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

During the periods to 1 April 2023 and 2 April 2022 Grant Thornton UK LLP did not perform tax compliance services for Mulberry Group plc in line with the ethical standard restrictions on the use of auditors for non-audit services but did provide tax compliance services to some non-UK subsidiary companies. Those services took place after the signing of the Annual Report for those periods.

10. STAFF COSTS

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

	52 weeks ended 1 April 2023 Number	53 weeks ended 2 April 2022 Number
Production	**394**	369
Sales and distribution	**582**	477
Administration	**296**	264
	1,272	1,110

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Their aggregate remuneration comprised:		
Wages and salaries	**38,821**	35,328
Social security costs	**4,329**	4,007
Other pension costs (see note 32)	**1,818**	1,327
	44,968	40,662
Share-based payments (see note 31)	**23**	69
	44,991	40,731

Details of Directors' remuneration is set out in the Directors' Remuneration Report on pages 58 to 60.

11. FINANCE INCOME

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Other interest income	**–**	–
Interest income on cash balances	**11**	19
	11	19

12. FINANCE EXPENSE

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Interest on borrowings	**209**	12
Interest on lease liabilities	**3,528**	3,333
Other interest expense	**26**	9
Interest paid on loans from related parties	**124**	113
	3,887	3,467

13. TAX

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Current tax		
Corporation tax		
Current tax on income	**174**	3,071
Adjustments in respect of prior periods	**53**	–
Deferred tax (note 24)		
Origination and reversal of temporary differences	**1,728**	(736)
Adjustments in respect of prior periods	**(202)**	(178)
Tax charge for the period	**1,753**	2,157

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

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Profit before tax	**13,150**	21,326
Tax at the UK corporation tax rate of 19% (2022: 19%)	**2,498**	4,052
Tax effect of share of results of associate	**–**	(24)
Tax effect of expenses that are not deductible in determining taxable profit	**403**	1,153
Tax effect of differences in overseas tax base	**(45)**	–
Change in unrecognised deferred tax assets	**(1,368)**	(3,308)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**–**	394
Effect of differences between deferred tax and current tax rates	**414**	73
Adjustments in respect of prior periods	**(149)**	(183)
Tax charge for the period	**1,753**	2,157

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.

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 three-year strategic plan. In the period to 1 April 2023 the Group recognised deferred tax assets of £622,000 (2022: £2,148,000) in respect of losses and short-term timing differences that are expected to be set off against future taxable income.

At 1 April 2023 the Group did not recognise deferred tax assets in respect of deductible temporary differences of £55,762,000 (2022: £53,853,000) 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. DIVIDENDS

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Dividend for the period ended 2 April 2022 of 3p (2021: nil) per share paid on 25 November 2022	**1,789**	–
Proposed dividend for the period ended 1 April 2023 of 1p per share (2022: 3p)	**597**	1,789

15. EARNINGS PER SHARE (EPS)

	52 weeks ended 1 April 2023 pence	53 weeks ended 2 April 2022 pence
Basic earnings per share	**19.1**	32.2
Diluted earnings per share	**19.1**	32.2
Underlying basic earnings per share	**5.8**	24.8
Underlying diluted earnings per share	**5.8**	24.8

Earnings per share is calculated based on the following data:

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Profit for the period for basic and diluted earnings per share	**11,397**	19,169
Adjusting items:		
Store closure credits*	**(203)**	(4,411)
Reversal of impairment charge related to property, plant and equipment*	**(650)**	–
Reversal of impairment charge related to right-of-use assets*	**(10,342)**	–
Impairment charge for intangible assets	**2,366**	
Australia acquisition costs*	**728**	–
Sweden acquisition costs	**193**	–
Profit for the period for underlying basic and diluted earnings per share	**3,489**	14,758

* These items are included net of £2,731,000 (2022: £2,346,000) of the corresponding tax expense.

	52 weeks ended 1 April 2023 Million	53 weeks ended 2 April 2022 Million
Weighted average number of ordinary shares for the purpose of basic EPS	**59.6**	59.5
Effect of dilutive potential ordinary shares: share options	**–**	–
Weighted average number of ordinary shares for the purpose of diluted EPS	**59.6**	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 (see note 28).

16. INTANGIBLE ASSETS

	Goodwill £'000	Acquired software costs £'000	Lease costs £'000	Total £'000
Cost				
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
Additions	–	4,007	–	4,007
Disposals	–	–	–	
Foreign currency translation	(5)	(5)	–	(10)
At 1 April 2023	**2,366**	**24,007**	**–**	**26,373**
Amortisation				
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
Charge for the period	–	1,675	–	1,675
Impairment	2,366	–	–	2,366
Disposals	–	–	–	–
Foreign currency translation	–	(3)	–	(3)
At 1 April 2023	**2,366**	**17,992**	**–**	**20,358**
Carrying amount				
At 1 April 2023	**–**	**6,015**	**–**	**6,015**
At 2 April 2022	2,371	3,685	–	6,056
At 27 March 2021	2,434	4,599	7,932	14,965

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 22.3% per annum (2022: 18.4%). 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 £nil (2022: £2,434,000) 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 2024 from financial budgets approved by the Board. The pre-tax discount rate applied to cash flow projections is 22.3% (2022 :18.4%); turnover growth rates up to March 2026 are between 5% and 7% and beyond March 2026 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 the Group has incurred an impairment charge of goodwill of £2,366,000 as at 1 April 2023 (2022: £nil) and that the value in use of the intangible is £nil (2022: £2,371,000).

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 cash generating unit. A 5% increase or decrease in the turnover over three years would not result in a change to the impairment charge (2022: a 5% decrease in turnover would have reduced the headroom from £300,000 to £nil). A 10% increase in the pre-tax discount rate would also not result in any change to the impairment charge (2022: a 10% increase in the pre-discount rate would have reduced the headroom from £300,000 to £nil).These are considered reasonably possible changes.

Notes to the Group Financial Statements (continued)

16. INTANGIBLE ASSETS (CONTINUED)

Acquired software costs

At 1 April 2023, the Group had entered into contractual commitments for the acquisition of software of £40,000 (2022: £111,000). Included within software is £2,127,000 of projects still in development, where amortisation will not commence until the projects are complete and the assets come into use (2022: £851,000). The carrying value of website development costs within software is £3,158,000 (2022: £2,249,000). 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 prior period the store was closed and the intangible asset was disposed of.

17. 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 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
Additions	136	2,267	1,214	3,212	–	6,829
Acquisition of businesses	–	–	–	1,994	–	1,994
Disposals	(14)	(2,728)	(41)	(982)	(26)	(3,791)
Foreign currency translation	–	(11)	19	137	–	145
At 1 April 2023	**12,441**	**19,408**	**11,047**	**23,739**	**4**	**66,639**
Accumulated depreciation and impairment						
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
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
Charge for the period	412	1,744	661	1,519	1	4,337
Reversal of impairment charge	–	(601)	–	(249)	–	(850)
Disposals	–	(2,694)	(9)	(965)	(26)	(3,694)
Foreign currency translation	–	58	16	111	–	185
At 1 April 2023	**5,985**	**15,015**	**8,734**	**17,086**	**2**	**46,822**
Carrying amount						
At 1 April 2023	**6,456**	**4,393**	**2,313**	**6,653**	**2**	**19,817**
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

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

At 1 April 2023	**–**	**–**	**105**	**132**	**–**	**237**
At 2 April 2022	–	117	208	222	–	547

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 1 April 2023	**–**	**–**	**360**	**78**	**–**	**438**
At 2 April 2022	–	4	6	–		10

Freehold land of £2,029,000 (2022: £2,029,000), leasehold improvements of £nil (2022: £117,000), plant and equipment of £105,000 (2022: £208,000) and store fixtures and fittings of £132,000 (2022: £222,000) 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 cash generating units ("CGU") are determined from value in use calculations and are compared to the assets' carrying values at 1 April 2023.

During the period, the reversal of an impairment charge of £1,054,000 (2022: £nil) for one store was identified as part of the Directors' impairment review of the retail store assets across the Group portfolio. In addition the Group incurred an impairment charge of £204,000 (2022: £nil) for one overseas store. The total recoverable amount for these stores was considered to be £1,293,000 at 1 April 2023.

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 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 cash generating unit. A 10% decrease in revenue would result in an impairment charge of up to £100,000 (2022: up to £100,000). 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 not result in an impairment charge (2022: up to £100,000). This is considered a reasonably possible change.

The pre-tax discount rates used in these calculations were between 18.4% and 20.4% (2022: 14.9% and 16.4%). This is based on the Group's weighted average cost of capital adjusted for country specific risks.

18. SUBSIDIARIES

A list of the investments in subsidiaries, including the name, country of incorporation and proportion of ownership interest is given in note 44 to the Company's separate financial statements.

Notes to the Group Financial Statements (continued)

19. RIGHT-OF-USE ASSETS

	Short leasehold land and buildings £'000	Fixtures fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
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
Additions	22,743	–	–	22,743
Modifications	670			670
Disposals	(3,315)	–	–	(3,315)
Foreign currency translation	263	–	–	263
At 1 April 2023	**131,874**	**525**	**88**	**132,487**
Depreciation				
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
Charge for the period	7,794	132	2	7,928
Impairment for the period	(12,949)	–	–	(12,949)
Foreign currency translation	83	–	–	83
At 1 April 2023	**74,622**	**257**	**88**	**74,967**
Carrying amount				
At 1 April 2023	**57,252**	**268**	**–**	**57,520**
At 2 April 2022	31,819	400	2	32,221
At 27 March 2021	33,453	38	20	33,511

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 26.

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 1 April 2023. For the period ended 1 April 2023 the Group reviewed the right-of-use assets for all its retail stores where there was a potential impairment indicator.

During the period, the reversal of an impairment charge of £5,877,000 (2022: £nil) for one store was identified as part of the Directors' impairment review of store assets and the Group incurred impairment charges of £773,000 for two overseas stores (2022: £nil). The total recoverable amount of the right-of-use asset for these stores was considered to be £8,265,000 at 1 April 2023.

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 reversal of impairment noted above 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 reversal of impairment of up to £1,000,000. This is considered a reasonably possible change in the key assumption.
- Similarly a 10% increase in the pre-tax discount rate used for this store would reduce the reversal of impairment by £400,000. This is also a reasonably possible change in the key assumption.

For the other stores within the Group portfolio:

- 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 cash generating unit. A 10% decrease in revenue would result in an impairment charge of up to £500,000 (2022: up to £1,000,000). 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 (2022: £nil 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 18.4% and 20.4% (2022: 14.9% and 16.4%).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 (2022: £nil). This is also a reasonably possible change in the key assumption.

Additionally, Bond Street was closed in February 2023 and on 3 April 2023 the lease was assigned to a third party (see note 39). As the lease assignment contract was signed during the period the Directors have determined that it was appropriate to value the right-of-use asset on a fair value less cost to sell basis rather than value in use. Based on the future discounted cash flow savings that will benefit the Group over the remaining life of the lease, the Directors have determined that the fair value less costs to sell of the store right-of-use asset at 1 April 2023 was higher than its carrying value and therefore it was appropriate to reverse £7,845,000 of previously charged impairment. The total recoverable amount of the right-of-use asset was considered to be £11,777,000 at 1 April 2023. The discount rate used in this calculation was 6.4%.

The Directors obtained an independent valuation to determine the discount rate based on the estimated credit risk margin of the lessee. For this store the only assumption that could materially impact the fair value less costs of the right-to-use asset would be an increase in this discount rate. A 1% increase in the discount rate would result in a decrease in the reversal of the impairment charge of £500,000.

The following amounts have been recognised in the income statement:

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Depreciation of right-of-use assets	**7,928**	6,682
Net reversal of impairment charge in the period	**(12,949)**	–
Finance costs of lease liabilities	**3,528**	3,333
Expense relating to short-term leases	**1,879**	1,423
Expense relating to variable payments not included in the measurement of the lease liability	**10,741**	10,592
	11,127	22,030

The variable lease payments constitute up to 42% 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 £25,671,000 (2022: £29,084,000).

Notes to the Group Financial Statements (continued)

20. INTERESTS IN ASSOCIATES

	1 April 2023 £'000	2 April 2022 £'000
Total assets	**1,382**	1,664
Total liabilities	**(281)**	(448)
Total net assets	**1,101**	1,216

	1 April 2023 £'000	2 April 2022 £'000
Group's share of net assets of associate	**254**	335

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 1 April 2023.

The Group has one interest in an associate – Mulberry Oslo AS (see note 44).

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Total revenue	**2,195**	2,395
Profit for the period	**104**	255
Group's share of profit of associate	**52**	127

21. INVENTORIES

	1 April 2023 £'000	2 April 2022 £'000
Raw materials	**2,151**	2,402
Work-in-progress	**509**	696
Finished goods	**45,590**	33,685
	48,250	36,783

Included in cost of sales is a release of a provision to write down of inventories of £1,924,000 (2022: release of £2,071,000) and cost of inventories recognised as an expense £47,803,000 (2022: £45,177,000).

22. OTHER FINANCIAL ASSETS

Trade and other receivables

	1 April 2023 £'000	2 April 2022 £'000
Amount receivable for the sale of goods	**8,359**	6,425
Allowance for expected credit losses	**(1,172)**	(666)
	7,187	5,759
Amounts due from related parties (see note 36)	**105**	285
Amounts owed by associate undertakings (see note 36)	**96**	159
Other debtors[(1)]	**5,434**	4,574
Prepayments	**7,079**	5,150
	19,901	15,927

(1) Other debtors as at 1 April 2023 includes £nil (2022: £1,313,000) relating to the disposal of an intangible asset (see note 7).

Trade receivables

The average credit period taken on the sale of goods is 36 days (2022: 70 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
1 April 2023					
Expected credit loss	**n/a**	**0%**	**2%**	**1%**	**64%**
Gross carrying amount	**8,359**	**3,880**	**493**	**2,329**	**1,657**
Loss allowance	**(1,172)**	**(12)**	**(9)**	**(12)**	**(1,139)**
Net trade receivable	**7,187**	**3,868**	**484**	**2,317**	**518**

	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

Expected credit losses includes £962,000 for one franchise partner (2022: £565,000).

Government grants in relation to HM Revenue & Customs CJRS and similar overseas schemes for the period were £nil (2022: £435,000).

Cash and cash equivalents

	1 April 2023 £'000	2 April 2022 £'000
Cash and cash equivalents	**6,872**	25,669

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)

23. BORROWINGS

	1 April 2023 £'000	2 April 2022 £'000
Overdrafts	**2,100**	–
Other borrowings	**4,000**	–
Loans from related parties (see note 34)	**3,521**	3,278
Loans from non-controlling interests	**1,941**	1,721
Unsecured borrowings at amortised cost	**11,562**	4,999
Amounts due for settlement within 12 months	**11,562**	3,278
Amounts due for settlement after 12 months	**–**	1,721

The other borrowings are part of the £15million Revolving Credit Facility and are repayable within one year and interest is payable at 2.5% above SONIA.

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

	Loan repayment date	1 April 2023 £'000	2 April 2022 £'000
Related party			
Challice Limited	30 June 2023	**3,521**	3,278
Non-controlling interest			
Onward Holdings Co., Ltd	30 June 2023	**1,941**	1,721
		5,462	4,999

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%

	Sterling £'000	Hong Kong Dollars £'000	Japanese Yen £'000	Total £'000
Analysis of borrowings by currency:				
Overdraft	2,100	–	–	2,100
Other borrowings	4,000	–	–	4,000
Loans from related parties	–	3,521	–	3,521
Loans from non-controlling interest	–	–	1,941	1,941
Carrying amount				
At 1 April 2023	**6,100**	**3,521**	**1,941**	**11,562**

	Sterling £'000	Hong Kong Dollars £'000	Japanese Yen £'000	Total £'000
Analysis of borrowings by currency:				
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

Since the period end, the Group has extended the revolving credit facility (RCF) with HSBC until September 2027 and banking covenants remain unchanged. The £15.0m RCF 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 and SaaS costs.

The revolving credit facilities are secured with Group cross guarantees. At 1 April 2023 the Group had £5,462,000 (2022: £4,999,000) of related party loans payable at commercial rates within each country.

24. DEFERRED TAX

	Tax losses £'000	Losses in overseas territories £'000	Accelerated tax depreciation £'000	Short-term temporary differences £'000	Total £'000
At 27 March 2021	1,039	–	191	4	1,234
Credit to income	1,253	–	(358)	19	914
At 2 April 2022	2,292	–	(167)	23	2,148
Charge to income	(1,248)	–	(841)	563	(1,526)
Deferred tax asset as at 1 April 2023	**1,044**	**–**	**(1,008)**	**586**	**622**

£622,000 (2022: £2,148,000) 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 £36,010,000 (2022: £24,602,000) arising from overseas territories upon which deferred tax assets are not recognised.

The Group further has UK tax losses totalling £4,177,000 (2022: £10,786,000) arising from UK entities. A deferred tax asset has been recognised in respect of £4,177,000 (2022: £9,165,000) 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 (£4,248,000) and fixed asset timing differences (£197,000) and IFRS 16 differences (£15,308,000) 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.

25. OTHER FINANCIAL LIABILITIES

Trade and other payables

	1 April 2023 £'000	2 April 2022 £'000
Trade payables	**14,453**	10,608
Accruals	**12,925**	12,943
Other payables	**765**	1,424
	28,143	24,975

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 27 days (2022: 11 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.

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

Notes to the Group Financial Statements (continued)

26. 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% (2022: 2.7% to 13.2%) with a weighted average rate of 6.1% (2022: 5.0%). These rates have been determined based on comparable bond yields and are lease specific varying by territory and lease length.

	1 April 2023 £'000	2 April 2022 £'000
Analysed as		
Current	**10,932**	11,108
Non-current	**61,666**	52,547
	72,598	63,655

Future minimum lease payments at 1 April 2023 are as follows:

	1 April 2023 £'000	2 April 2022 £'000
Maturity analysis;		
Year 1	**15,011**	13,928
Year 2	**15,162**	13,020
Year 3	**14,521**	11,538
Year 4	**14,040**	9,737
Year 5	**10,525**	9,424
Year 6	**6,385**	7,332
Year 7	**5,388**	4,589
Year 8	**2,322**	3,615
Year 9	**2,166**	544
Year 10	**1,227**	395
Effect of discounting	**(14,149)**	(10,467)
Carrying amount of liability	**72,598**	63,655

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.

27. SHARE CAPITAL

	1 April 2023 £'000	2 April 2022 £'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 (2022: nil).

The Company has not granted any options in respect of 5 pence ordinary shares during the period (2022: nil).

28. RESERVES

Own share reserve

The Own share reserve represents 416,627 5 pence ordinary shares (2022: 573,217 5 pence ordinary shares) at a cost of £895,748 (2022: £1,269,492). 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 5 pence shares (2022: nil) at a cost of £nil (2022: £nil) were issued to the Mulberry Group plc Employee Share Trust. During the period the value of the shares was impaired by £27,008 (2022: £nil), which was charged to retained earnings reflecting the decrease in the market price of the Company. 159,590 shares were transferred to satisfy the vesting of shares awards (2022: 3,430). The maximum number of own shares held during the period was 573,217 (2022: 576,647).

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 5 pence ordinary shares at par.

Foreign exchange reserves

	Foreign exchange reserve £'000	Total £'000
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
Exchange differences on translating the net assets of foreign operations	(483)	(483)
At 1 April 2023	**675**	**675**

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.

29. NON-CONTROLLING INTERESTS

	Mulberry (Asia) Limited £'000	Mulberry Japan Co. Limited £'000	Total £'000
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)
Share of losses for the period	(1,675)	(171)	(1,846)
Foreign currency translation	(137)	9	(128)
At 1 April 2023	**(5,416)**	**(1,025)**	**(6,441)**

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

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

Notes to the Group Financial Statements (continued)

30. 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 (2022: £nil).

31. 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:

	52 weeks ended 1 April 2023 Number of share options	**52 weeks ended 1 April 2023 Weighted average exercise price (in £)**	53 weeks ended 2 April 2022 Number of share options	53 weeks ended 2 April 2022 Weighted average exercise price (in £)
Outstanding at the beginning of the period	**880,315**	**6.23**	922,815	6.00
Granted during the period	**–**	**–**	–	–
Forfeited during the period	**(50,000)**	**8.57**	(42,500)	9.76
Exercised during the period	**–**	**–**	–	–
Outstanding at the end of the period	**830,315**	**5.67**	880,315	5.83
Exercisable at the end of the period	**830,315**	**5.67**	780,315	6.23

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

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:

	52 weeks ended 1 April 2023 Number of matching shares	53 weeks ended 2 April 2022 Number of matching shares
Outstanding at the beginning of the period	**–**	523
Exercised during the period	**–**	(523)
Outstanding at the end of the period	**–**	–
Exercisable at the end of the period	**–**	–

The weighted average share price at the date of exercise for share options exercised during the period was £nil (2022: £2.90).

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:

	52 weeks ended 1 April 2023 Number of share options	52 weeks ended 1 April 2023 Weighted average exercise price (in £)	53 weeks ended 2 April 2022 Number of share options	53 weeks ended 2 April 2022 Weighted average exercise price (in £)
Outstanding at the beginning of the period	**300,000**	**1.458**	300,000	1.458
Exercised during the period	**(300,000)**	**1.458**	–	–
Outstanding at the end of the period	**–**	**–**	300,000	1.458
Exercisable at the end of the period	**–**	**–**	300,000	1.458

During the period 300,000 (2022; nil) options were exercised. The share price at the date of exercise was £3.05 and the options were satisfied by the transfer of 156,590 shares from the Mulberry Group plc Employee Share Trust.

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 10 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 were exercisable after the financial results for the period ended 2 April 2022 were announced.

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

	52 weeks ended 1 April 2023 Number of shares	53 weeks ended 2 April 2022 Number of shares
Outstanding at the beginning of the period	**450,000**	878,000
Granted during the period	**–**	–
Forfeited during the period	**(450,000)**	(428,000)
Outstanding at the end of the period	**–**	450,000
Exercisable at the end of the period	**–**	–

The Group recognised the following (credit)/expense related to share-based payments:

	52 weeks ended 1 April 2023 £,000	53 weeks ended 2 April 2022 £,000
Mulberry Group plc 2008 Unapproved Share Option Scheme	**23**	48
Mulberry Group plc 2009 Co-ownership Equity Incentive Plan	**–**	21
Total share option charge	**23**	69

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

32. RETIREMENT BENEFIT SCHEMES
The Group contributes to personal pension plans for all qualifying employees. The total cost charged to income of £1,805,000 (2022: £1,327,000) represents contributions payable to these personal plans by the Group at rates contractually agreed. As at 1 April 2023, contributions due in respect of the current reporting period which had not been paid over to the plans were £204,000 (2022: £191,000).

Notes to the Group Financial Statements (continued)

33. 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 whilst 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

	1 April 2023 £'000	2 April 2022 £'000
Financial assets		
Cash and cash equivalents measured at amortised cost (note 22)	**6,872**	25,669
Trade and other receivables measured at amortised cost (note 22)	**12,822**	10,777
Derivative financial instruments measured at fair value through income statement	**–**	–
	19,694	36,446
Financial liabilities		
Trade and other payables measured at amortised cost (note 25)	**26,072**	22,324
Borrowings (note 23)	**11,562**	4,999
Lease liabilities (note 26)	**72,598**	63,655
	110,232	90,778

At 1 April 2023 the Group had derivatives in designated hedging relationships with a value of £nil (2 April 2022: £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 (2 April 2022: £nil).

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

	Liabilities 1 April 2023 £'000	Liabilities 2 April 2022 £'000	Assets 1 April 2023 £'000	Assets 2 April 2022 £'000
Euro	**745**	1,185	**4,776**	4,671
US Dollar	**572**	1,151	**665**	471
South Korean Won	**–**	–	**–**	1
Australian Dollar	**–**	–	**31**	20
Japanese Yen	**–**	–	**–**	65
Canadian Dollar	**–**	–	**71**	49
Swedish Krona	**–**	–	**78**	133
Danish Krone	**–**	–	**31**	4
Swiss Franc	**19**	19	**4**	12

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 52 weeks ended 1 April 2023 £'000	Impact on profit 53 weeks ended 2 April 2022 £'000
Euro	**(366)**	(317)
US Dollar	**(8)**	62
South Korean Won	**–**	(1)
Australian Dollar	**(3)**	(2)
Japanese Yen	**–**	(6)
Canadian Dollar	**(6)**	(4)
Swedish Krona	**(7)**	(12)
Danish Krone	**(3)**	–
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 1 April 2023 would have decreased by £0.1m (2022: profit decreased by £nil).

Notes to the Group Financial Statements (continued)

33. FINANCIAL INSTRUMENTS (CONTINUED)

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 23 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 -2.50% (2022: -0.89%).

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
1 April 2023						
Trade and other payables	**(28,143)**	–	–	–	–	**(28,143)**
Borrowings	**(11,562)**	–	–	–	–	**(11,562)**
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
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	–	–	–	–	–	–

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.

34. NOTES TO THE CASH FLOW STATEMENTS

Cash and cash equivalents

	1 April 2023 £'000	2 April 2022 £'000
Cash and bank balances	**6,872**	25,669
Borrowings	**(6,100)**	–
	772	25,669

Changes in liabilities arising from financing activities

	2 April 2022 £'000	Financing cash flows £'000	Foreign exchange £'000	New leases £,000	Lease modification £,000	Store closures [1] £,000	COVID-19 rent concessions [1] £'000	1 April 2023 £'000
Overdraft	–	2,100	–	–	–	–	–	**2,100**
Other borrowings	–	4,000	–	–	–	–	–	**4,000**
Lease liabilities (note 26)	63,655	(10,261)	(752)	23,712	–	(3,756)	–	**72,598**
Loans from related parties and non-controlling interests (note 23)	4,999	246	217	–	–	–	–	**5,462**
Total liabilities from financing activities	68,654	(3,915)	(535)	23,712	–	(3,756)	–	**84,160**

	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 26)	73,874	(13,736)	287	5,390	–	(1,443)	(717)	63,655
Loans from related parties and non-controlling interests (note 23)	4,673	313	13	–	–	–	–	4,999
Total liabilities from financing activities	78,547	(13,423)	300	5,390	–	(1,443)	(717)	68,654

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

35. ACQUISTIONS OF BUSINESSES

On 4 September 2022 the Group acquired three stores previously operated by our Swedish franchisee Image Group AB. The Group set up a new subsidiary Mulberry Sweden AB to operate the stores. The Group paid £1,086,000 to purchase the inventories from the franchisee. No other assets or liabilities were purchased.

These stores have contributed £1,837,000 to revenue and a profit before tax of £73,000 for the year. Had the acquisitions happened on 2 April 2023 the revenue would have been £2,800,000 and the profit would not have been materially different.

On 11 November 2022 Mulberry Company (Australia) Pty Limited acquired five stores in Australia previously owned by our Australian franchisee Luxury Retail Group Pty No.1.

The amounts recognised in respect of the identifiable assets acquired are set out in the table below:

	£'000
Property, plant and equipment	1,994
Inventory	635
Fair value of identifiable assets	2,629
Fair value of liabilities acquired	(229)
Net assets acquired	2,400
Business combination gain	(304)
Satisfied by:	
Cash	2,096
	2,096

These stores have contributed £1,588,000 to revenue and a profit before tax of £38,000 for the period. Had the acquisitions happened on 2 April 2023 the revenue would have been £3,500,000 and the profit would not have been materially different.

Notes to the Group Financial Statements (continued)

36. 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 52 weeks ended 1 April 2023 £'000	Sale of goods 53 weeks ended 2 April 2022 £'000	**Loan interest payable 52 weeks ended 1 April 2023 £'000**	Loan interest payable 53 weeks ended 2 April 2022 £'000	**Amounts owed (to)/from related parties 1 April 2023 £'000**	Amounts owed (to)/from related parties 2 April 2022 £'000
Mulberry Oslo AS	**1,159**	1,027	**–**	–	**96**	159
Club 21 Pte Limited*	**744**	820	**–**	–	**17**	163
Club 21 (Thailand) Co Limited*	**714**	543	**–**	–	**49**	70
Club Twenty-One Retail (M) Sdn Bhd*	**351**	241	**–**	–	**39**	52
Challice Limited	**–**	–	**106**	97	**(3,521)**	(3,278)

* 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.

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 58 to 60.

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Short-term employee benefits	**1,872**	2,889
Post-employment benefits	**80**	79
	1,952	2,968

37. COMMERCIAL RELATIONSHIPS

Trading transactions with significant shareholders

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

	Sale of goods 52 weeks ended 1 April 2023 £'000	Sale of goods 53 weeks ended 2 April 2022 £'000	**Loan interest payable 52 weeks ended 1 April 2023 £'000**	Loan interest payable 53 weeks ended 2 April 2022 £'000	**Amounts owed (to)/from trading partners 1 April 2023 £'000**	Amounts owed (to)/from trading partners 2 April 2022 £'000
House of Frasers plc**	**3,000**	4,557	**–**	–	**55**	294
The Flannels Group Limited**	**480**	1,098	**–**	–	**5**	68

** 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 plc 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.

38. 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.

39. EVENTS AFTER THE REPORTING PERIOD

Renewal of the revolving credit facility (RCF)

Since the period end, the Group has extended the RCF with HSBC until September 2027 and banking covenants remain unchanged. The £15.0m RCF 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 and SaaS costs.

Acquisition of NZ store

On 12 May 2023 the Group acquired one store previously operated by our New Zealand franchisee. The Group paid £0.3m to purchase the assets from the franchisee. The store will be operated by a branch of Mulberry Company (Australia) Pty Limited.

Assignment of Bond Street Lease

In February 2023 our store at Bond Street closed; as at 1 April 2023 the balance sheet of the Group includes a right-of-use asset of £11.8m and discounted lease liabilities of £17.3m relating to the store. On 3 April 2023 the lease on this store was assigned to a third party; the Group has committed to pay the first £5.2m of the outstanding lease liability to the third party and will remain a guarantor for the remaining five years of the lease. This transaction will be treated as a lease disposal in the period ended 30 March 2024.

Investment in Mulberry Japan Co. Limited

On 27 June 2023 the Group, via its subsidiary Mulberry Trading Holding Company Limited, acquired the share capital held by its Joint Venture partner, Onward Holdings Co., Ltd, in Mulberry Japan Co. Limited. Following the acquisition, the Group owns 100% of Mulberry Japan Co. Limited.

Company Financial Statements

FINANCIAL STATEMENTS

Company balance sheet

	Note	1 April 2023 £'000	2 April 2022 £'000
Non-current assets			
Investments	44	**10,375**	10,375
Property, plant and equipment	45	**2,938**	3,130
Right-of-use assets	46	**7,346**	8,980
Deferred tax asset	49	**–**	–
		20,659	22,485
Current assets			
Trade and other receivables	47	**31,545**	32,739
Current tax		**–**	–
		31,545	32,739
Total assets		**52,204**	55,224
Current liabilities			
Trade and other payables	48	**(3,488)**	(5,625)
Lease liabilities	50	**(1,643)**	(1,574)
		(5,131)	(7,199)
Non-current liabilities			
Lease liabilities	50	**(6,329)**	(7,972)
Total liabilities		**(11,460)**	(15,171)
Net assets		**40,744**	40,053
Capital and reserves			
Called up share capital	27	**3,004**	3,004
Share premium account		**12,160**	12,160
Own share reserve	28	**(896)**	(1,269)
Capital redemption reserve	28	**154**	154
Retained earnings		**26,322**	26,004
Total equity		**40,744**	40,053

The Company reported a profit for the financial period ended 1 April 2023 of £2,457,000 (2022: £8,403,000). The financial statements of Mulberry Group plc (company number 01180514) were approved by the Board of Directors and authorised for issue on 27 June 2023.

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
As 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**
Profit for the period	–	–	–	–	2,457	2,457
Total comprehensive income for the period	–	–	–	–	2,457	2,457
Charge for employee share-based payments	–	–	–	–	23	23
Impairment of shares in trust	–	–	27	–	(27)	–
Own shares	–	–	346	–	–	346
Exercise of share options	–	–	–	–	(346)	(346)
Dividends paid	–	–	–	–	(1,789)	(1,789)
Balance at 1 April 2023	**3,004**	**12,160**	**(896)**	**154**	**26,322**	**40,744**

40. 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 38 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 46 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.

41. 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 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.

Notes to the Company Financial Statements (continued)

41. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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.

42. 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 1 April 2023 of £2,457,000 (2022: £8,403,000 profit). Included in the profit for the period is charge of £2,622,000 (2022: £2,747,000 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.

Dividends declared and paid during the financial period are disclosed in note 14 of the accounts.

Details of share-based payments made during the financial period and outstanding options are disclosed in note 31 of the accounts.

43. STAFF COSTS

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

	52 weeks ended 1 April 2023 Number	53 weeks ended 2 April 2022 Number
Administration	**11**	10
	11	10

	52 weeks ended 1 April 2023 £'000	53 weeks ended 2 April 2022 £'000
Their aggregate remuneration comprised:		
Wages and salaries	**1,447**	2,386
Social security costs	**327**	411
Other pension costs (see note 32)	**10**	7
Share-based payments (see note 31)	**23**	69
	1,807	2,873

Directors' emoluments of the Company are shown in the Directors' report on pages 58 to 60.

44. INVESTMENTS

	Shares in subsidiaries £'000
Cost	
At 2 April 2022	12,244
Additions	–
Disposals	–
At 1 April 2023	**12,244**
Provision for impairment	
At 2 April 2022	1,869
Charge for the period	–
At 1 April 2023	**1,869**
Net book value	
At 1 April 2023	**10,375**
At 2 April 2022	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 1 April 2023 and 2 April 2022 (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 stores 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%§
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

Notes to the Company Financial Statements (continued)

44. INVESTMENTS (CONTINUED)

Subsidiaries	Country of incorporation	Principal activity	Proportion of ownership interest and voting power
Mulberry Korea Co., Ltd (13)	Korea	Establishment and operation of retail stores in Korea	100%π
Mulberry Sweden AB ¶ (14)	Sweden	Establishment and operation of retail stores in Sweden	100%π
Mulberry Italy S.r.L. ¶ (15)	Italy	Establishment and operation of retail stores in Italy	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.

∏ Owned by Mulberry Trading Holding Company Limited.

§ Owned by KCS Investments Limited.

¶ New company formed in the period ended 1 April 2023.

\# 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) Level 8,210 George Street, Sydney NSW 2000, Australia
(9) Shop 116A, Level 1, K11 Musea, 18 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong
(10) Shop No B 130, Plaza 66, No 1266, West Nanjing Road, Jing'an District, Shanghai, 200041, China
(11) 3F Onward Bay Park Building, 3-9-32 Kaigan, Minato-ku, Tokyo, Japan 108-8439
(12) Nedre Slottsgate 8, 0157, Oslo, Norway
(13) 3rd Floor, Saman Building, 945, Daechi-dong, Gangnam-gu, Seoul, Korea
(14) c/o Osborne Clarke, AdvokatFirma AB, Norlandsgatan 16, 11143 Stockholm, Sweden
(15) Viale Abruzzi 94, 20131 Milano

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

45. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 2 April 2022	6,882	7,778	644	15,304
Additions	132	6	–	138
Disposals	–	(4)	–	(4)
At 1 April 2023	**7,014**	**7,780**	**644**	**15,438**
Depreciation				
At 2 April 2022	4,014	7,516	644	12,174
Charge for the period	236	90	–	326
Disposals	–	–	–	–
At 1 April 2023	**4,250**	**7,606**	**644**	**12,500**
Net book value				
At 1 April 2023	**2,764**	**174**	**–**	**2,938**
At 2 April 2022	2,868	262	–	3,130

Freehold land of £997,000 (2022: £997,000) has not been depreciated.

At 1 April 2023, the Company had entered into contractual commitments for the acquisition of property of £nil (2022: £nil) and there were assets under the course of construction where depreciation has not yet commenced of £nil (2022: £nil).

46. RIGHT-OF-USE ASSETS

	Short leasehold land and buildings £'000
Cost	
At 2 April 2022	13,883
At 1 April 2023	**13,883**
Amortisation	
At 2 April 2022	4,903
Charge for the period	1,634
At 1 April 2023	**6,537**
Carrying amount	
At 1 April 2023	**7,346**
At 2 April 2022	8,980

Notes to the Company Financial Statements (continued)

47. TRADE AND OTHER RECEIVABLES

	1 April 2023 £'000	2 April 2022 £'000
Amounts falling due within one year:		
Amounts owed by Group undertakings	**31,453**	32,641
Prepayments and accrued income	**92**	98
	31,545	32,739

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%

48. TRADE AND OTHER PAYABLES

	1 April 2023 £'000	2 April 2022 £'000
Amounts falling due within one year:		
Amounts owed to Group undertakings	**2,722**	3,912
Accruals and deferred income	**766**	1,713
	3,488	5,625

Interest is not charged on amounts owed to Group undertakings.

49. DEFERRED TAX

	1 April 2023 £'000	2 April 2022 £'000
Deferred tax – accelerated capital allowances	**–**	–
Deferred tax asset at 2 April 2022	**–**	
Charge for the period	**–**	
Deferred tax asset at 1 April 2023	**–**	

At 1 April 2023 the Company had unrecognised deferred tax assets of £143,000 (2022: £73,000) 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.

50. 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% (2022: 4.3%). These rates have been determined based on comparable bond yields and are lease specific.

	1 April 2023 £'000	2 April 2022 £'000
Analysed as:		
Current	**1,643**	1,574
Non-current	**6,329**	7,972
	7,972	9,546

Future minimum lease payments at 1 April 2023 are as follows:

	1 April 2023 £'000	2 April 2022 £'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	**959**	1,940
Year 6	**–**	959
Effect of discounting	**(747)**	(1,113)
Carrying amount of liability	**7,972**	9,546

51. RELATED PARTY TRANSACTIONS
Details of related party transactions are provided in note 36 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.

52. 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 (2022: £nil).

Since the period end, the Group has extended the RCF with HSBC until September 2027 which is secured on assets of Mulberry Group plc and other companies within the Group.

53. SHARE CAPITAL
The movements in share capital are disclosed in note 27 to the Group financial statements.

54. RESERVES
The movements in the Own share reserve are disclosed in note 28 to the Group financial statements.

55. SHARE-BASED PAYMENTS
Details of the Company's share-based payments are disclosed in note 31.

Details of the Capital redemption reserve are disclosed in note 28 to the Group financial statements.

56. EVENTS AFTER THE REPORTING PERIOD
Please refer to note 39.

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 2023 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 1 April 2023 together with the independent auditor's report be received and adopted.

Dividend declaration
2. To declare a final dividend of 1.0 pence per ordinary share for the period ended 1 April 2023.

Re-election of retiring Directors
3. That Ms M Ong 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 F Anderson 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 T P Andretta 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 re-appointed 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, 9 and 10 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 2024, 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 2024 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;
   (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 2024, 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.

Amendment to Articles of Association

10. That the Articles of Association of the Company be amended by the insertion of a new Article 3.2 after the existing Article 3 (which shall be renumbered 3.1) as follows:

3.2.1 The objects of the Company are to promote the success of the Company:

(a) for the benefit of its members as a whole; and

(b) through its business and operations, to have a material positive impact on (a) society and (b) the environment, taken as a whole.

3.2.2 A Director must act in the way he or she considers, in good faith, most likely to promote the success of the Company in achieving the objects set out in paragraph 3.2.1 above and in doing so shall have regard (amongst other matters) to:

(a) the likely consequences of any decision of the Directors in the long-term and the impact any such decision may have on any affected stakeholders,

(b) the interests of the Company's employees,

(c) the need to foster the Company's business relationships with suppliers, customers and others,

(d) the impact of the Company's operations on the community and the environment and on affected stakeholders,

(e) the desirability of the Company maintaining a reputation for high standards of business conduct and the impact this has on affected stakeholders, and

(f) the need to act fairly as between members of the Company, (together, the matters referred to above shall be defined for the purposes of this Article as the "Stakeholder Interests" and each a "Stakeholder Interest").

3.2.3 For the purposes of a Director's duty to act in the way he or she considers, in good faith, most likely to promote the success of the Company, a Director shall not be required to regard the benefit of any particular Stakeholder Interest or group of Stakeholder Interests as more important than any other.

3.2.4 Nothing in this Article express or implied, is intended to or shall create or grant any right or any cause of action to, by or for any person (other than the Company).

3.2.5 The Directors of the Company shall, for each financial year of the Company, prepare and circulate to its members an impact report. The impact report shall contain a balanced and comprehensive analysis of the impact the Company's business has had, in a manner proportionate to the size and complexity of the business. The impact report shall contain such detail as is necessary to enable the members to have an understanding of the way in which the Company has promoted its success for the benefit of its members as a whole and, through its business and operations, sought to have a material positive impact on society and the environment, taken as a whole. If the Company is also required to prepare a strategic report under the Companies Act 2006, the Company may choose to publish the impact report as part of its strategic report and in accordance with the requirements applying to the strategic report.

By order of the Board

Kate Anthony Wilkinson
Secretary

27 June 2023

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

Notice of Annual General Meeting (continued)

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 still may have concerns about attending a physical meeting. The Company will be taking 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.

2. To be valid, a proxy appointment must be made and returned by one of the following methods:

   (a) by completion of the Form of Proxy, in hard copy form by post, by courier or (during normal business hours only) by hand at the office of the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY ("the Registrar"). In the case of a shareholder which is a company, a hard copy Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised stating their signing capacity;

   (b) by appointing your proxy electronically via the Registrar's website at www.investorcentre.co.uk/eproxy. You will need the Control Number, your SRN & PIN which can be found on your Form of Proxy; or

   (c) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

   and in each case, the appointment must be received by no later than 11 am on 5 September 2023 (or, in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned meeting). In calculating such 48-hour period, no account shall be taken of any part of a day that is not a working day.

   A shareholder that has appointed a representative to act on its behalf under any power of attorney or other authority and such representative wishes to use method (a), (b) or (c), the representative must send such power of attorney or other authority to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not less than 72 hours before the time of the Annual General Meeting.

   If you hold your ordinary shares in uncertificated form (that is, in CREST) you may appoint a proxy by completing and transmitting a CREST message (a "CREST Proxy Instruction") in accordance with the procedures set out in the CREST manual so that it is received by the Registrar by no later than 11 am on 5 September 2023.

3. In order for a proxy, or instruction made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it relates to the Form of Proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent, Computershare Investor Services PLC (ID 3RA50), by the latest time(s) for receipt of Form of Proxies specified in the AGM Notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. CREST members and where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

4. 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 2023 (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.

5. 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.

6. As at 27 June 2023 (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 27 June 2023 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.

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 27 June 2023, 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 27 June 2023, 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 27 June 2023, 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 5 pence, 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.

Resolution 10 – Amendment to Articles of Association
Resolution 10, which will be proposed as a special resolution, amends the Articles of Association of the Company by including the new Article (to be numbered 3.2) in the form set out in the Notice.

Sustainability is important to Mulberry and as a sign of its commitment to sustainability Mulberry will be applying for B-Corp certification. B-Corp certification is the strongest, independent sustainability certification on the market. The Directors believe that the commitments the Company has made in its Made to Last manifesto align to many of the B-Corp's values and certification will build on the Company's existing credibility in the sustainability space. (see: https://www.bcorporation.net/en-us/movement). As visible evidence that Mulberry will live by its sustainability commitment, it wishes to include the B-Corp vision within its Articles of Association.

Group five-year summary

	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000
Results					
Revenue	166,268	149,321	114,951	152,411	**159,129**
Operating profit/(loss)	(4,980)	(43,020)	8,778	24,647	**16,974**
Profit/(loss) before tax	(5,008)	(47,866)	4,554	21,326	**13,150**
Profit/(loss) attributable to equity shareholders	(2,479)	(44,126)	4,773	19,985	**13,243**
Loss attributable to non-controlling interests	(2,372)	(2,732)	(176)	(816)	**(1,846)**
Assets employed					
Non-current assets	41,580	79,249	63,452	55,378	**84,228**
Current assets	67,590	54,346	56,430	78,379	**75,023**
Current liabilities	(26,693)	(40,708)	(37,449)	(41,743)	**(50,819)**
Non-current liabilities	(1,770)	(79,366)	(63,727)	(54,268)	**(61,666)**
Net assets	80,707	13,521	18,706	37,746	**46,766**
Key statistics					
Earnings/(loss) per share	(8.2p)	(78.9p)	7.7p	32.2p	**19.1p**
Diluted earnings/(loss) per share	(8.2p)	(78.9p)	7.7p	32.2p	**19.1p**

Directors, Secretary & Advisers

Directors:	Christopher Roberts FCCA Thierry Patrick Andretta Charles Anderson ACMA 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

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Telephone: 020 7403 4099
www.sampsonmay.com

MULBERRY GROUP PLC
THE ROOKERY CHILCOMPTON SOMERSET BA3 4EH
TEL +44 (0)1761 234500 MULBERRY.COM