TED BAKER

LONDON

STEADY AS HE GROWS

Annual Report & Accounts 2015/16

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements. These forward-looking statements include matters that are not historical facts or are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies, and the industries in which the Company operates. Forward-looking statements are based on the information available to the Directors at the time of preparation of this document, and will not be updated during the year. The Directors can give no assurance that these expectations will prove to be correct.

Due to inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements.

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Company Secretary:	Charles Anderson ACMA
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Registrars:	Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU

Ted Baker Plc - Registered in England number: 03393836

THREE CHANNELS

Ted carefully manages distribution through three main channels:

Retail

£348.4M

(13.5% INCREASE)

Wholesale

£107.7M

(33.6% INCREASE)

Licensing

£14.4M

(23.3% INCREASE)

North America

32 STORES*

55 CONCESSIONS – 10 OUTLETS

UK and Europe

41 STORES*
224 CONCESSIONS – 13 OUTLETS

Middle East

26 STORES*

Asia

27 STORES*
8 CONCESSIONS – 3 OUTLETS

Australasia

9 STORES*

… AND WHOLESALE AND LICENSING RELATIONSHIPS
IN OVER 35 COUNTRIES ACROSS THE GLOBE.

*Store numbers include licence partner stores and outlets.

I am pleased to report another successful year in Ted Baker's development as a global lifestyle brand. For the 52 weeks ended 30 January 2016 (the "period") we delivered a strong performance across all channels and established territories, which resulted in a 17.7% (17.0% in constant currency) increase in Group revenue to £456.2m (2015: £387.6m) and an 18.6% increase in profit before tax and exceptional items to £58.7m (2015: £49.5m).

The retail division performed well, with sales up 13.5% (13.2% in constant currency) to £348.4m (2015: £306.9m) on an increase in average square footage of 7.5%. We saw a good performance across our established territories and we continue to invest and build brand awareness in our newer markets for the long-term development of the brand. We continued our geographic expansion with openings across the UK and Europe, North America and Asia. Our e-commerce business delivered another strong performance, with sales up 45.8% (44.7% in constant currency) to £53.5m (2015: £36.7m) as we benefit from continued investment in our platform. E-commerce sales now represent 15.4% of our retail sales (2015: 12.0%).

The wholesale division delivered a strong performance, with sales up 33.6% (31.2% in constant currency) to £107.7m (2015: £80.7m). This reflects a good performance from our UK wholesale business, which includes the supply of goods to our licensed stores and our export business, as well as a strong performance from our North American wholesale business.

Our territorial and product licences delivered good performances, as licence income increased by 23.3% to £14.4m (2015: £11.7m). During the period, our licence partners opened stores and concessions in Azerbaijan, Dubai, Kuwait, Mexico, Qatar, Saudi Arabia, Singapore, Taiwan and Thailand and our joint venture in Australasia opened two outlet stores. We launched new product licences in bedding, rugs and tiles, which were well received.

In January 2016, we completed the purchase of the freehold of Block B, Canal Reach, St Pancras Way, London, also known as The Ugly Brown Building and currently occupied by the Group as its head office, for £58.25m using a new term loan facility. The Ugly Brown Building has become an iconic building in a rapidly developing Central London location and is a very important ingredient of Ted Baker's history and unique personality. We are delighted to have secured our future in this excellent location. We are confident that this will help us preserve our culture and continue to attract and retain great talent. This acquisition also enables the Group to consider expansion as its operations continue to grow and provides certainty over operating costs whilst removing exposure to rising rent reviews.

In December 2015, we entered into an agreement for lease of a new state-of-the-art distribution facility in the UK. Once fully operational, it will serve as our European Distribution Centre, handling all operations for our retail, wholesale and e-commerce businesses across the UK and Europe and supporting our long-term growth strategy.

During the period, we successfully launched further phases of the Microsoft Dynamics AX business system, as planned. We will continue to roll out this system globally across the Group over the next year to enhance efficiency, streamline our operations and support the continued evolution of the business.

FINANCIAL RESULTS

Group revenue for the period increased by 17.7% (17.0% in constant currency) to £456.2m (2015: £387.6m). The composite gross margin decreased to 59.9% (2015: 60.7%), as a result of a change in the mix of retail and wholesale sales.

Profit before tax and exceptional items increased by 18.6% to £58.7m (2015: £49.5m) and profit before tax increased by 20.3% to £58.7m (2015: £48.8m). Adjusted basic earnings per share, which exclude exceptional items, increased by 20.9% to 100.6p (2015: 83.2p) and basic earnings per share increased by 22.7% to 100.6p (2015: 82.0p).

There were no exceptional costs in the period, compared to £5.3m in the previous period which related to a legal dispute with a former insurer. There was no exceptional income for the period, compared to £4.7m in the previous period which comprised £3.7m in relation to the early termination of a licence agreement and £1.0m relating to settlement of an intellectual property dispute.

The Group's net borrowing position at the end of the period was £84.6m (2015: £18.8m). This reflects the addition of a secured term loan of £60.0m (2015: £nil) to the Group's existing multi-currency revolving credit facility to finance the purchase of The Ugly Brown Building and other net debt of £24.6m (2015: £18.8m). The increase in other net debt reflects the ongoing significant investment in capital expenditure during the period and increased working capital in line with the Group's growth.

DIVIDENDS

The Board is recommending a final dividend of 34.6p per share (2015: 29.0p), making a total for the year of 47.8p per share (2015: 40.3p per share), an increase of 18.6% on the prior period. Subject to approval by shareholders at the Annual General Meeting to be held on 14 June 2016, the final dividend will be paid on 17 June 2016 to shareholders on the register on 20 May 2016.

PEOPLE

I would like to take this opportunity to thank all of my colleagues across the world for their continued hard work and commitment. The Group's strong performance is dependent on our talented teams, whose creativity and passion are key to our success as we continue to grow the business and further develop Ted Baker as a global lifestyle brand.

CURRENT TRADING AND OUTLOOK

We are pleased by the initial reaction to our Spring/Summer collections, which has been positive. Trading is in line with our expectations, with the exception of Asia, where, as has been widely reported, the trading environment continues to be challenging. Whilst Asia currently represents a small part of our business at 3.4% of revenue, we remain positive about the long-term opportunities to develop the brand in this territory.

Further store openings are planned across new and established markets and we continue to develop and invest in our e-commerce business. In our newer markets, we continue to build brand awareness for the long-term development of the brand.

RETAIL

In the UK and Europe, we plan to open a new store in Paris, and further concessions in France, Germany and Spain during the year. We will continue to invest in our e-commerce sites to enhance the customer experience and enhance the local content provided to our European customers, including launching our first language specific website in Germany.

In North America, we remain focused on developing our presence and have opened a store in Seattle and plan to open a further five new stores, including two in New York and one in Calgary, Miami and Ottawa. We are also relocating our Dallas store.

In Asia, we remain focused on building brand awareness in this market where we are in the relatively early stages of investment. In line with our development strategy in this territory, we have opened another store in Beijing and we are opening further concessions in China and Japan.

WHOLESALE

We anticipate further growth across our wholesale businesses, which should result in low double-digit sales growth in the coming year.

LICENCE INCOME

Our product and territorial licences continue to perform well, with further openings planned in Azerbaijan, Dubai, Egypt, Malaysia, Mexico, Saudi Arabia and Taiwan, along with our first store in Chile.

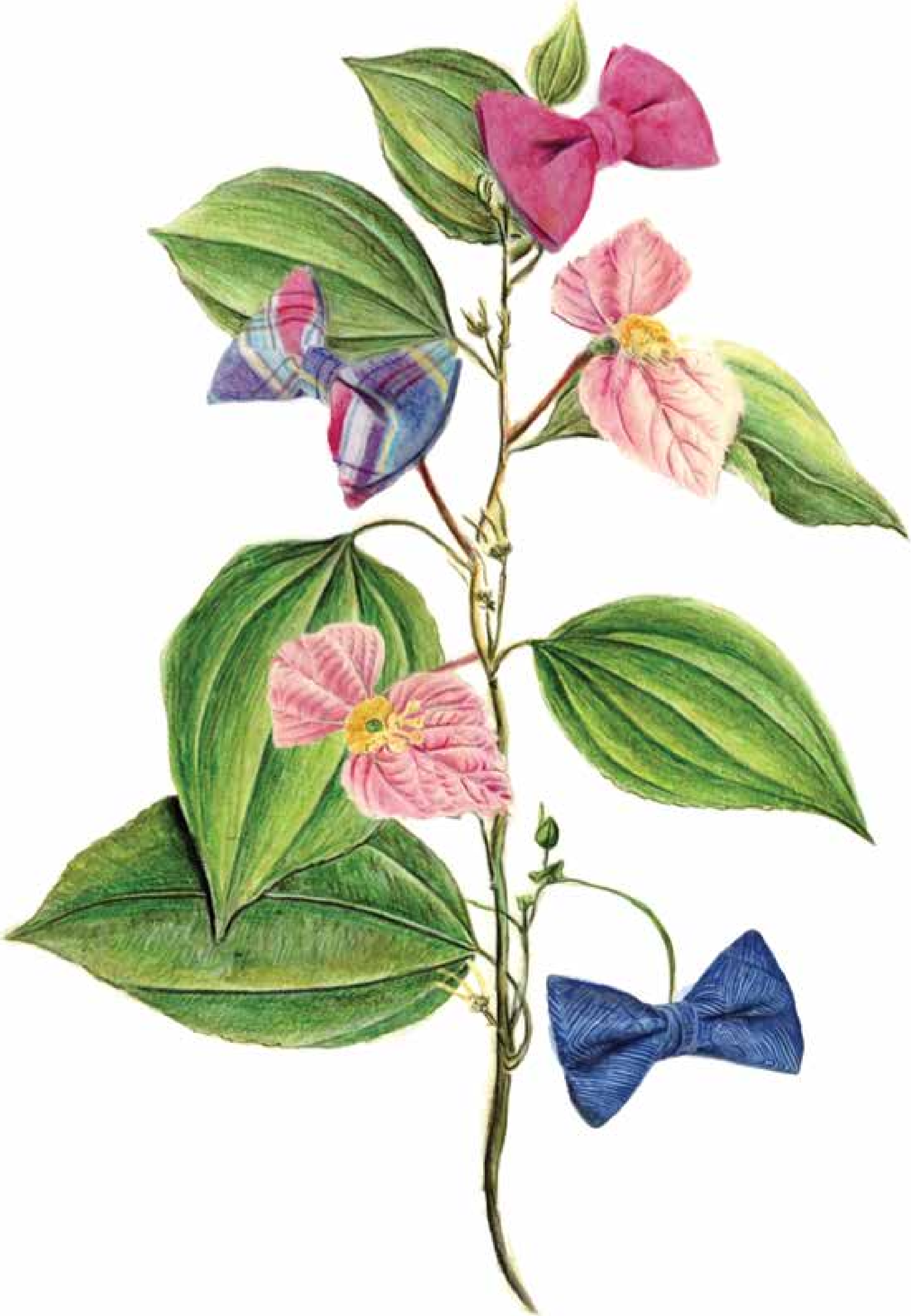
GROUP

The strength of the Ted Baker brand and collections support our confidence in the continued development of the brand and further growth of the business; however, we remain mindful of the economic and political uncertainties in some of our markets.

We will continue to ensure that costs and commitments are controlled. To deliver our expansion plans, capital expenditure in the new financial year is anticipated to be above the previous year at £45m as a result of the investment in the new distribution facility, further store openings and refurbishments, and the ongoing investment in new systems across the business.

We intend to make our next interim management statement, covering trading since the start of the 2016/17 financial year, in mid-June 2016.

David Bernstein CBE
Non-Executive Chairman
17 March 2016



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BUSINESS MODEL AND STRATEGY

Ted Baker is a global lifestyle brand that operates through three main distribution channels: retail, which includes e-commerce; wholesale; and licensing, which includes territorial and product licences.

The brand has grown steadily from its origins as a single shirt specialist store in Glasgow to the global lifestyle brand it is today. We distribute through our own and licensed retail stores, leading department stores and selected independent stores in the UK and Europe, North America, the Middle East, Asia and Australasia.

We offer a wide range of collections including: Menswear; Womenswear; Global; Phormal; Endurance; Accessories; Audio; Bedding; Childrenswear; Crockery; Eyewear; Footwear; Fragrance and Skinwear; Gifting and Stationery; Jewellery; Lingerie and Sleepwear; Luggage; Neckwear; Rugs; Suiting; Technical Accessories; Tiles; and Watches.

Our strategy is to further our position as a leading global lifestyle brand, based on three main elements:

- considered expansion of the Ted Baker collections. We review our collections continually to ensure we anticipate and react to trends and meet our customers' expectations. In addition, we look for opportunities to extend the breadth of collections and enhance our offer;
- controlled distribution through three main channels: retail; wholesale; and licensing. We consider each new opportunity to ensure it is right for the brand and will deliver margin led growth; and
- carefully managed development of overseas markets. We continue to manage growth in existing territories while considering new territories for expansion.

Underlying our strategy is an emphasis on design, product quality and attention to detail which is delivered by the passion, commitment and skill of our teams, licence partners and wholesale customers (our "trustees").

KEY PERFORMANCE INDICATORS

We review the ongoing performance of the business using key performance indicators for our global business and each of our distribution channels.

The KPIs have been detailed below and considered further throughout the Strategic Report.

	KEY PERFORMANCE INDICATOR	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015	VARIANCE	CONSTANT CURRENCY VARIANCE
Group	Revenue	£456.2m	£387.6m	17.7%	17.0%
	Gross margin	59.9%	60.7%	-80bps	
	Profit before tax (excluding exceptional items) as a % of revenue	12.9%	12.8%	10bps	
	Operating contribution %*	13.0%	13.0%	-	
Retail	Revenue	£348.4m	£306.9m	13.5%	13.2%
	Gross margin	64.8%	65.5%	-70bps	
	Average square footage**	357,096	332,089	7.5%	
	Closing square footage**	377,830	344,898	9.5%	
	Sales per square foot***	£826	£814	1.5%	1.3%
Wholesale	Revenue	£107.7m	£80.7m	33.6%	31.2%
	Gross margin	43.8%	42.4%	+140bps	
Licence income	Revenue	£14.4m	£11.7m	23.3%	-
Group	Operating cash flow per share****	93.3p	68.7p	35.8%	
	Working capital*****	£113.5m	£90.9m	24.9%	

* Operating contribution is defined as operating profit before exceptional items as a percentage of revenue.
** Excludes licensed partner stores.
*** Excludes online sales.
**** Operating cash flow per share is defined as net cash generated from operating activities divided by the weighted number of ordinary shares (diluted).
***** Working capital comprises inventories, trade and other receivables and trade and other payables.

GLOBAL GROUP PERFORMANCE

RETAIL

Ted Baker operates stores and concessions across the UK, Europe, North America and Asia and an e-commerce business based in the UK, primarily serving the UK and Europe, with separate US and Canadian sites dedicated to North America, and a separate site serving Australia. We also have e-commerce businesses with some of our concession partners.

The retail division performed well, with sales up 13.5% (13.2% in constant currency) to £348.4m (2015: £306.9m). Average retail square footage rose by 7.5% over the period to 357,096 sq ft (2015: 332,089 sq ft). Total retail square footage at 30 January 2016 was 377,830 sq ft (2015: 344,898 sq ft), an increase of 9.5% on the prior year. Retail sales per square foot rose 1.5% (1.3% in constant currency) from £814 to £826.

Our e-commerce business delivered another strong performance with sales increasing by 45.8% (44.7% in constant currency) to £53.5m (2015: £36.7m) driven by growth across our e-commerce business. We continue to invest in each of our UK, USA, Canadian and Rest Of World sites, aiming to provide a more relevant customer experience through improved design, performance and personalised content.

The retail gross margin reduced slightly to 64.8% (2015: 65.5%), largely reflecting an increase in our outlet sales as a proportion of total sales. Retail operating costs increased 13.9% in line with our expectations, to £163.5m (2015: £143.5m) and as a percentage of retail sales, increased slightly to 46.9% (2015: 46.8%).

WHOLESALE

Our wholesale business in the UK serves countries across the world, particularly in the UK and Europe, as well as supplying products to stores operated by our territorial licence partners. In addition, we operate a wholesale business in North America serving the USA and Canada.

Group wholesale sales increased by 33.6% (31.2% in constant currency) to £107.7m (2015: £80.7m), reflecting a good performance from both our UK wholesale business, with sales increasing by 20.2% to £78.0m (2015: £64.9m), and a strong performance from our North American wholesale business, with sales increasing by 94.1% (81.7% in constant currency) to £29.7m (2015: £15.3m) as the brand continues to gain traction.

The wholesale gross margin increased to 43.8% (2015: 42.4%), which was principally the result of a greater proportion of wholesale sales to our trustee partners which carry a higher margin.

LICENCE INCOME

We operate both territorial and product licences. Our territorial licences cover specific countries in Asia, Australasia, Europe, the Middle East and North America, where our partners operate licensed retail stores and, in some territories, wholesale operations.

Our product licences cover Audio, Bedding, Childrenswear, Crockery, Eyewear, Footwear, Fragrance and Skinwear, Gifting and Stationery, Jewellery, Lingerie and Sleepwear, Luggage, Neckwear, Rugs, Suiting, Technical Accessories, Tiles, and Watches.

Both territorial and product licences delivered good performances, with licence income up 23.3% to £14.4m (2015: £11.7m). There were notable performances from our product licensees in childrenswear, footwear, eyewear, homeware, skinwear and suiting.

In October, we opened our first concessions in Mexico with our new licence partner Multimoda and we are encouraged by performance to date. Our licensed stores in Saudi Arabia, operated by our territorial partner, RSH Limited, also performed particularly well during the period.

COLLECTIONS

Ted Baker Womenswear delivered a good performance with sales up 15.9% to £254.1m (2015: £219.3m). Womenswear represented 55.7% of total sales (2015: 56.6%).

Ted Baker Menswear performed well with sales up 20.1% to £202.1m (2015: £168.3m). Menswear represented 44.3% of total sales in the period (2015: 43.4%).

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GEOGRAPHIC PERFORMANCE

UNITED KINGDOM AND EUROPE

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015	VARIANCE	CONSTANT CURRENCY VARIANCE
Retail revenue*	£252.5m	£231.8m	8.9%	10.7%
Average square footage*	236,685	228,584	3.5%	
Closing square footage*	244,007	233,387	4.6%	
Sales per square foot**	£869	£869	0.0%	1.9%
Wholesale revenue	£78.0m	£64.9m	20.2%	20.0%
Own stores	38	37	1	
Concessions	224	214	10	
Outlets	13	12	1	
Partner stores	3	3	-	
Total	278	266	12	

* Excludes licensed partner stores.
** Excludes online sales.

Sales in our UK and Europe retail division were up 8.9% to £252.5m (2015: £231.8m) (10.7% in constant currency), reflecting a good performance in our established UK market and a very good performance in continental Europe where we continue to expand.

In the UK, we opened new stores during the year in London Spitalfields and Stansted Airport along with three new concessions with our UK concession partners. We closed our accessories store in Gatwick Airport and our store in Richmond along with one other concession. Our European expansion continued as we opened our first store in the Netherlands, in Amsterdam, and our first outlet in Spain, in Barcelona. We also opened further concessions with premium department stores in France, Germany, Ireland, the Netherlands and Spain. We are pleased with their performances and remain confident about growth opportunities for the brand in these markets.

Our e-commerce business performed very well during the period with sales increasing by 40.5% to £46.8m (2015: £33.3m), primarily reflecting continuing growth in the UK.

Sales from our UK wholesale division increased by 20.2% to £78.0m (2015: £64.9m) reflecting strong sales of product to our licence partners and continued growth in our wholesale export business.

NORTH AMERICA

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015	VARIANCE	CONSTANT CURRENCY VARIANCE
Retail revenue*	£80.6m	£63.3m	27.3%	20.6%
Average square footage*	94,496	82,360	14.7%	
Closing square footage*	106,471	89,240	19.3%	
Sales per square foot**	£784	£726	8.0%	2.3%
Wholesale revenue	£29.7m	£15.3m	94.1%	81.7%
Own stores	25	20	5	
Concessions	55	48	7	
Outlets	10	6	4	
Partner Stores	7	1	6	
Total	97	75	22	

* Excludes licensed partner stores.
** Excludes online sales.

We continue to be very pleased with our progress across the retail and wholesale channels in North America, both of which performed very well. We are confident that the Ted Baker brand is becoming more established and continuing to gain recognition in this territory.

Sales from our retail division in North America increased by 27.3% to £80.6m (2015: £63.3m) (20.6% in constant currency). During the period, we continued our expansion with new stores in Hawaii, Malibu, Toronto and Vancouver, and outlets in Florida (two outlets), Los Angeles, San Francisco and seven further concessions through a leading department store. We also opened six concessions in Mexico with our licence partner.

Our US and Canadian e-commerce businesses delivered strong performances with sales increasing 91.4% to £6.6m (77.8% in constant currency).

Sales from our North American wholesale business increased by 94.1% to £29.7m (2015: £15.3m) (81.7% in constant currency) reflecting further growth of our business as the brand continues to gain traction.

MIDDLE EAST, ASIA AND AUSTRALASIA

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015	VARIANCE	CONSTANT CURRENCY VARIANCE
Retail revenue*	£15.4m	£11.8m	30.5%	24.1%
Average square footage*	25,915	21,145	22.6%	
Closing square footage*	27,352	22,271	22.8%	
Sales per square foot	£593	£559	6.1%	1.3%
Own stores	8	7	1	
Concessions	8	7	1	
Outlets	3	2	1	
Partner Stores	54	41	13	
Total	73	57	16	

* Excludes licensed partner stores.

We continue to develop the Ted Baker brand across Asia, Australasia and the Middle East through our retail and territorial licence channels.

In Asia, we remain encouraged by reactions to the brand and are positive about the long-term opportunities in this territory; however, as has been widely reported, the trading environment continues to be challenging. Retail sales in Asia increased 30.5% to £15.4m (2015: £11.8m) (24.1% in constant currency). In Hong Kong, we opened our first street side store. In China, we opened a further concession. In South Korea, we opened an outlet store and one concession and closed one concession.

During the period, our Middle East licence partners performed particularly well and opened three further stores in Saudi Arabia and one store in each of Dubai, Azerbaijan, Qatar and a concession in each of Dubai and Kuwait. Our South East Asia licence partners opened two stores in Singapore, one store in Taiwan, one store in Thailand, two new concessions in Taiwan and closed one concession in Taiwan. As at 30 January 2016, our licence partners operated 45 stores and concessions across the Middle East and South East Asia (2015: 34).

The joint venture with our Australasian licence partner, Flair Industries Pty Ltd continued to perform well. During the period, we opened new outlet stores in Sydney and Melbourne. As at 30 January 2016, we operated 9 stores in Australasia (2015: 7 stores).

FINANCIAL REVIEW

REVENUE AND GROSS MARGIN

Group revenue increased by 17.7% (17.0% in constant currency) to £456.2m (2015: £387.6m), driven by a 13.5% (13.2% in constant currency) increase in retail sales to £348.4m (2015: £306.9m) and a 33.6% (31.2% in constant currency) increase in wholesale sales to £107.7m (2015: £80.7m).

The composite gross margin for the Group decreased to 59.9% (2015: 60.7%) mainly as a result of a change in sales mix between wholesale and retail sales.

OPERATING EXPENSES PRE-EXCEPTIONAL ITEMS

Distribution costs increased by 17.4% in line with our expectations to £169.8m (2015: £144.6m) and as a percentage of sales slightly decreased to 37.2% (2015: 37.3%).

Administration expenses increased by 12.5% to £57.4m (2015: £51.0m). Excluding the employee performance related bonus of £2.7m (2015: £4.9m), administration expenses rose by 18.7% due to our growth in central functions, both in the UK and overseas, and the continued deployment of our distribution and information technology infrastructures to support our growth.

PROFIT BEFORE TAX

Profit before tax and exceptional items increased by 18.6% to £58.7m (2015: £49.5m) and profit before tax increased by 20.3% to £58.7m (2015: £48.8m).

EXCEPTIONAL ITEMS

There were no exceptional costs or income during the period.

The prior year's exceptional income of £4.7m comprised £3.7m in relation to the early termination of a licence partner agreement and £1.0m in relation to the settlement of an intellectual property dispute. The prior year's exceptional costs of £5.3m related to a legal dispute with a previous insurer.

FINANCE INCOME AND EXPENSES

Net finance costs during the period were £1.4m (2015: £1.2m). This increase reflects higher Group borrowing compared to the prior year as a result of an increase in the ongoing significant investment in capital expenditure and increased working capital to support our long-term expansion.

The net foreign exchange loss during the year was £nil (2015: £0.3m).

TAXATION

The Group tax charge for the year was £14.4m (2015: £12.9m), an effective tax rate of 24.6% (2015: 26.5%). This effective tax rate is higher than the UK tax rate for the period of 20.16% largely due to higher overseas tax rates and the non-recognition of losses in overseas territories where the businesses are still in their development phase. On 1 April 2015, the UK corporation tax rate fell from 21% to 20% and further reductions to 19% from 1 April 2017 and to 18% from 1 April 2020 have been substantively enacted. The Budget on 16 March 2016 announced that there will be a further cut in the corporation tax rate to 17% from 1 April 2020.

Our closing UK deferred tax assets and liabilities have been measured at 19% based on the corporation tax rate at which they are anticipated to unwind and overseas deferred tax assets and liabilities have been measured at the applicable overseas tax rates.

Our future effective tax rate is expected to be higher than the UK tax rate as a result of overseas profits arising in jurisdictions with higher tax rates than the UK.

CASH FLOW

The net decrease in cash and cash equivalents of £5.9m (2015: £10.1m decrease) primarily reflected an increase in working capital and further capital expenditure to support our long-term development.

Total Group working capital, which comprises inventories, trade and other receivables and trade and other payables, increased by £22.6m to £113.5m (2015: £90.9m). This was mainly driven by an increase in inventories of £14.2m to £125.3m (2015: £111.1m) reflecting the growth of our business and stock on hand for our wholesale customers and licence partners. Working capital is further driven by an increase in trade and other receivables of £12.4m to £49.3m (2015: £36.9m) as a result of stronger wholesale sales.

Group capital expenditure amounted to £89.5m (2015: £25.7m) reflecting the purchase of The Ugly Brown Building for £58.0m, which was financed by the new term loan. Further capital expenditure relates to the opening and refurbishment of stores, concessions and outlets and investment in business wide systems to support our future growth.

The Group's net borrowing position at the end of the period was £84.6m (2015: £18.8m). The Group added a secured term loan of £60.0m (2015: £nil) to the Group's existing multi-currency revolving credit facility to finance the purchase of The Ugly Brown Building.

SHAREHOLDER RETURN

Basic earnings per share increased by 22.7% to 100.6p (2015: 82.0p). Adjusted earnings per share, which exclude net exceptional items, increased by 20.9% to 100.6p (2015: 83.2p).

The proposed final dividend of 34.6p per share will make a total for the period of 47.8p per share (2015: 40.3p per share), an increase of 18.6% on the previous year.

Operating cash flow per share, which is calculated using the net cash generated from operating activities, was 93.3p (2015: 68.7p) and reflected an increase in cash generated from operating activities.

CURRENCY MANAGEMENT

The most significant exposure to foreign exchange fluctuation relates to purchases made in foreign currencies, principally the US Dollar and the Euro.

A proportion of the Group's purchases are hedged in accordance with the Group's risk management policy, typically twelve months in advance. The balance of purchases is hedged naturally as the business operates internationally and income is generated in the local currencies.

At the balance sheet date, the Group had hedged its projected commitments in respect of the year ending 28 January 2017.

BORROWING FACILITIES

In July 2015, the Group increased its borrowing facility to £85.0m (2015: £65.0m). The facility is a multi-currency revolving credit facility with The Royal Bank of Scotland and Barclays which is due to expire on 29 March 2018. The increase is a function of the growth in our business and is necessary to fund capital expenditure to support the Group's long-term strategy.

In December 2015, the Group agreed a £60.0m secured term loan, in addition to the existing multi-currency revolving credit facility with The Royal Bank of Scotland and Barclays. The term loan is repayable over five years and the proceeds were used to finance the purchase of The Ugly Brown Building.

The facility and term loan contain appropriate financial covenants and are tested on a quarterly basis. The Group monitors actual and prospective compliance with these on a regular basis.

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PRINCIPAL RISKS AND UNCERTAINTIES

The Board is ultimately responsible for the Group's system of risk management and internal control and risk management systems and for reviewing their effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place for the period and up to the date of approval of these financial statements, and that this process is regularly reviewed by the Board. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

In order to help manage these risks and uncertainties, the Board has delegated responsibility for monitoring the effectiveness of the Group's systems of internal control and risk management methodology to the Audit Committee.

In addition, the Group has established a Risk Committee that includes the Finance Director and various members of the Executive Committee and heads of department. The Risk Committee reviews the risk management and control process in each key business area on an ongoing basis and considers:

- the authority, resources and co-ordination of those involved in the identification, assessment and management of significant risks faced by the Group;
- the response to the significant risks which have been identified by management and others;
- the maintenance of a controlled environment directed towards the proper management of risk; and
- the annual reporting procedures.

Having considered the key risks inherent in the business and the system of control necessary to manage such risks, the Finance Director of the Subsidiaries (the "Finance Director") presents the Risk Committee's findings to the Board on a regular basis. In addition, the Chief Executive reports to the Board on significant changes in the business and the external environment which affect significant risks.

The Board has reviewed the effectiveness of the system of risk management and internal control during the period. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks are managed. Management is responsible for the identification and evaluation of significant risks applicable to their areas of the business together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements, and also by reference to the Group's five year strategic and financial plan.

The Group has an independent internal audit function whose findings are regularly reviewed by the Board and the Executive Committee. The Audit Committee monitors and reviews the effectiveness of the internal audit activities.

The Chief Operating Officer provides the Board with monthly financial information which includes key performance indicators.

The Board has carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. Although not exhaustive, the following list highlights some of the principal risks identified by the Group (which are not shown in order of importance):

	ISSUE	POTENTIAL IMPACT	MITIGATION
STRATEGIC RISKS	Brand and reputational risk	The strength of our brand and its reputation are important to the business. There is a risk that our brand may be undermined or damaged by our actions or those of our partners. Incorrect management of social media interactions could have an adverse effect on our reputation.	We carefully consider each new opportunity and each such customer and partner with whom we do business. Such partners are monitored on an ongoing basis to ensure they remain appropriate to the brand. Our dedicated team closely monitors social media channels and addresses any issues in accordance with our protocol.
	Development of overseas markets	Failure in growing the international business through franchise operations, licensees and e-commerce. Risk that the Group fails to prioritise the right territories or investment or to support these markets with systems and supply chain capability.	We perform extensive due diligence on all potential partners and territories and to assess our appropriate route to market. We operate in a range of international markets, which helps to mitigate over reliance and exposure to any one territory.
	Fashion and design	As with all fashion brands there is a risk that our offer will not satisfy the needs of our customers or we fail to correctly identify trends in an increasingly competitive market, both resulting in lower sales and reduced market share.	We maintain a high level of market awareness and an understanding of consumer trends and fashion to ensure that we remain able to respond to changes in consumer preference. We use customer data to develop targeted marketing and promotional activity. We continue to focus on product design, quality and attention to detail.
	External events	External events may occur which may affect the global, economic and financial environment in which we operate. These events can affect our suppliers, customers and partners, risking an increase in our cost base and adversely affecting our revenue.	All factors affecting these stakeholders are monitored closely on an ongoing basis ensuring that we are prepared for and can react to changes in the external environment, allowing us to reduce our exposure as early as possible. The geographic spread of our business and supply chain also helps to mitigate these risks.
OPERATIONAL RISKS	Supply chain	If garments do not reach us on time and to specification, there is a risk of a loss of revenue and customer confidence.	Our supply chain is diversified across a number of suppliers in different regions, reducing reliance on a small number of key suppliers. Suppliers are treated as key business partners and we work closely with them to mitigate these risks.
	Infrastructure	There is a risk of operational problems, including disruption to the infrastructure that supports our business, which may lead to a loss of revenue, data and inventory.	The business continuity plan is constantly reviewed and updated by the Risk Committee. In addition, business disruption is covered by our insurance policies.
	Social responsibility	We are committed to operating in a responsible and sustainable manner as regards our supply chain, environment and community. If we fail to operate in a manner that supports our philosophy, this could damage the trust and confidence of our stakeholders.	A sub-committee of the Executive Committee has been tasked with overseeing specific areas of our social responsibility agenda. Ted's Conscience Team is responsible for monitoring this agenda and ensuring our practices fall in line with it.
	IT and cyber security	The business is reliant on data being transmitted electronically, and is subject to threats from hacking or viruses of other unauthorised data breaches. There is also the possibility of unintentional loss of controlled data by authorised users.	Ted has committed additional specialist resources and the continual upgrading of security equipment and software mitigates these risks. Tightly controlled security controls and data recovery and business continuity plans have been implemented.
	Implementation of ERP and other IT infrastructure	We are in the process of implementing Microsoft Dynamics AX across the business. With any project of this scale, there is a risk of a poorly managed implementation or take up of new systems, which could lead to business disruptions. This, and the implementation of other new business systems, has potential to impact interdependent systems.	The Group's IT Steering Committee meets on a two weekly basis to review the implementation and all other major IT projects. This Committee comprises members of the Executive Committee and the Board and is advised by external professional advisers. The Steering Committee has established a Design Authority charged with overseeing the scheduling of the implementation of any new system. Robust change management and project governance with professional project managers recruited to oversee the project team which includes key business stakeholders.

OPERATIONAL RISKS *CONTINUED*	People	Our performance is linked to the performance of our people and, in particular, to the leadership of key individuals. The loss of a key individual whether at management level or within a specialist skill set could have a detrimental effect on our operations and, in some cases, the creative vision for the brand.	Retention of key talent is important and we take active steps to provide stability and security to the key team. We carry out an annual benchmarking review to ensure that we provide competitive remuneration and total reward packages. We also utilise long-term incentive schemes to retain key talent. Employee engagement through our culture and environment strengthen the commitment of team members and has a positive impact on our attrition rate. Succession plans are in place and have been reviewed during the period.
	Regulatory and legal framework	We operate within many markets globally and must comply with various regulatory requirements. Failure to do so could lead to financial penalties and/or reputational damage.	The Group closely monitors changes in the legal and regulatory framework within the markets in which it operates. We work closely with specialists in each market to ensure compliance with local laws and regulations.
	Infringement of the Group's intellectual property	Unauthorised use of the Group's designs, trademarks and other intellectual property rights could damage the Ted Baker brand and the Group's reputation.	The Group, with its external advisers, rigorously manages and defends its intellectual property. The Group deals with counterfeit goods in accordance with its robust enforcement strategy.
FINANCIAL RISKS	Currency, interest, credit and counterparty credit risks, including financial covenants under the Group's credit facilities	In the course of its operations, we are exposed to these financial risks which, if they were to arise, may have material financial impacts on the Group.	The Group's policies for dealing with these risks are discussed in detail in note 22 on pages 55 to 101.

VIABILITY STATEMENT

In accordance with Provision 2.2 of the UK Corporate Governance Code dated September 2014 (the "Code") the Directors have assessed the viability of the Group over a three year period, taking into account the Group's current position and the potential impact of the principal risks documented above.

The Group operates a five year plan, which is updated and reviewed annually by the Board. Within the five year plan, detailed scenario planning and stress testing has been carried out over a three year period. The Directors consider the three year period to 30 January 2019 to be the appropriate period to assess the viability and prospects of the Group with a high level of certainty, and also aligns with the typical borrowing period of the Group.

The Directors' assessment has been further enhanced by analysing the current and future risks, controls and assurances available, resulting in a clear picture of the risk profile across the whole business. The principal risks that could affect the future viability of the Group over the next three years are identified on pages 16 to 18 in the Principal Risks and Uncertainties.

In making this assessment the Directors have considered the resilience of the Group to the occurrence of these risks in severe but plausible scenarios, taking into account the effectiveness of any mitigating actions. In addition, the Board has considered the impact on the Group's cash flows, headroom, covenants and other key financial ratios having stress tested the potential impact of these scenarios, both individually and in combination.

Sensitivity analysis was also used to stress test the Group's strategic plan and to confirm that sufficient headroom would remain available under the Group's credit facilities. The Board considers that under each scenario tested the mitigating actions would be effective and sufficient to ensure the continued viability of the Group. For the reasons stated above, based on the robust assessment undertaken, the Directors confirm they have a reasonable expectation that the Group will be able to continue in operation, and meet its liabilities as they fall due, over the period of assessment.

The Strategic Report was approved by the Board of Directors on 17 March 2016 and signed on its behalf by:

Charles Anderson
Company Secretary

Registered office:
The Ugly Brown Building,
6a St Pancras Way, London NW1 0TB
Company number: 03393836

CORPORATE GOVERNANCE STATEMENT

STATEMENT OF COMPLIANCE WITH THE CODE

During the period the Company was subject to the UK Corporate Governance Code dated September 2014 (the "Code"). The Code was issued by the Financial Reporting Council and is available for review on the Financial Reporting Council's website, https://www.frc.org.uk/. The Board confirms that the Company has complied with the provisions set out in the Code throughout the year, except in respect of Code Provision C.3.1 (Audit Committee to have at least three independent Non-Executive Directors). An explanation of the reason for this departure from the Code is set out on page 22.

An explanation of how the Main Principles have been applied is set out on pages 56 to 58 and, in connection with Directors' remuneration, in the Directors' Remuneration Report on pages 39 to 55.

BOARD COMPOSITION

The Board currently comprises the Non-Executive Chairman, the Chief Executive, the Chief Operating Officer & Group Finance Director and three independent Non-Executive Directors. Biographies of these Directors appear on page 38. The Board is of the view that its current membership provides an appropriate balance of skills, experience, independence and knowledge, which enables it to discharge its responsibilities effectively. This is reinforced by the findings of the external Board evaluation (see page 20).

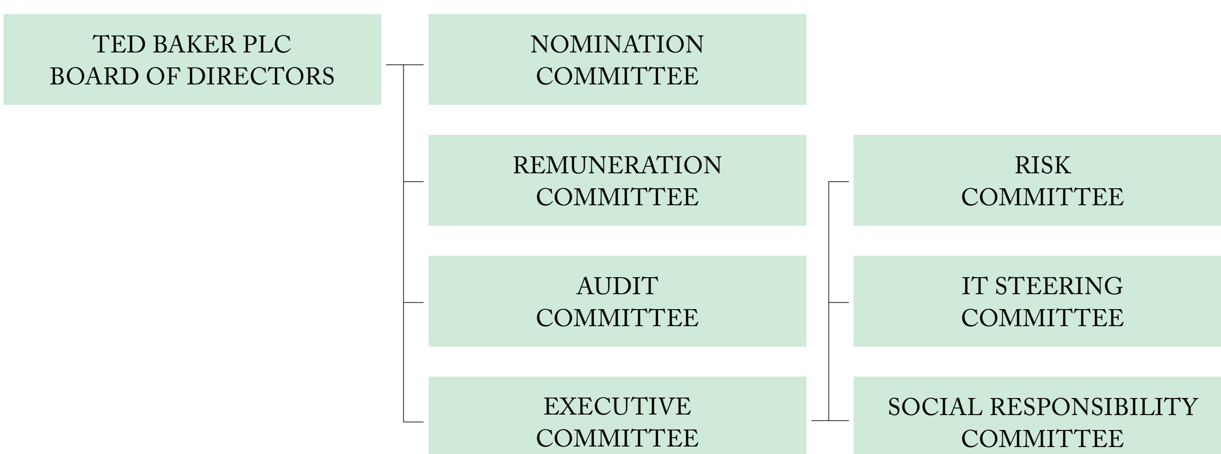
BOARD INDEPENDENCE

The Board considers Non-Executive Directors Ronald Stewart, Anne Sheinfield and Andrew Jennings to be independent for the purposes of the Code.

BOARD OPERATION

The Board meets regularly throughout the year. It considers all issues relating to the strategy, direction and future development of the Group. The Board has a schedule of matters reserved to it for decision that is regularly updated. These include decisions on the Group's strategy, financial budgets, major capital expenditure and transactions, appointment of territorial and product licence partners, store openings, dividend policy, Group bonus and risk profile. The requirement for Board approval on these matters is understood and communicated widely throughout the Group. The Non-Executive Directors meet with the Chairman separately during the year. In addition, the Non-Executive Directors meet without the Chairman present to appraise the Chairman's performance.

Operational decision making, operational performance and the formulation of strategic proposals to the Board are controlled by the Group's Executive Committee, which is comprised of the Board of Directors of No Ordinary Designer Label Limited (the Group's operating subsidiary) together with relevant heads of department as required. The Executive Committee meets regularly throughout the year.



To enable the Board to function effectively and for the Directors to discharge their responsibilities, full and timely access is provided to all relevant information. A comprehensive Board pack is prepared and circulated in advance of each Board meeting. Board members regularly input into the level and quality of information provided, and request specific Board papers on additional agenda items. There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense. This is in addition to the access every Director has to the Company Secretary.

The Company maintains an appropriate level of Director and Officer liability insurance cover in place and, through the Articles of Association and Directors' terms of appointment, has agreed to indemnify the Directors against certain liabilities to third parties and costs and expenses incurred as a result of holding office as a Director. Save for such indemnity provisions in the Company's Articles of Association and in the Directors' terms of appointment (which were in force throughout the period and are in force as at the date of these financial statements), there are no qualifying third-party indemnity provisions in force.

The Code requires that the Board provides a fair, balanced and understandable assessment of the Company's position and prospects in its external reporting. The Directors were responsible for the preparation and approval of the Annual Report and Accounts and consider them, taken as a whole, to be fair, balanced and understandable and believe that this provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

BOARD EVALUATION

During the period, an externally facilitated evaluation of the Board and Committees' effectiveness was undertaken by Sean O'Hare of Boardroom Dialogue Limited, an independent external adviser with no other connection to the Company.

The Board evaluation considered the balance of skills, experience, independence and knowledge of the Company on the Board, its diversity, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness. The Board Evaluation consisted of:

- interviews with each of the members of the Board, the Company Secretary and selected members of the Executive Committee;
- observation of a Board meeting; and
- a review of the Board and Committee agendas, minutes and papers for the previous twelve months.

The Board evaluation concluded that the Board was working well, considering the right topics on a timely basis and with an appropriate level of challenge. The Non-Executive Directors were conscientious and prepared thoroughly for Board and Committee meetings and the management team received value from the Non-Executive Directors' contributions. Areas of focus for the Non-Executive Directors continue to be enhancing Board engagement with the Executive Committee and building on existing long-term succession planning throughout the Group.

BOARD AND COMMITTEE ATTENDANCE

The table below details the number of Board and Committee meetings held during the period and the attendance record of each Director.

	BOARD MEETINGS	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATION COMMITTEE
NUMBER OF MEETINGS HELD	**10**	**3**	**2**	-
Raymond Kelvin	10	N/A	N/A	N/A
Lindsay Page	10	N/A	N/A	N/A
David Bernstein	10	3	2	-
Anne Sheinfield	10	N/A	2	-
Ronald Stewart	10	3	2	-
Andrew Jennings	9	2	2	N/A

COMMUNICATION WITH SHAREHOLDERS

The Group attaches considerable importance to the effectiveness of its communication with its shareholders. The full report and accounts are sent to all shareholders and further copies are distributed to others with potential interest in the Group's performance.

Led by the Chief Executive, the Chief Operating Officer and the Finance Director, the Group seeks to build on a mutual understanding of objectives between the Company and its institutional shareholders by making general presentations after the interim and preliminary results; meeting shareholders to discuss long-term issues and gather feedback; and communicating regularly throughout the year via its investor relations programme. All shareholders have access to these presentations, as well as to the Annual Report and Accounts and to other information about the Company, through the website at www.tedbakerplc.com. Shareholders may also attend the Company's Annual General Meeting at which they have the opportunity to ask questions.

Non-Executive Directors are kept informed of the views of shareholders by the Executive Directors and are provided with independent feedback from investor meetings.

CONFLICTS OF INTERESTS

The Company's Articles of Association take account of certain provisions of the Companies Act 2006 relating to Directors' conflicts of interest. These provisions permit the Board to consider, and if thought fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company. The Board has adopted procedures for the approval of such conflicts. The Board's powers to authorise conflicts are operating effectively and the procedures are being followed.

AUDIT COMMITTEE REPORT

Dear Shareholder,

The role of the Audit Committee is to monitor the integrity of the Group's financial statements and reporting responsibilities and to maintain its internal control and compliance procedures. During the period, the Audit Committee focused on the Group's internal and external audit processes and risk management (particularly cyber risk).

This Audit Committee Report has been prepared in accordance with the Code and includes:

- a description of the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed;
- an explanation of how the Audit Committee has assessed the effectiveness of the external audit process and the approach taken to the reappointment of the external auditors, and information on the length of tenure of the current audit firm and when a tender was last conducted; and
- an explanation of how the Group's auditors' objectivity and independence are safeguarded when providing non-audit services.

Meetings with senior management, internal audit and the external auditors, together with the regular circulation and review of Board papers and financial information, have enabled the Audit Committee to discharge its duties and responsibilities effectively.

AUDIT COMMITTEE MEMBERSHIP

During the period, Ronald Stewart was Chairman of the Audit Committee. The other members were David Bernstein and Andrew Jennings.

Provision C.3.1 of the Code provides that the Audit Committee should comprise of at least three independent Non-Executive Directors, and that the Chairman should not be a member of the Audit Committee. The Board recognises that the Company has not been compliant with Provision C.3.1 of the Code during the period but considers David Bernstein, notwithstanding his appointment as Chairman, to be a valuable member of the Audit Committee because of his recent and extensive relevant financial experience.

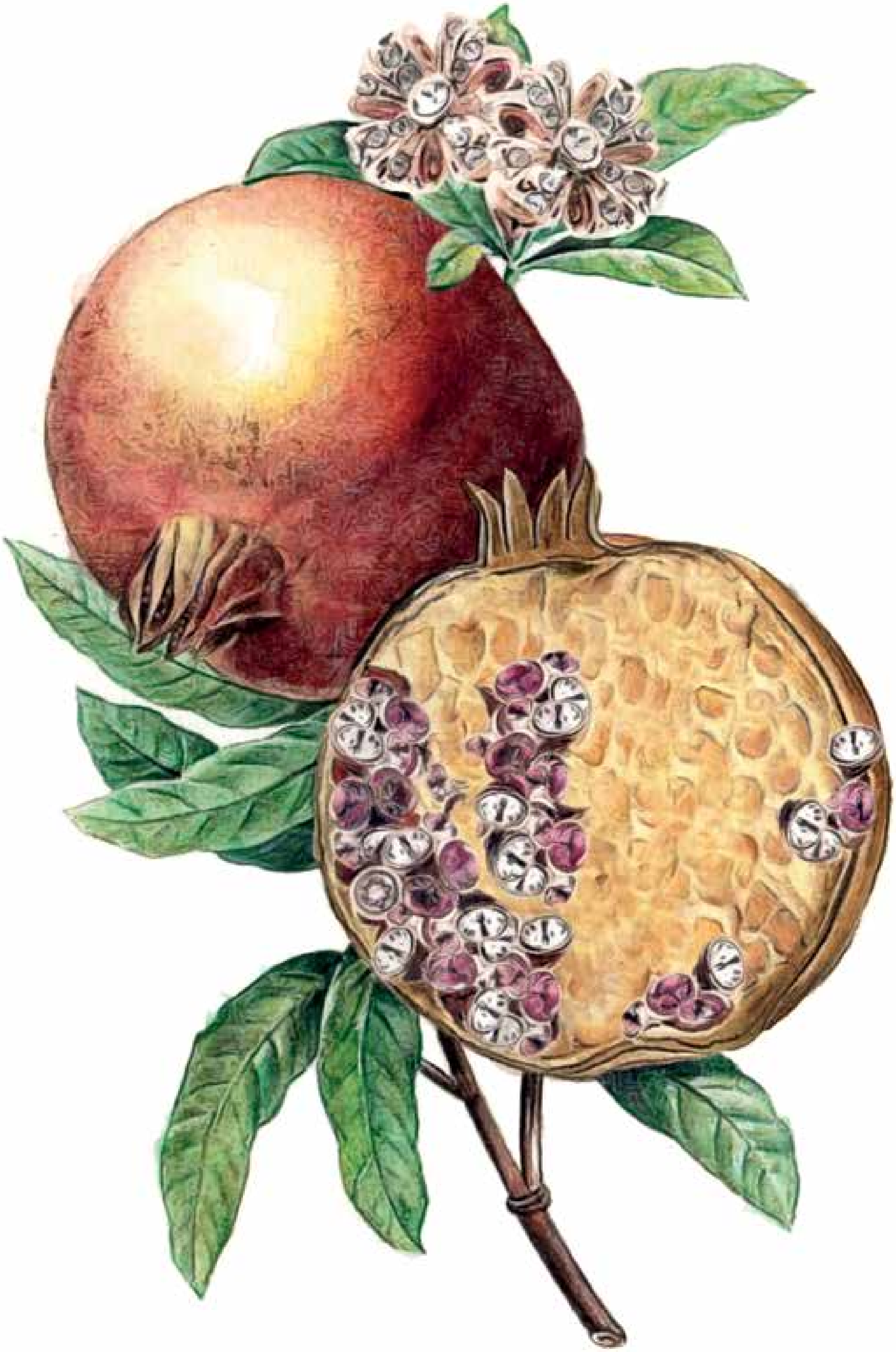
The terms of reference for the Audit Committee are available on the Company's website www.tedbakerplc.com.

KEY MATTERS

A summary of the key matters considered by the Audit Committee during the year are set out below:

AGENDA ITEMS	MARCH 2015	JULY 2015	OCTOBER 2015
FULL YEAR REPORT/INTERIM REPORT			
Full year report/Interim report	✓	-	✓
KPMG Audit Committee paper summarising the results from the year end external audit	✓	-	-
KPMG Audit Committee paper summarising the results from the interim review	-	-	✓
KPMG Management Letter on control observations	✓	-	-
Effectiveness of external auditor	✓	-	-
Independence of KPMG	✓	-	✓
INTERNAL AUDIT			
Findings of internal audit reviews	-	✓	-
Key tax risks and approach	✓	-	✓
Risk management	-	✓	✓
POLICIES			
Impairment policy review	✓	✓	-
Terms of reference of the Audit Committee	-	✓	-
Whistle blowing	-	✓	-
Non-audit services provided by KPMG	✓	✓	-
Employment of former KPMG staff	-	✓	-
Non-audit spend	✓	✓	-
OTHER MATTERS			
Materiality	✓	-	✓
Resourcing	✓	✓	✓
Succession planning	-	✓	-
Cyber Risk Review	✓	✓	✓
Post investment appraisal (stores)	-	✓	-
Supply Chain Review	-	-	✓
Stock Analysis	-	✓	✓
Foreign Currency Risk	-	✓	✓
Social Media Policy Review	✓	-	-
FRC review of external audit items	-	-	✓

The main areas of judgement and estimation are set out in the accounting policies on pages 72 to 77.



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SIGNIFICANT ISSUES

The Audit Committee received and reviewed reports from management and the external auditors setting out the significant issues in relation to the financial statements for the period which related to the carrying value of inventory and the carrying value of retail fixed assets (being leasehold improvements).

These issues were discussed and challenged with management during the period. They were also discussed with the auditors at the time the Audit Committee reviewed and agreed the auditors' group audit plan, when the auditors reviewed the half year interim financial statements in October 2015, and also at the conclusion of the audit of the financial statements for the period.

1) Carrying value of inventory

Inventory is carried in the financial statements at the lower of cost and net realisable value. The fashion industry can be extremely volatile with consumer demand changing significantly based on current trends. As a result there is a risk that the cost of inventory exceeds its net realisable value.

Management confirmed to the Audit Committee that there have been no significant changes to the approach used to estimate inventory provisions from the prior year. The auditors explained to the Audit Committee the work they had conducted during the year. On the basis of their audit work, the auditors reported no inconsistencies or misstatements that were material in the context of the financial statements as a whole; and in the view of the Audit Committee this supports the appropriateness the Company's methodology.

2) Carrying value of retail fixed assets (being leasehold improvements)

The Group has invested a significant amount of capital outside the UK in its retail store portfolio. Given the relative immaturity of the brand outside the UK, the payback period is typically longer and it is not uncommon for new stores to make losses in their starting phase. The Audit Committee challenged management on the evidence on which they based their assessment as to when an indicator exists for an impairment review over the carrying value of leasehold improvements. This included an assessment of performance of retail stores to the original business case, comparing relative performance of stores within each region and confirming that management's assessment was in line with the Audit Committee's understanding of the maturity of the brand in each location. The auditors explained to the Audit Committee the work they had conducted during the year. On the basis of the audit work, the auditors reported no inconsistencies or misstatements that were material in the context of the financial statements as a whole; and in the view of the Audit Committee this supports the appropriateness the Company's methodology.

3) Misstatements

Management confirmed to the Audit Committee that they were not aware of any material misstatements or immaterial misstatements made intentionally to achieve a particular presentation. The auditors reported to the Audit Committee the misstatements that had been found in the course of their work and no material amounts remain unadjusted. The Audit Committee confirms that it is satisfied that the auditors has fulfilled its responsibilities with diligence and professional scepticism.

After reviewing and challenging the presentations and reports from management and consulting where necessary with the auditors, the Audit Committee is satisfied that the financial statements appropriately address the critical judgements and key estimates (both in respect to the amounts reported and the disclosures). The Audit Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

4) Future IFRS developments

The Audit Committee has discussed future accounting developments likely to affect the presentation of the Group's financial statements.

TAX GOVERNANCE FRAMEWORK

The Audit Committee is responsible for monitoring all significant tax matters including the Group's tax policy. The Finance Director is responsible for implementing the Group's tax policy with the assistance of the senior finance and Group tax team. This is reviewed on an ongoing basis as part of the regular financial planning cycle. In addition, the Group's tax status is reported regularly to the Board and Audit Committee.

EXTERNAL AUDIT

The Audit Committee oversees the Company's relationship with the external auditors and makes recommendations to the Board in relation to their appointment, reappointment and removal and approves their remuneration and terms of engagement. The Board and Audit Committee also review the independence of the external auditors and consider the engagement of the external auditors to supply non-audit services.

The Company has adopted a formal policy on the supply of non-audit services by the external auditors. They may only provide such services on condition that such advice does not conflict with their statutory responsibilities and ethical guidance. The Audit Committee Chairman's pre-approval is required before the Company uses non-audit services that exceed financial limits set out by that policy and the aggregate spend is also reviewed by the Audit Committee on an annual basis. Details of the auditors' remuneration for audit and non-audit fees are disclosed in note 3 to the financial statements for the period.

The Audit Committee recognises that the independence of the auditors is an essential part of the audit framework and the assurance that it provides. The Audit Committee monitors any non-audit work that is undertaken by the external auditors to ensure that their objectivity and independence is not compromised. In the prior period the ratio of non-audit fees to audit fee exceeded 1:1. This was considered by the Audit Committee and was not considered to represent a threat to the auditors' independence as the majority of the non-audit fees related to a one-off project to provide forensic services. The Audit Committee regularly reviews the level of non-audit fees and, as noted above, pre-approval for any such services is required from the Audit Committee Chairman above set monetary thresholds. In approving any non-audit services the Audit Committee considers any threats, perceived or actual, to the auditors' independence taking regard of the guidance contained in the relevant ethical standards.

The Audit Committee has formally reviewed the independence of the auditors during the review year. KPMG LLP has provided a letter to the Audit Committee confirming that it remains independent within the meaning of the regulations on this matter and in accordance with professional and ethical standards.

To assess the effectiveness of the external auditors, the Audit Committee reviewed:

- the external auditors' fulfilment of the agreed audit plan and variations from it;
- reports highlighting the major issues that arose during the course of the audit; and
- feedback from the businesses evaluating the performance of each assigned audit team.

The FRC's Audit Quality Review team reviewed the KPMG LLP audit files for the prior period and shared with the Audit Committee the two observations in connection with audit process. The Audit Committee has discussed the review team's feedback with KPMG and is satisfied that the auditors have addressed the two observations noted in relation to the audit process for the current year audit.

The Audit Committee held meetings with the external auditors before each Audit Committee meeting to review key issues within their scope of interest and responsibility. To fulfil its responsibility for oversight of the external audit process, the Audit Committee reviewed:

- the terms, areas of responsibility, associated duties and scope of the audit as set out in the external auditors' engagement letter for the forthcoming year;
- the external auditors' overall work plan for the forthcoming year;
- the external auditors' fee proposal;
- the major issues that arose during the course of the audit and their resolution;
- key accounting and audit judgements;
- the level of errors identified during the audit; and
- recommendations made by the external auditors in their management letters and the adequacy of management's response.

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Consideration is also given by the Audit Committee to the need to include the risk of the withdrawal of the external auditors from the market in its risk evaluation and planning.

The Audit Committee considers the reappointment of the external auditors each year and assesses their independence on an ongoing basis. KPMG have been the Company's external auditors since 2001, with a competitive audit tender process last carried out in 2012. The Audit Committee notes the final Order from the Competition & Markets Authority and the new EU Regulation on audit rotation and will ensure compliance with these requirements in considering when next to tender the external audit. The requirements of the Code and the Order and EU Regulation notwithstanding, the Audit Committee will continue to monitor the effectiveness of the external auditors on an annual basis and will tender in accordance with the new EU regulations.

KPMG have expressed their willingness to continue in office as auditors. The Audit Committee has recommended to the Board that KPMG LLP be appointed as the Company's external auditors for the 2016/17 financial period.

WHISTLE BLOWING

The Audit Committee is responsible for the review of the Company's procedures for responding to the allegations of whistle blowers and the arrangements by which staff may, in confidence, raise concerns about possible financial reporting irregularities.

Ronald Stewart
Chairman of the Audit Committee

NOMINATION COMMITTEE REPORT

Dear Shareholder,

The role of the Nomination Committee is to establish a framework for the process of appointment of new Directors to the Board. The Nomination Committee is also responsible for overseeing succession planning requirements, including the identification and assessment of potential Board candidates and making recommendations to the Board for its approval.

NOMINATION COMMITTEE MEMBERSHIP

During the year the Nomination Committee was chaired by David Bernstein and its other members were Ronald Stewart, Anne Sheinfield and Andrew Jennings. The composition of the Nomination Committee during the year complied with Provision B.2.1 of the Code.

The Nomination Committee is responsible for nominating candidates for appointment to the Board.

All Non-Executive Directors are advised of the time commitment considered necessary to enable them to fulfill their responsibilities prior to appointment.

The terms of reference for the Nomination Committee are available on the Company's website www.tedbakerplc.com.

APPOINTMENTS TO THE BOARD

No appointments to the Board were made in the period.

The Company's Articles of Association require one third of the Directors for the time being to retire each year, and for each Director to retire from office at least once every three years. However, in line with Provision B.7.1 of the Code, the Board has determined that all Directors must retire and stand for re-election by shareholders on an annual basis.

In the year ahead, the Nomination Committee will meet to hold general discussions on succession planning and to facilitate long-term planning in respect of executive and non-executive skills required around the Board table, including the timing and the process for recruitment and the transition plan for existing Board members.

DIVERSITY

We strongly support the principle of boardroom diversity, of which gender is one element. Anne Sheinfield has been on the Board since June 2010 and the Board is very pleased to benefit from her valuable contribution.

Boardroom diversity, including gender, is an important consideration when assessing a candidate's ability to contribute to, and complement the abilities of, a balanced Board.

Our Board appointments will always be made on merit against objective criteria, and this will continue to be the priority rather than aiming to achieve an externally prescribed diversity target.

As noted in the People Report on page 34 to 35, the continued expansion of the Company means that Ted Baker's workforce is becoming increasingly diverse. The Company will continue to support the development and progression of all employees, with the aim of maintaining and achieving diversity throughout all levels of the organisation.

David Bernstein CBE
Chairman of the Nomination Committee

SUSTAINABILITY

At Ted Baker we believe in being open and honest in the way we do business, this includes doing the right thing by all of our stakeholders throughout our supply chain and operating in a fair and sustainable manner. We approach our social, environmental and ethical commitments ('SEE') with the same focus and attention to detail that permeates the rest of the business. To ensure that we continue to meet our responsibilities in these important areas we designed a three pronged plan, named Ted^3, in 2012. Our Global Sustainability Strategy has been developed and continues to be advanced and improved ensuring that every department is included.

HOW WE WORK

The Chief Operating Officer has been given specific responsibility for overseeing the formulation of the Group's policies and procedures for managing risks arising from social, environmental and ethical matters. In addition, the Board has tasked four members of the Executive Committee to oversee specific areas of our SEE agenda for the Group. These Executive Committee members participate because of the relevance of their departments to our ongoing commitment in these areas – Brand Communication, Product Design, Production and Special Projects (Interior Design). Our full time Ted's Conscience Team co-ordinates these areas and the Group's cross-functional team which is responsible for addressing SEE concerns of the Group (the "Ted's Conscience Team").

OUR SUSTAINABILITY FOCUS

We believe in three very important areas of sustainability:

1. **Protect:** The Group is committed to protecting the environment within our properties and throughout our entire supply chain by reducing the use of resources and increasing efficiencies wherever possible;
2. **Product:** The Group is committed to purchasing the best possible products for use and sale within and throughout Ted and associated businesses at the same time as ensuring that the people and environment within the supply chain are treated well; and
3. **Practice:** The Group is committed to practicing what it preaches by implementing a robust strategy to achieve our goals and targets by educating and inspiring our teams.

ENVIRONMENTAL IMPACTS

As part of our commitment to "Protect", the Group has engaged in a number of environmental projects during the course of the year:

- We continue to participate in the Carbon Disclosure Project to measure and disclose our greenhouse gas emissions and climate change strategies. Our disclosure score increased from 89% in the previous year to 93%;
  All of our business travel within Scopes 1 and 3 is CarbonNeutral®. This means that the unavoidable emissions generated by air, road and rail journeys, required to visit our stores, trustees and suppliers, have been offset in full through the purchase of carbon credits from verified carbon reduction projects;
- We are constantly reviewing the waste our business generates in an effort to achieve our overall aim of sending no waste to landfill. We participate in the Wastepack Compliance Scheme as part of the Producer Responsibility Obligations (Packaging Waste) Regulations 1997, and continue to reduce unnecessary packaging;
- We work with local schools and charities to recycle as much waste from head office as we can;
- We have been working with charity Newlife to ensure that all faulty garments returned to store do not end up in landfill. Since March 2014 all faulty returned garments are sent to Newlife for re-sale as secondhand garments;
- Through relationships with charities Oxfam and Newlife we have been able to ensure that our end of life garments are utilised in the best way, raising over £325,000 and diverting over 24 tonnes of waste from landfill;
- We are part of the Sustainable Clothing Action Plan ('SCAP'), a Department for Environment, Food and Rural Affairs ('DEFRA') sponsored action plan, organised to improve the sustainability of clothing throughout its lifecycle by bringing together industry, government and third parties. SCAP members collaborate to develop sector-wide targets along with the tools and guidance necessary to achieve them. As an SCAP 2020 signatory, we are challenged to reduce carbon, water and the amount of waste generated or consumed by our products by 15% by 2020;
- We have introduced internal sustainable fibre targets to our 2017 collections to ensure that we are meeting our SCAP commitment; and
- As part of SCAP, we participate in the Metrics Group. The Group identifies the key industry metrics that businesses should measure and is working on a tool to measure baseline carbon, water and waste footprints. It also identifies improvement actions that business could take in this area.

ETHICAL AND SUSTAINABLE SOURCING

As part of our commitment to "Product", we place great importance on ethical and environmental sourcing within the Group. We believe that our products should be produced in factories that are committed to providing a fair and safe environment for their workers. Our trusted partners within the supply chain are one of our most valuable assets.

- All Ted Baker suppliers are governed by our Ethical Code of Conduct. We revise our Code of Conduct regularly to ensure that it reflects legislative changes and make sure that our suppliers continue to make improvements. The Code is based on international conventions such as; The Ethical Trade Initiative Base Code, The United Nations Universal Declaration of Human Rights and The Fundamental Conventions of the International Labour Organisation, and can be found at http://www.tedbakerplc.com/~/media/Files/T/Ted-Baker/documents/ted-ethical-code-of-conduct-2016.pdf
- Through our partnership with MADE-BY, a non-profit multi-stakeholder initiative set up to improve sustainability within the fashion industry, our Social Scorecard for 2014 was released during the year and can be found at http://www.made-by.org/modetracker/scorecards/ted-baker/
  The scorecard shows an increase in the percentage of product sourced from MADE-BY A or B benchmarked factories.
- Our MADE-BY Scorecard for 2014 is the last in this format as MADE-BY have developed a new progress tracking tool, MODE Tracker. It is aimed at supporting fashion brands to become more sustainable, focusing on eight areas of fashion business, including People, Product and Own Operations. Our first Scorecard will be released in April 2016.

COMMUNITY

In order to "Practice" our goals and achieve our targets we place great importance on the Teducation of our employees to support the community in a number of ways. Throughout the year we have supported various charities and taken part in valuable and exciting projects.

- Our employees are our greatest asset. To make the most of their innovation we have Ted's Conscience Team to encourage colleagues to be more environmentally and socially aware in both their jobs and their personal lives.
- Ted's Conscience issues a monthly "DO SOMETHING" email initiating sustainable and environmental activities and competitions to inspire everyone in our head office.
- We continue to encourage our employees to donate unwanted items through our 'Oxfam Collects' Collection Point.
- In December 2014 we started to collect donations for leftover restaurant food, we chose to donate the proceeds to Magic Breakfast, a charity that provides underprivileged school children in London with much needed breakfast before school. We have so far raised enough money to provide 10,340 Magic Breakfasts.
- We donated product and raised money for other charities during the year including The Tope Project, a charity that organises Christmas dinners for care leavers in London.
- We keep two Buckfast bee colonies on the roof of our London head office from which we had a hugely successful honey harvest for the sixth year running.

GREENHOUSE GAS EMISSIONS

The Group has, for a number of years, participated in the Carbon Disclosure Project and is now required, in accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 (the 'Regulations'), to report its greenhouse gas emissions ('GHG').

The Group has adopted a greenhouse gas reporting policy and a management system based on the ISO 14064-1:2006 methodology, which has been used to calculate the Group's Scope 1 and 2 emissions in the period for activities within the financial control of the Group.

In measuring the Group's greenhouse gas emissions, all the Group's stores, warehouses and head offices around the world were taken into account. The space occupied by the Group within concession stores is excluded from Scope 1 and 2 calculations because the Group has neither financial nor operational control over a concession area. Such emissions are included in the Group's Scope 3 figures which are published in our annual Carbon Disclosure Project Report.

The Group's GHG emissions during the period are disclosed in the table below.

	2016	2015
Scope 1 – Direct CO^2 emissions (tonnes CO^2e)	138	220
Scope 2 – Indirect CO^2 emissions (tonnes CO^2e)	4,062	4,538
Total tonnes CO^2e emissions	4,200	4,758
tCO^2e per sq ft	0.012	0.014
tCO^2e per £'000 sales	0.009	0.012

GHG emissions for the year ended 30 January 2016 have been calculated using the appropriate 2015 UK Government Conversions Factors for Company Reporting.

THE BRIBERY ACT 2010

The Board continues to proactively review the Group's procedures to ensure they are sufficiently robust to prevent corruption.

MODERN SLAVERY ACT 2015

Ted condemns the practice of Modern Slavery. Pursuant to the Company's Code of Conduct, suppliers are required to ensure that all reasonable efforts are employed to eliminate Modern Slavery and deceptive practices in the recruitment of workers in their operations, in their subcontractors and within their supply chains including raw material producers. The Group will issue a slavery and human trafficking statement in the next period in accordance with the Modern Slavery Act 2015.

Flora Activicus

PEOPLE

The incredible talent, enduring commitment and passion of the Ted Baker team are key factors in the success of the Group. We encourage team members with learning and development opportunities, nurture their growth and potential, and recognise and reward their contributions. This is illustrated by the energy and inspired performance of our team who drive innovation and the Group's growth.

REWARD AND RECOGNITION

Remuneration is reviewed annually and a benchmarking analysis is undertaken against market intelligence to ensure we remain competitive and commensurate across all areas of the business. For employees in each territory where the Group operates, we offer reward and recognition schemes in line with local legislative and market requirements. Our reward packages include bonus schemes linked to sales targets and individual and corporate performance. We encourage all UK employees to join our Save As You Earn share scheme which provides Ted with confidence in the commitment of its team. Ted also provides a Long Term Incentive Plan ('LTIP') for key senior employees throughout the business spanning a three year award period. The LTIP is currently in its third tranche of issue and it is anticipated that this will continue on a rolling yearly award basis to enhance total annual reward and support retention. During the period we celebrated the fifth year of Wisdom Awards, our scheme that recognises long serving members of the team and provides a chance for them to celebrate and share their Ted stories.

LEARNING AND DEVELOPMENT

Individual performance is reviewed bi-annually with each team member to discuss personal and career development and to set, and assess performance against, goals and objectives linked to personal growth and business development, as well as Ted's environmental and social commitments. We invest in training which ranges from outsourced specialist and technical skills training to in-house developed "Hand Made by Ted" bespoke courses offered by the Ted Academy focusing on management and leadership skills, brand awareness and self-awareness. Distinct career paths exist across the Group and inter-departmental and international transfers play a large part in retaining and growing talent as well as ensuring the Ted story translates across the Globe. Our manpower and succession plans are monitored and evaluated regularly to highlight skills and learning gaps, anticipate vacancies and harness talent. During the period we launched Ted's Extraordinary Diploma which is an apprenticeship programme for "Learning at the School of Ted". Due to its success a second programme is planned for 2016/17.

DIVERSITY

The Group believes in respecting individuals and their rights in the workplace, and that diversity supports the dynamic of our teams to deliver success. With this in mind, specific policies are in place setting out our stance and commitment to managing harassment and bullying, whistle blowing and equality and diversity. Our team represents a wide and diverse workforce from all backgrounds, sexual orientation, nationality, ethnic and religious groups. We support sponsorship of visa applications, where appropriate, to retain specific talent within the business. With continued overseas expansion our workforce is becoming more diverse and we respect cultural difference and actively seek to learn about each territory we operate within.

Our commitment to diversity across the Group continues and consideration to diversity and gender is given with a view to appointing the best placed individual for each new role. The charts below demonstrate the gender split across the Board of Directors, the Group's leadership and senior management teams and global employees as at 30 January 2016.

	2016			2015		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Ted Baker Plc Board of Directors	5	1	6	5	1	6
Executive Committee and other senior managers	34	54	88	27	39	66
Global employees	1,108	2,168	3,276	995	1,842	2,837

	UK		North America		Europe		Asia		
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	TOTAL
Ted Baker Plc Board of Directors	5	1	-	-	-	-	-	-	6
Executive Committee and other senior managers	21	31	9	14	1	4	3	5	88
Global employees	695	1,226	244	456	111	358	58	128	3,276

HEALTH, SAFETY AND WELFARE

Our duty and commitment to the well-being of our team is supported by activity such as private healthcare, occupational health, health seminars and funding for flu jabs. During the period, we conducted Wellness health assessment days and we offer health and fitness classes to our team members at our Tedquarters. We run a Childcare Voucher Scheme in the UK and an Employee Assistance Programme in the UK and USA further supports our genuine concern for the well-being of our team.

The prevention and identification of risks and accidents is supported by an external Health and Safety service provider and ongoing training of management teams. The Group employs a dedicated Health and Safety team to strengthen our knowledge and commitment in this area of the business.

EMPLOYEES WITH DISABILITIES

Applications for employment by persons with disabilities are always fully and fairly considered, focusing on the aptitudes and abilities of the applicant concerned. In the event of members of the Ted team becoming disabled during their employment, every effort is made to ensure that their employment with the Group continues and that where appropriate reasonable adjustments are made and relevant training and education of the wider team is arranged. It is the policy of the Group that the training, career development and promotion of persons with disabilities should, as far as possible, be identical with that of other team members.

CULTURE

Our brand values are important in everything we do and are instilled in team members at their initial induction and onboarding and at Teducation sessions with the Founder and Chief Executive telling the story behind the brand. Employees are encouraged to always ask: "Would Ted do it that way?" We continue employees' cultural journeys through a host of varied events.

EMPLOYEE ENGAGEMENT

The Group places considerable value on the involvement of its team members and continues to keep them informed on matters affecting them and the Group, communicating in a way that aligns with the brand tone of voice and actively encourages feedback. This is achieved through formal and informal meetings, BroadcasTED communications, Talk to Ted sessions, team member surveys and e-postcard messages from Ted. Team representatives are consulted regularly on a wide range of matters affecting team members' current and future interests. Team members are regularly informed of the Group's performance and any factor affecting its performance during the year, in addition to business development initiatives to maintain interest and encourage participation.

Entici Seductivus

BOARD OF DIRECTORS

DAVID ALAN BERNSTEIN, CBE
NON-EXECUTIVE CHAIRMAN (72)

David is Chairman of the British Red Cross. Previously he was joint Managing Director of Pentland Group Plc, Chairman of Blacks Leisure Plc, Manchester City Plc and the Football Association. He is Chairman of the Nomination Committee and a member of the Audit and Remuneration Committees. In the New Year Honours' List of 2014 David was appointed Commander of the Order of the British Empire (CBE) for services to football.

RAYMOND STUART KELVIN, CBE
CHIEF EXECUTIVE (60) ('CLOSEST MAN TO TED')

Ray, the founder of Ted Baker, has worked in the fashion industry for over 40 years. In 1973 he founded PC Clothing Limited, a supplier of womenswear to high street retailers. In 1987 Ray developed the Ted Baker brand and has been Chief Executive of Ted Baker since its launch in 1988. In the New Year Honours' List of 2011 Ray was appointed Commander of the Order of the British Empire (CBE) for services to the fashion industry.

LINDSAY DENNIS PAGE, MA, ACA
CHIEF OPERATING OFFICER (57)

Lindsay joined Ted Baker as Finance Director in February 1997. He joined Binder Hamlyn in 1981, became a founder member of the corporate finance department in 1986 and a partner in 1990. Binder Hamlyn subsequently merged with Arthur Andersen in 1994. Lindsay was appointed as the Group's Chief Operating Officer in addition to his role as Group Finance Director on 8 July 2014.

RONALD STEWART, FCIB
NON-EXECUTIVE DIRECTOR (68)

Ron was appointed as a Non-Executive Director on 25 February 2009. Ron spent all his 39 year banking career at The Royal Bank of Scotland Plc, retiring in 2003 as Deputy Managing Director of its Corporate Banking Department in London. He is a Trustee of several Christian charities and a Governor of Reeds School in Surrey. He is Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees. Ron is an Independent Director and the Senior Independent Director.

ANNE SHEINFIELD
NON-EXECUTIVE DIRECTOR (50)

Anne was appointed as a Non-Executive Director on 15 June 2010. Anne is a commercial lawyer with more than two decades of post qualification experience in the theatre, TV and music areas of entertainment and has a wealth of intellectual property and commercial legal experience. She is Chairman of the Remuneration Committee and a member of the Nomination Committee. Anne is an Independent Director.

ANDREW JENNINGS
NON-EXECUTIVE DIRECTOR (67)

Andrew was appointed as a Non-Executive Director on 1 February 2014. He has worked in the international retail industry for over 40 years at some of the world's most respected high-end department stores. Previously he was Chief Executive Officer of the Karstadt Group in Germany and prior to this has held a number of senior executive positions at leading UK and international retailers including Saks Fifth Avenue in the USA; Holt Renfrew in Canada; Harrods and House of Fraser in the UK; and Brown Thomas in Ireland. He is a member of the Audit, Nomination and Remuneration Committees. Andrew is an Independent Director.

DIRECTORS' REMUNERATION REPORT

PART A: ANNUAL STATEMENT

Dear Shareholder,

The Directors' Remuneration Report has been prepared on behalf of the Board by the Remuneration Committee in accordance with the requirements of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended, and meets the relevant requirements of the Listing Rules of the Finance Conduct Authority and the UK Corporate Governance Code.

The Remuneration Report is split into two parts:

- The Directors' Remuneration Policy which sets out the Company's policy on Directors' remuneration which was approved at the Annual General Meeting ('AGM') held on 10 June 2014, and the key factors that were taken into account in setting the policy. The Directors' Remuneration Policy is subject to a binding shareholder vote at least every third year following its approval; and
- The Annual Report on Remuneration sets out payments and awards made to Executive Directors and Non-Executive Directors and details the synergy between Company performance and remuneration for the period.

2015/16 – A YEAR IN REVIEW

The Group delivered a strong performance in 2015/16. Continued investment has been made in the long-term future of the brand, including the recruitment of new specialist talent into key areas to drive the global development and growth of the business, and to support the investment in core infrastructure. Our unique and talented teams continue to drive momentum and as the Group continues to expand in new and existing markets, their commitment to take on diverse and complex challenges with passion and professionalism has further strengthened the foundations of the Ted Baker brand. I am pleased to announce that 50% of the maximum potential annual bonus has been achieved and will be paid to Executive Directors and eligible employees across the Group.

A third award of options was made under the shareholder-approved Ted Baker Plc Long Term Incentive Plan 2013 (the "2013 LTIP") in April 2015. This award of options carries the same performance conditions as the previous two awards and will vest in April 2018.

Following a review of fees payable to NEDs carried out during the year, increases were approved by the Board with effect from 1 August 2015 to bring NED fees in line with market rates. Further details are provided in the annual report on remuneration in part C.

Last year's Directors' Remuneration Report (excluding the remuneration policy) was approved by 97.29% of shareholders, and the Directors' Remuneration Policy was approved by 97.21% of shareholders at the AGM held on 10 June 2014. This high level of shareholder approval confirms our reasonable approach to remuneration.

2016/17 – THE YEAR AHEAD

In arriving at the proposed base salaries payable for 2016/17, the Remuneration Committee have kept the basic salaries of the Executive Directors at the same rates as were in force at 30 January 2016. This is consistent with the approach to salary increases for head office employees across the Group where the flat salary rate has been applied (except in cases of exceptional performance, changes in roles or responsibilities or promotion) in exchange for a marginal reduction in weekly working hours. Further details are provided in the annual report on remuneration in part C.

The next independent benchmarking report to review the remuneration packages of Executive Directors and senior management will be commissioned in 2016/17. Any changes required to the Group's remuneration policy to maintain total remuneration packages at the targeted median level will be put to shareholders for consultation and proposed in the Directors' Remuneration Report for the year ended 28 January 2017 which will be subject to a binding vote by shareholders.

IN CONCLUSION

The annual report on remuneration provides further details and the Directors' Remuneration Policy sets out how we are continuously building for the future.

I would like to thank you for your support in approving the current remuneration policy and hope that we can rely on your vote in favour of the Directors' Remuneration Report at this year's Annual General Meeting.

Anne Sheinfield
Chairman of the Remuneration Committee

PART B: DIRECTORS' REMUNERATION POLICY

REMUNERATION POLICY

The policy described in this section was approved by shareholders on 10 June 2014 at the Company's Annual General Meeting and applies for the three years commencing on that date. No changes have been made to the policy since it came into effect on that date. The original approved version of the policy can be found in the Group's annual accounts for the year ended 25 January 2014 at www.tedbakerplc.com.

The aim of the Group's remuneration policy is to attract, motivate and retain high quality management and to incentivise them according to the levels of value generated for shareholders.

The total size of the remuneration package is judged by comparison with the value of packages of similar companies, having regard to:

- the size of the company, its turnover, profits and number of people employed;
- the diversity and complexity of the business;
- the geographical spread of the business; and
- the growth and expansion profile.

We use target performance to estimate the total potential reward and benchmark it according to the criteria outlined above. External benchmarking analysis is commissioned every two years to make sure that we remain competitive within the broader retail comparator groups. The latest benchmarking report was carried out during the year ended January 2015 and the results presented to the Remuneration Committee in February 2015. The next report will be commissioned during the year ending January 2017.

Remuneration packages for Executive Directors are structured to provide a balance between fixed basic salary and variable remuneration based on individual and Group performance.

Non-Executive Directors are remunerated with fees in line with market rates. They do not receive any pension or other benefits, other than the reimbursement of reasonable expenses, and they do not participate in any bonus or share schemes.

SHORT AND LONG-TERM REMUNERATION

Group policy is to use fixed annual elements of remuneration such as salary, pension and benefits to recognise the status of our Executives and to ensure current and future market competitiveness.

The use of short-term annual bonus incentives and Long Term Incentive Plans ('LTIPs') provides a direct link between remuneration and key performance indicators. It also creates a synergy between the Executive Directors' personal return and the return to investors.

Both the short and long-term incentives are used to motivate and reward them for sustaining and growing the success of the Ted Baker Group.

REMUNERATION POLICY TABLE – EXECUTIVE DIRECTORS

ELEMENT	MAXIMUM POTENTIAL	OPERATION AND LINK TO STRATEGY	PERFORMANCE TARGETS AND TIME PERIOD
BASE SALARY	No maximum salary but annual increases will be broadly consistent with increase in base salary of wider employee population and generally no higher than the increase in RPI unless there is a change in role or responsibility.	Salary reviewed annually and reflects the role and sustained value of the individual in terms of skills, experience and contribution. Increases will be applied to reflect inflation and are in line with wider employee increases.	N/A
ANNUAL BONUS	Up to 100% of base salary.	Drives and rewards annual performance. Profit targets are reviewed annually at the start of the financial year. Payment is determined by the Remuneration Committee following the end of the financial year.	Achievement of profit before tax, annual bonus and exceptional / non-recurring items against targets* for the financial year. The Remuneration Committee reserves the right to make adjustments if the outcome does not reflect underlying performance. Threshold vesting is 0%. Annual bonus policy does not contain any clawback or malus provisions.
LTIPs	Up to 150% of base salary per annum. The Remuneration Committee has the right to award up to 200% of basic salary in exceptional circumstances.	Annual award of shares which vest dependent on the achievement of profit targets with a share price underpin.	25% vesting if compound annual growth of profit before tax per share of 10% over the three year performance period beginning with the financial year in which the awards are made, rising to 100% vesting at 15% growth.**

LTIPs CONTINUED		Drives the overall business strategy and objectives, and aligns the interests of shareholders and the executive team over the longer term.	Share awards will only vest if the share price has risen by 10% over the three year period commencing on the date that the awards are made. No dividends are payable on unvested or unexercised LTIP options. No claw-back or malus provisions are included in the LTIP rules. In the event of a change in control of the Group prior to the end of the period set for achievement of performance targets the performance period will be shortened to the date of change of control and awards will vest on change of control based on the extent to which any performance conditions are satisfied by reference to that shortened performance period. If the change of control occurs after the end of the performance period, awards will vest on change of control to the extent that the performance conditions have been satisfied. Performance conditions for future awards may vary but the Remuneration Committee will consult with shareholders on any major changes proposed.
THE TED BAKER SHARESAVE SCHEME	All Executive Directors excluding Mr R S Kelvin have the option to save up to the statutory limit towards options over shares in Ted Baker Plc over any three or five year period.	To align the interests of Executive Directors with the long-term interests of the shareholders.	None.
RETIREMENT BENEFITS	All Executive Directors excluding Mr R S Kelvin are entitled to pension contributions to a money purchase scheme of up to 12.5% of base salary.	Positioned to ensure broad competitiveness with market practice.	N/A
OTHER BENEFITS	Entitlements include car allowance and medical expense insurance.	Maximum car allowance entitlements are based on the estimated costs of running a private car.	N/A

NOTES TO THE EXECUTIVE DIRECTORS' POLICY TABLE

***Annual bonus**

Profit targets are set by the Remuneration Committee at the start of the financial year by reference to internal budgets and taking account of consensus market expectations for profit before tax and exceptional / non-recurring items. Market expectations for profit are considered a key measure of business performance for our shareholders; in considering these, the highest and lowest expectations from the range are excluded to help reduce the risk of distortion. The funds available for payment of the annual bonus are determined by the achievement of profit before tax, annual bonus and exceptional / non-recurring items in a financial year in excess of the target. The maximum bonus payable to staff is capped as a percentage of base salary which varies according to individual contracts. The maximum annual bonus payable to an Executive Director is capped at 100% of base salary.

****LTIPs**

In arriving at the performance criteria for the 2013 LTIP, the comparator group used for benchmarking purposes consisted of listed companies with similar enterprise value to Ted Baker. The group included retail and other service sector businesses and was approved by the Remuneration Committee.

This scheme was introduced in July 2013 for Executive Directors and other senior executives across the Group. The criteria used to measure performance are growth targets based on adjusted profit before tax per share over the performance period and share price growth over the award period. The profit per share growth targets were set following consideration of consensus market analyst expectations and the share price growth target was agreed in consultation between the Remuneration Committee and shareholders.

The Remuneration Committee felt that these criteria were appropriate for the Group in view of its recent investment in expansion and should encourage management to focus on longer-term profitable growth. The share price growth target has been favoured over a TSR-based measure because the unique profile of the Group's business means that a readily comparable TSR benchmark was not available. A commitment has, however, been made to apply the existing dividend policy consistently.

REMUNERATION POLICY TABLE – NON-EXECUTIVE DIRECTORS

The Board aims to recruit high-calibre Non-Executive Directors ('NEDs') with broad commercial, international or other relevant experience. The remuneration policy for NEDs is set by the Board having taken account of the fees paid by other companies of a similar size and complexity.

When recruiting NEDs, the remuneration arrangements offered will generally be in line with those set out in the Non-Executive Directors' Remuneration Policy Table below.

APPROACH TO SETTING FEES	BASIS OF FEES	OTHER ITEMS
Fees are reviewed at appropriate intervals taking into account the time commitment expected and practice in peer companies of a similar size, sector and complexity.*	Each NED is paid a basic fee for undertaking Non-Executive Director and Board duties. A higher fee is typically paid to the Chairman of the Board. Non-Executive Director fees are not subject to claw-back or withholding arrangements.	The NEDs do not participate in the Company's annual bonus scheme, long-term incentive plans, health care arrangements or employee share schemes and do not receive any retirement benefits. The Group provides each NED with relevant liability insurance for the duration of their appointment. All NEDs stand for reappointment on an annual basis at every AGM.

***Increase in fees payable to NEDs**
Following a review of fees payable to NEDs carried out during the year, increases were approved by the Board with effect from 1 August 2015 to bring NED fees in line with market rates.

DIFFERENCES IN REMUNERATION POLICY FOR ALL EMPLOYEES

A consistent remuneration approach is applied at all levels throughout the Group, except as outlined below, to make sure that business strategy and performance are aligned and that the total reward is sufficient to attract and retain high-performing and talented individuals.

All employees of Ted Baker are entitled to a base salary, annual or periodic bonus and benefits dependent upon their role within the Group. The maximum opportunity available for a base salary increase is consistent across all employees. The maximum opportunity for bonus and benefits is based on seniority, responsibility and function of the role.

Conditional long-term share awards are only available to Executive Directors and other members of senior management across the Group. Share option grants under the Save As You Earn scheme are available to all UK employees.

STATEMENT OF CONSIDERATION OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE COMPANY

The Group Head of Human Resources presents to the Remuneration Committee at its meeting in February each year on proposed salary increases for the general employee population and on any changes to remuneration policy within the Company. The Remuneration Committee limits any increases in base salary for Executive Directors so that they are broadly in line with the inflationary increase to be applied across the general employee population unless there has been a change in role, or if the salary and total reward falls below the targeted median range.

Proposed remuneration arrangements are discussed with employee communication groups and senior management. The Remuneration Committee does not specifically invite employees to comment on the Executive Directors' remuneration policy but any comments made by employees are taken into account.

As well as benchmarking the remuneration packages of an Executive Director peer group, the benchmarking exercise performed during the year ended January 2013, which informed the current policy, included a separate analysis of salaries paid to other senior executives.

The Remuneration Committee's conclusion following that report was that the Group should commit to target total remuneration levels for senior management across the Group within the median range in order to retain and reward key individuals.

A further benchmarking report was conducted during the 53 weeks ended 31 January 2015. Again, the report considered the remuneration packages of both Executive Directors and senior management and the findings confirmed the current strategy of targeting a median level total remuneration package.

The next benchmarking report will be performed in the 52 weeks ending January 2017.

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SERVICE CONTRACTS AND POLICY OF PAYMENTS FOR LOSS OF OFFICE

STANDARD PROVISION	POLICY	DETAILS	OTHER PROVISIONS IN SERVICE CONTRACTS
Notice periods in Executive Director Service Contracts	12 months' notice from the Company. 12 months' notice from the Executive Director.	Executive Directors may be required to work during their notice period, be placed on gardening leave for all or part of the notice period or be provided with pay in lieu of notice if not required to work the full period of notice.	Executive Directors' service contracts include non-compete and non-poaching provisions.
Compensation for loss of office in service contracts	No more than 12 months' salary, pension and benefits (excluding bonus).	Payable monthly and adjusted if the Executive Director obtains alternative employment.	N/A
Treatment of annual bonus on termination	No payment unless employed on the date of payment of bonus except for "good leavers". The Remuneration Committee retains discretion to determine whether an Executive Director is a "good leaver" taking account of circumstances including in particular death, disability and redundancy.	"Good leavers" are entitled to a bonus pro-rated to the period of service during the year provided the financial targets have been achieved and all necessary conditions have been met. The Remuneration Committee has discretion to reduce the entitlement of a "good leaver" in line with performance and the circumstances of the termination.	N/A
Treatment of unvested and deferred share awards on termination under plan rules	All awards lapse except for "good leavers" (e.g. on death, disability, ill health, injury, retirement, redundancy). The Remuneration Committee retains discretion to treat an Executive Director as a "good leaver" in other circumstances.	For "good leavers", the extent of vesting is at the discretion of the Remuneration Committee taking account of performance to date of leaving and pro-rated for period of employment in the vesting period for the award. The Remuneration Committee's discretion to treat an Executive Director as a "good leaver" will take into account the particular circumstances of the Executive Director's departure.	N/A
Outside appointments	Executive Directors may accept one Board appointment in another listed company.	The Remuneration Committee Chairman's approval must be sought before accepting appointment. Fees may be retained by the Executive Director.	N/A
Non-Executive Directors	NEDs have letters of appointment with the Company which provide: 3 - 6 months' notice from the Company 3 - 6 months' notice from the NED.	NEDs may be required to work during the notice period, be placed on gardening leave for all or part of the notice period or may be provided with pay in lieu of notice if not required to work the full period of notice.	N/A

CONTRACTS OF SERVICE & LETTERS OF APPOINTMENT

Each Executive Director has a service contract with a notice period of 12 months. Service contracts and letters of appointment are available for inspection at the registered office. The Board sets NEDs' fees.

	DATE OF SERVICE CONTRACT/LETTER OF APPOINTMENT	UNEXPIRED TERM	NOTICE PERIOD	PROVISION FOR COMPENSATION
DAVID A BERNSTEIN	24 January 2003	6 months	6 months	None
RAYMOND S KELVIN	17 July 1997	12 months	12 months	None
LINDSAY D PAGE	17 July 1997	12 months	12 months	None
RONALD STEWART	25 February 2009	3 months	3 months	None
ANNE SHEINFIELD	15 June 2010	3 months	3 months	None
ANDREW JENNINGS	1 February 2014	3 months	3 months	None

RECRUITMENT REMUNERATION

The Group's strong brand identity, cultural and family ethos attract a high calibre of candidate. If needed, external recruitment agencies are engaged to recruit for specialist roles.

The Remuneration Committee's approach to recruitment remuneration is to pay at the comparable internal rate and no more than is necessary to attract candidates with the appropriate level of skill and experience to the role. The Remuneration Committee retains the principle of a median level total remuneration package when benchmarking for new and senior roles.

In order to attract key talent to Ted Baker the Remuneration Committee will, in exceptional circumstances, consider compensating a candidate for losses incurred by leaving a previous employer to join the Group. This will not be considered as regular practice and nor will the Remuneration Committee commit to matching any expected value of awards.

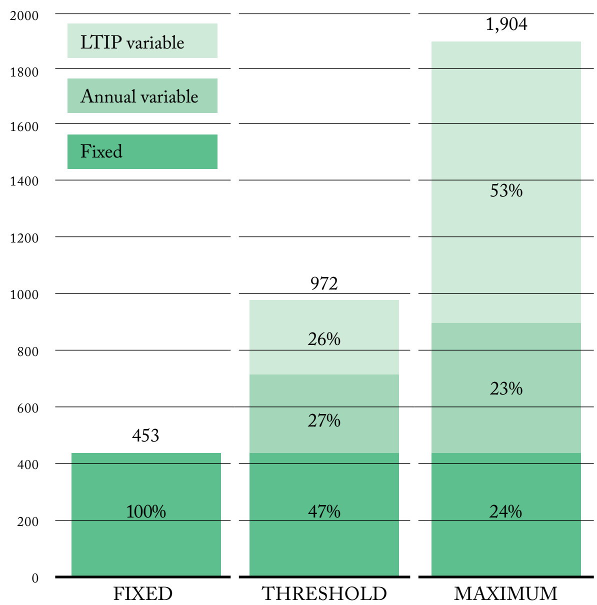
A relocation package within HMRC guidelines will be offered to Executive Directors who are required to relocate to take up their appointment within the Group.

The remuneration package for any new Executive Directors would be made up of the same or broadly similar components to those used to reward existing Executive Directors of the Group as described in the Remuneration Policy Table for Executive Directors above. The remuneration package would comprise an appropriate mixture of fixed and variable remuneration as was required to attract a candidate of appropriate skill and level of qualification.

TOTAL REMUNERATION OPPORTUNITY

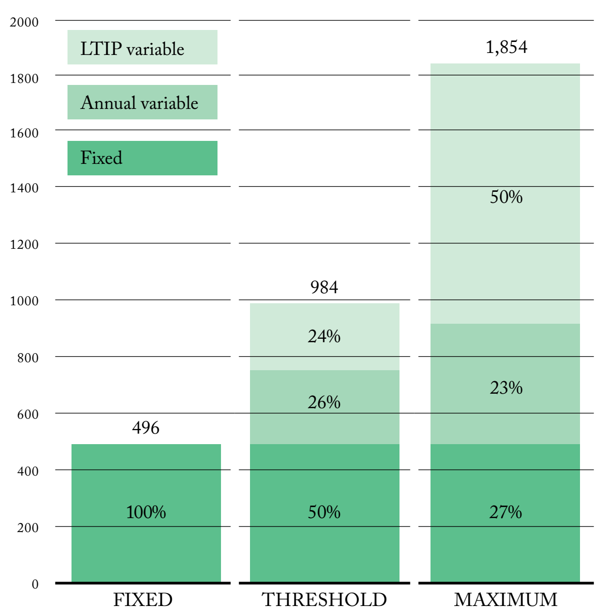
The total remuneration for each of the Executive Directors that could result from the remuneration policy in 2016/17 under three different performance scenarios is shown below:

RAYMOND S KELVIN



(Note: Figures are stated in £'000s)

LINDSAY D PAGE



(Note: Figures are stated in £'000s)

NOTES:

Fixed pay is base salary plus pension & benefits for 2016/17.

Threshold performance is the level of performance required to deliver 60% of the maximum bonus and 25% of the full LTIP award and the scenario assumes that the share price growth target of 10% is met at the vesting date. The LTIP variable amount relates to awards granted in July 2013 which will not vest until July 2016. LTIP awards granted in April 2015 will not vest until April 2018.

Maximum performance would result in the maximum bonus payment of 100% of salary and 100% vesting of the LTIP award. Again, this assumes that the share price growth target is also met.

For the purpose of the scenarios illustrated above the share price used in calculating the value of the LTIP variable is the average of the Company's share price over the last quarter of the year ended 30 January 2016.

Mr R S Kelvin has the right to receive £15,000 by way of car allowance during the 52 weeks ending 28 January 2017. At the date of signing the Company's accounts, he has chosen, as he did during the 52 weeks ended 30 January 2016, to claim only £5,400. This position is reflected in the illustration above; however, Mr R S Kelvin has the right to claim the full value of the allowance at a future date, prior to the year end, if he chooses.

STATEMENT OF CONSIDERATION OF SHAREHOLDER VIEWS

The Remuneration Committee consults with key shareholders and seeks feedback on any major changes to executive remuneration, including the level of awards to be made and the performance targets in respect of the Company's long-term incentive schemes.

In May 2013 the Remuneration Committee consulted with key shareholders on the design of the Ted Baker Plc Long Term Incentive Plan 2013. The consultation included consideration of the move from a single performance period spanning three years to rolling annual awards, performance metrics and conditions, and the level of awards. A number of meetings were held with key shareholders to discuss their comments and feedback before the scheme was finalised and approved at the Annual General Meeting on 20 June 2013. In 2016/17 the design of the 2013 LTIP will be reviewed and shareholders will be consulted in respect of any significant changes.

Courtalis Exotica

PART C: ANNUAL REPORT ON REMUNERATION

The table below sets out in a single figure the total amount of remuneration, including each element, received by each of the Executive and Non-Executive Directors for the years ended 30 January 2016 and 31 January 2015.

DIRECTORS' SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED)

YEAR ENDED 30 JANUARY 2016	SALARY	BENEFITS*	PERFORMANCE RELATED BONUS	LONG TERM INCENTIVE PLANS	PENSION	TOTAL 2016
	£'000	£'000	£'000	£'000	£'000	£'000
EXECUTIVE						
R S Kelvin	434	8	223	-	-	665
L D Page	417	18	213	-	53	701
NON-EXECUTIVE						
D A Bernstein	65	-	-	-	-	65
R Stewart	45	-	-	-	-	45
A Sheinfield	45	-	-	-	-	45
A Jennings	45	-	-	-	-	45
	1,051	26	436	-	53	1,566

YEAR ENDED 31 JANUARY 2015	SALARY	BENEFITS*	PERFORMANCE RELATED BONUS	LONG TERM INCENTIVE PLANS	PENSION	TOTAL 2015
	£'000	£'000	£'000	£'000	£'000	£'000
EXECUTIVE						
R S Kelvin	374	8	375	-	-	757
L D Page	360	26	370	-	44	800
NON-EXECUTIVE						
D A Bernstein	60	-	-	-	-	60
R Stewart	40	-	-	-	-	40
A Sheinfield	40	-	-	-	-	40
A Jennings	40	-	-	-	-	40
	914	34	745	-	44	1,737

* Benefits comprise private medical insurance, car benefits and the discount on SAYE options granted during the year.

ANNUAL RATES OF SALARY IN FORCE DURING THE YEAR

	£'000
R S Kelvin	
1 February 2015 - 31 March 2015	375
1 April 2015 - 30 January 2016	445
L D Page	
1 February 2015 - 31 March 2015	370
1 April 2015 - 30 January 2016	425

ANNUAL BONUS (AUDITED)

For the financial year ended 30 January 2016 50% of the maximum potential bonus pool was achieved.

ACTUAL PERFORMANCE AGAINST PERFORMANCE TARGETS (AUDITED)
PERFORMANCE – RELATED BONUS

KPI	TARGET	ACTUAL	% MAX ACHIEVED	R S KELVIN		L D PAGE	
	£'M	£'M		MAX £'000	ACTUAL £'000	MAX £'000	ACTUAL £'000
PROFIT TARGET	64.9	61.4	50%	445	223	425	213

The profit target is arrived at after adjusting profit before tax for exceptional / non-recurring items and annual bonus as explained earlier in the Directors' Remuneration Policy.

LONG TERM INCENTIVE SCHEMES (AUDITED)
AWARDS UNDER THE TED BAKER PLC LONG TERM INCENTIVE PLAN 2013 (AUDITED)

Awards of options have been made by the Remuneration Committee over Ordinary Shares in Ted Baker Plc under the 2013 LTIP to the Executive Committee and other members of senior management, subject to three year performance periods. Details of the awards which are due to vest under the 2013 LTIP are as follows:

2013 LTIP	DATE OF AWARD	NO. OF OPTIONS	PERFORMANCE PERIOD
Award 1	3 July 2013	220,226	3 year period ending 2 July 2016
Award 2	1 May 2014	254,141	3 year period ending 30 April 2017
Award 3	30 April 2015	192,860	3 year period ending 29 April 2018

Awards granted to Executive Directors under the 2013 LTIP during the year were as follows:

	TYPE OF INTEREST	NO. OF SHARES	BASIS OF AWARD	FACE VALUE £'000	% VESTING AT THRESHOLD	PERFORMANCE PERIOD
R S Kelvin	LTIP 2013 share awards Award 3	23,380	150% of salary	558	25%	3 year period ending 29 April 2018
L D Page	LTIP 2013 share awards Award 3	22,329	150% of salary	556	25%	3 year period ending 29 April 2018

LTIP awards granted in respect of Mr Raymond S Kelvin and Mr Lindsay D Page represent 24% of the total number of LTIP awards granted during the year (2015: 23%). The balance included other senior executives across the Group. Face value has been calculated by multiplying the maximum number of share awards that may vest by the share price used for purposes of the grant.

The award made under the 2013 LTIP is subject to performance conditions of compound annual growth in profit before tax and exceptional items per share over the three year performance period and share price growth over the three year award period as detailed below.

PERFORMANCE CONDITIONS	THRESHOLD	TARGET	STRETCH	SUPER-STRETCH
Adjusted profit before tax per share	10%	12%	13.5%	15%
Share price	10%	10%	10%	10%

The closing share price on the day immediately prior to the grant and the share price used for determining the number of awards made on 30 April 2015 was £28.55 (awards made 1 May 2014: £18.49). The share price used for the basis of the share price growth target was £23.85 (awards made 1 May 2014: £21.03), being the average closing price for the six month period ending immediately before the date the awards were made.

No awards were granted to either Mr L D Page or Mr R S Kelvin under the Company Sharesave scheme during the 52 weeks ended 30 January 2016. Mr L D Page was granted 1,875 options under the Company Sharesave scheme during the 53 weeks ended 31 January 2015. These options carry no performance criteria and were granted with an exercise price of £16.00, which represented a discount of 20% to the prevailing market rate. The vesting period for these awards ends on 1 July 2019.

DIRECTORS' SHAREHOLDING (AUDITED)

	NO. OF SHARES OWNED (INCLUDING CONNECTED PERSONS)	NO. SHARE AWARDS GRANTED UNDER LTIP 2013	NO. SHARE AWARDS GRANTED UNDER TED BAKER SHARESAVE SCHEME*
Raymond S Kelvin	15,540,280	85,907	-
Lindsay D Page	81,229	80,501	1,875

* The earliest date on which options acquired by Mr L D Page under the Ted Baker Sharesave Scheme will vest is 1 July 2019 at a price of £16.00 each.

OPTIONS EXERCISED BY DIRECTORS DURING THE YEAR (AUDITED)

No options were exercised during the year by either of the Executive Directors.

PAYMENTS FOR LOSS OF OFFICE (AUDITED)

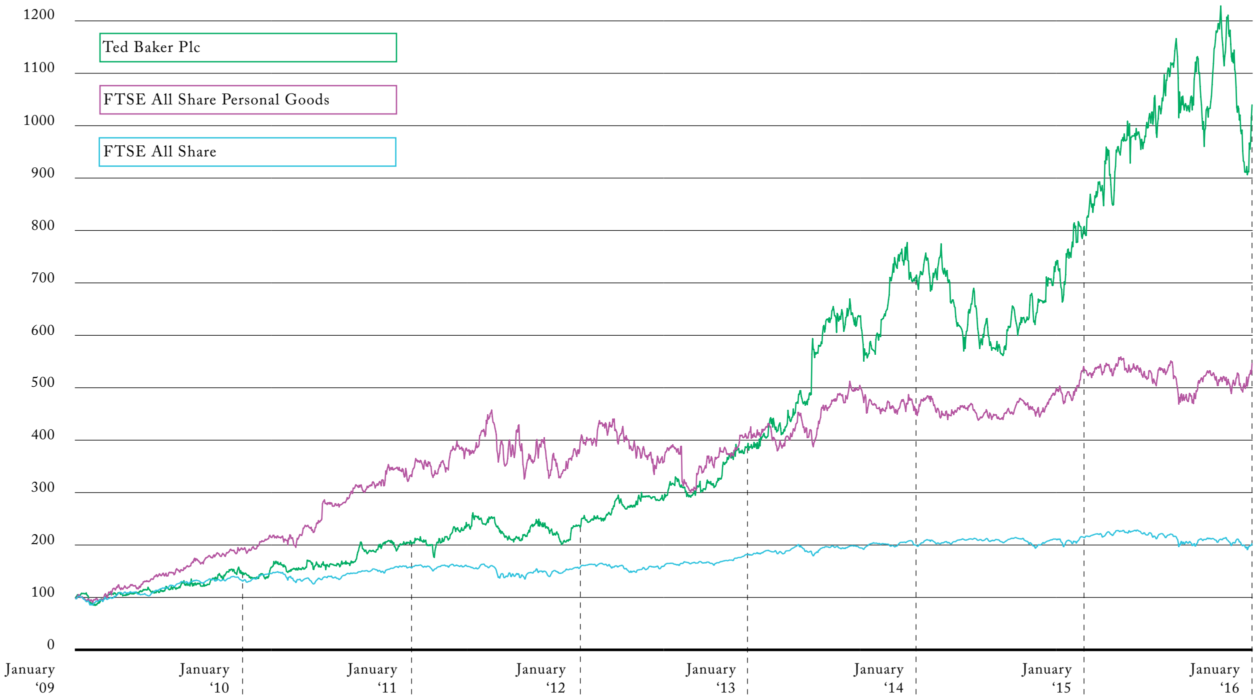
No payments were made in the year for loss of office.

PAYMENTS TO PAST DIRECTORS (AUDITED)

No payments were made in the year to past Directors.

PERFORMANCE GRAPH AND TABLE

The following graph charts the total cumulative shareholder return of the Company from January 2009 to January 2016.



The graph above shows the Company's performance against the FTSE All Share Personal Goods index, the sector against which it is tracked by market analysts, and also against the FTSE All Share index to illustrate the Company's performance in the general market.

CEO REMUNERATION

	2010	2011	2012	2013	2014	2015	2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total Remuneration	493 Note 1	527 Note 1	569 Note 1	4,126 Note 2	701	757	665
% of maximum performance-related bonus paid	75%	76%	67%	0%	90%	100%	50%
% of maximum LTIP vesting	0%	0%	0%	100%	0%	0%	0%

Note 1: The performance criteria in respect of LTIP schemes due to vest in these years were not met and therefore no value was crystalised under these schemes.

Note 2: The amount included in total remuneration in respect of variable LTIP awards in 2013 comprises the number of nil-cost option awards vesting under the Ted Baker 2009 Value Creation Plan in August 2012 at the share price on the date the awards first became exercisable. Under this scheme awards converted into a number of options which was dependent upon the satisfaction of various performance targets. These options were exercisable over two tranches, the first in October 2012 and the second in October 2013.

PERCENTAGE CHANGE IN CEO'S REMUNERATION

The table below shows how the percentage change in the CEO's total remuneration excluding share-based payments in 2015 and 2016 compares with the percentage change in the average remuneration for all employees within the Group. The Remuneration Committee has selected the Group's entire staff population (excluding the CEO) as this represents the most appropriate comparator.

	SALARY AND BENEFITS			PENSIONS			ANNUAL BONUS		
	2016	2015	% Change	2016	2015	% Change	2016	2015	% Change
CEO R S KELVIN REMUNERATION (£'000)	442	382	15.7%	-	-	-	223	375	(40.5%)
GLOBAL EMPLOYEES' REMUNERATION (£'000)	58,115	50,723	14.6%	1,422	1,030	38.1%	2,477	3,933	(37.0%)
NUMBER OF EMPLOYEES	2,954	2,803	5.4%	2,954	2,803	5.4%	2,954	2,803	5.4%
AVERAGE REMUNERATION (£'000)	19.67	18.10	8.7%	0.48	0.37	29.7%	0.80	1.40	(42.9%)

Suave Aromatica

RELATIVE IMPORTANCE OF SPEND

The following table sets out the percentage change in dividends and employee remuneration for the year ended 30 January 2016, compared to the year ended 31 January 2015.

	2016	2015	PERCENTAGE CHANGE
Dividends*	21,018	17,679	18.9%
Employee Remuneration (£'000s)	76,885	68,701	11.9%

* The value of dividends disclosed is the total interim dividend paid during the year and the final dividend proposed for the respective year.

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN THE FOLLOWING FINANCIAL YEAR

The Remuneration Policy was approved at the Annual General Meeting on 10 June 2014 and took effect for the three years commencing on that date.

The base salaries proposed for the 52 weeks ended 28 January 2017 by the Group are £445,000 for the Company Chief Executive Officer, £425,000 for the Chief Operating Officer and Group Finance Director, £70,000 for the Chairman and £50,000 for the other NEDs.

The decision to retain the basic salary rates of Executive Directors at the same level as in 2015/16 is consistent with the approach to salary and performance objectives for head office employees across the Group. Under measures approved by the Executive Committee for the forthcoming year, basic salary rates will remain at the same rates as in the prior year, except in cases of exceptional performance, change in responsibilities or promotions, in exchange for a marginal reduction in weekly working hours.

The target profit before tax, annual bonus and exceptional items on which the 2016/17 annual bonus is based is derived after considering consensus market analyst expectations and maximum bonus pool thresholds in line with existing annual bonus policy. The target for the 52 weeks ending 28 January 2017 is not disclosed for reasons of commercial sensitivity, but will be disclosed in the annual accounts for that year.

A further award of options under the Ted Baker Plc Long Term Incentive Scheme 2013 will be made in the 52 weeks ending 28 January 2017. Awards to Executive Directors under this scheme will likely be based on up to 150% of basic salary. However, the Board has approval from shareholders to grant awards of up to 200% of basic salary under this scheme in exceptional circumstances. The performance criteria for the next round of 2013 LTIP awards will be the same as those applied to the first three awards made under the 2013 LTIP.

REMUNERATION COMMITTEE AND ADVISERS

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for setting the remuneration packages of the Executive Directors of the Board and other senior executives who fall within the scope of the Committee. It approves all service contracts and other contracts between the Company and its Executive Directors and senior executives and, if thought fit, approves any outside interests and other directorships of the executive Directors. The Committee also reviews and approves the design of the Company's long-term incentive schemes and determines the level of awards to be made and approves the performance targets.

The Committee is chaired by Anne Sheinfield and its other members are David Bernstein, Ronald Stewart and Andrew Jennings (appointed with effect from 30 September 2014). David Bernstein, Ronald Steward and Andrew Jennings are independent NEDs as noted in the corporate governance statements. In line with Provision D.2.1 of the Code, David Bernstein, as Non-Executive Chairman, may be a member, but not chair the Committee, as he was considered to be independent on appointment.

The terms of reference for the Committee are available on the Company's website at www.tedbakerplc.com.

ADVISERS

During the period, the Remuneration Committee was assisted in its work by PricewaterhouseCoopers LLP ('PwC'), who was appointed by the Company in consultation with the Remuneration Committee. PwC is retained by the Remuneration Committee as its independent executive remuneration adviser. The Remuneration Committee assesses advice provided by PwC from time to time to consider whether it is independent. Comfort is obtained from PwC's adherence to the Remuneration Consultants Group Code of Conduct.

ADVISER	APPOINTED BY	SERVICE PROVIDED TO THE REMUNERATION COMMITTEE	FEES BASED ON HOURLY RATES	OTHER SERVICES PROVIDED TO THE COMPANY
PricewaterhouseCoopers LLP	Company	Review of Directors' Remuneration Report	£2,700	Tax, legal, project management and accounting services to the Group

STATEMENT OF VOTING AT GENERAL MEETING

At the last Annual General Meeting, votes on the remuneration report (excluding the Directors' Remuneration Policy) were cast as follows.

	FOR % NUMBER	AGAINST % NUMBER	WITHHELD % NUMBER	REASONS FOR VOTES AGAINST, IF APPLICABLE	ACTION TAKEN BY COMMITTEE
Approval of the 2015 Directors' Remuneration Report	97.29% 37,438,293	2.39% 918,916	0.32% 123,364	The number of votes against the Remuneration Report was not considered to be significant	N/A

The Directors' Remuneration Policy is subject to a binding vote by shareholders every three years and was last approved at the Annual General Meeting held on 10 June 2014.

	FOR % NUMBER	AGAINST % NUMBER	WITHHELD % NUMBER	REASONS FOR VOTES AGAINST, IF APPLICABLE	ACTION TAKEN BY REMUNERATION COMMITTEE
Approval of Directors' Remuneration Policy included within the 2014 Directors' Remuneration Report	97.21% 38,322,794	2.79% 1,099,638	0.00% -	The number of votes against the LTIP was not considered to be significant	N/A

The Directors' Remuneration Report was approved on behalf of the Board on 17 March 2016 and signed on its behalf by:

Anne Sheinfield
Chairman of the Remuneration Committee

OTHER STATUTORY AND REGULATORY DISCLOSURES

The Directors present their annual report on the affairs of the Group, together with the accounts and Auditors' Report, for the 52 weeks ended 30 January 2016. The comparative period is for the 53 weeks ended 31 January 2015.

The information on the following pages, together with the sections of the Annual Report incorporated by reference, constitutes the Strategic Report:

- Chairman's Statement on page 4
- Business Model and Strategy on page 8
- Business Review on page 9
- Financial Review on page 13
- Principal Risks and Uncertainties on page 16
- Sustainability on page 30
- People on page 34.

The information on the following pages, together with the sections of the Annual Report incorporated by reference, constitutes the Directors' Report:

- Governance on page 19
- Board of Directors on page 38
- Other Statutory and Regulatory Disclosures on page 56.

The Directors' Report also includes additional disclosures required by the UKLA's Disclosure and Transparency Rules and Listing Rules.

For the purposes of DTR 4.1.5R(2) and DTR 4.1.8, this Directors' Report and the Strategic Report compromise the Management Report.

SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings of the Group in the period are listed in note 12 to the accounts. The Group also has branches operating in Eire and Portugal.

RESULTS AND DIVIDENDS

The audited accounts for the 52 weeks ended 30 January 2016 are set out on pages 66 to 102. The Group profit for the 52 weeks, after taxation, was £44.2m (2015: £35.9m). The Directors recommend a final dividend of 34.6p per ordinary share (2015: 29.0p) payable on 17 June 2016 to ordinary shareholders on the register on 20 May 2016 which, together with the interim dividend of 13.2p per share (2015: 11.3p per share) paid on 20 November 2015, makes a total of 47.8p per share for the period (2015: 40.3p per share). The Group maintains a dividend policy of broadly achieving a 2.1x dividend cover.

DIRECTORS

The Directors during the period were those listed on page 38. Details of the Directors' beneficial interests in the shares of the Company are shown on page 57. Details of their options are given in the Directors' Remuneration Report on page 39. Brief details of the career of each Director are set out on page 57.

SUBSTANTIAL SHAREHOLDINGS

As at 30 January 2016, the Company had been notified, in accordance with the Disclosure Rules and Transparency Rules (DTR5), of substantial interests in the ordinary share capital of the Company. For details see the table below:

NAME OF HOLDER	NUMBER	% HELD
R S Kelvin	15,540,280	35.34
Capital Research & Management	3,685,155	8.38
BlackRock	3,114,468	7.08
Standard Life Investments	2,753,803	6.26

Pursuant to LR9.8.6(1), the Company confirms that it was notified on 19 April 2016 that Aviva Plc holds 1,331,934 ordinary shares (3.03%) in the share capital of the Company. The Company was not notified of any other notifiable transactions between the end of the period and 19 April 2016.

SHARE CAPITAL AND CONTROL

As at 30 January 2016, the Company's authorised share capital was 80,000,000 ordinary shares of 5 pence each (in nominal value). Details of the Company's share capital are shown in note 19 to the consolidated financial statements on page 92. As at 30 January 2016 there were 43,971,454 ordinary shares in issue. The rights and obligations attaching to the Company's shares, in addition to those conferred on their holders by law, are set out in the Articles of Association. The holders of ordinary shares are entitled to receive all shareholder documents, attend and speak at general meetings of the Company, exercise all voting rights and to receive dividends and participate in other distributions of assets. The Company may not exercise any rights (such as voting rights) in respect of the treasury shares and the treasury shares carry no right to receive dividends or other distributions of assets. Other than as set out in the Articles of Association, the Company is not aware of any agreements between shareholders restricting the voting rights or the right to transfer shares in the Company.

The Directors were granted authority at the 2015 annual general meeting (the "2015 AGM") to allot shares in the capital of the Company up to an aggregate nominal amount of £731,372 (being approximately one-third of the issued share capital prior to the 2015 AGM). This authority is due to lapse at the annual general meeting in 2016 (the "2016 AGM"). At the 2016 AGM, shareholders will be asked to grant a similar allotment authority. The Directors were also empowered at the 2015 AGM to make non pre-emptive issues for cash up to an aggregate nominal amount of £109,815 (being approximately 5% of the issued share capital prior to the 2015 AGM). This power is also due to lapse at the 2016 AGM and shareholders will be asked to grant a similar power. The Company did not seek an authority at the 2015 AGM to buy back its own shares and there was no authority in place as at the end of the period.

The Articles of Association provide that the Company's shareholders may appoint any person to act as a Director or, on special notice, remove any Director from office by passing an ordinary resolution at a general meeting. The Articles also empower the Board to appoint any person as a Director.

The Articles set out when a Director must leave office. These include where a Director resigns, becomes bankrupt or is prohibited from acting as a Director for other reasons, is absent from the business for the long term or where a Director is required to resign by all the other Directors.

The Articles provide that any Director who was appointed by the Board during the year shall retire at the next Annual General Meeting following his or her appointment, but that Director may then stand for election by the Company's shareholders. Additionally, at each Annual General Meeting one-third of the Directors must retire from office and each Director must retire at least once every three years. Retiring Directors may stand for re-election by the Company's shareholders. Notwithstanding the provisions of the Articles, the Company's current practice, in accordance with the recommendations of the Code, is to require each Director to stand for election or re-election by the Company's shareholders on an annual basis.

Changes to the Articles of Association must be approved by the shareholders in accordance with the legislation in force from time to time. The powers of the Directors are determined by legislation and the Articles of Association of the Company in force from time to time. Powers relating to the issuing and buying back of shares are included in the Company's Articles of Association and shareholder approval of such authorities may be sought, if considered appropriate by Directors, at the Annual General Meeting.

There are a number of agreements that take effect, alter or terminate upon a change of control of the Company following a takeover bid, such as commercial contracts, bank loan agreements and employee share schemes. None of these is deemed to be significant in terms of its potential impact on the business of the Company.

The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a takeover, save that the Company's share schemes contain provisions which may cause options and awards granted to employees to vest on a takeover.

DIRECTORS' INTERESTS

The Directors who held office at 30 January 2016 and their connected persons had interests in the shares of the Company as shown in the table below.

	% OF SHARE CAPITAL	30 JANUARY 2016 BENEFICIAL	31 JANUARY 2015 BENEFICIAL
R S Kelvin	35.3	15,540,280	15,540,280
L D Page	0.2	81,229	81,039
D Bernstein	-	6,000	6,000
R Stewart	-	313	313

Pursuant to LR9.8.6R(1) there has been no change in the beneficial interests of the Directors between the end of the period and 19 April 2016.

CONTROLLING SHAREHOLDER

Pursuant to LR 9.8.4R(14)(a), the Directors confirm that the Company entered into a written and legally binding relationship agreement with R S Kelvin on 14 November 2014 which is intended to ensure that R S Kelvin complies with the independence provisions set out in LR 6.1.4D R (the "Relationship Agreement").

Pursuant to LR 9.8.4R(14)(c)(i), the Directors confirm that the Company has complied with the independence provisions set out in the Relationship Agreement during the period. In addition, pursuant to LR 9.8.4R(14)(c)(ii), the Directors confirm that, so far as the Company is aware, R S Kelvin and his associates have complied with the independence provisions set out in the Relationship Agreement during the period.

This paragraph sets out all information required by LR9.8.4R that is applicable to the Company during the period.

GOING CONCERN

The Directors have reviewed the Group's budgets and long-term projections. After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for 12 months from the approval of these accounts. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

CREDITOR PAYMENT POLICY

The Group's policy, in relation to all of its suppliers, is to settle the terms of payment when agreeing the terms of the transaction and to abide by those terms provided that it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Group does not follow any code or statement on payment practice. The number of days' purchases outstanding for payment by the Group at the end of the year was 39 days (2015: 42 days). At the year end the Company had no trade creditors.

DONATIONS

The value of charitable donations made during the period was £30,580 (2015: £18,504). There were no political donations made during the period (2015: £nil).

SOCIAL RESPONSIBILITY

Details of the Group's social, ethical and environmental responsibility initiatives are set out in the Sustainability and the Environment statement on pages 30 to 32.

PEOPLE

Details of the Group's policies with respect to people and employees are set out in the People statement on page 34 and 35.

HEALTH AND SAFETY

The Group remains committed to providing a safe place to work and shop for all employees and customers. Annual risk assessments are carried out at all locations and a committee, comprised of representatives within the business and an external adviser, reviews and resolves any health and safety issues.

RISK MANAGEMENT

The Company's policies on financial risk management are outlined in note 22 of the financial statements on pages 95 to 101. Such information is incorporated into this Directors' Report by reference.

POST BALANCE SHEET EVENTS

There have been no important events affecting the Group since the end of the period.

DIRECTORS' STATEMENT REGARDING DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware. Further, each Director has taken all the steps that he ought to have taken as a Director to ensure the Board is aware of any relevant audit information and to establish that the Company's auditors are aware of any such information.

The report was approved by the Board of Directors on 17 March 2016 and signed on its behalf by:

Charles Anderson
Company Secretary

Registered office:
The Ugly Brown Building,
6a St Pancras Way, London NW1 0TB
Company number: 03393836

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and parent company financial statements for each financial year. Under that law they are required to prepare the group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

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

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We, the Directors of the Company, whose names and functions are set out on page 38, confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report/Directors' Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

R S Kelvin	**L D Page**
Chief Executive	Chief Operating Officer
17 March 2016	17 March 2016

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TED BAKER PLC ONLY

OPINIONS AND CONCLUSIONS ARISING FROM OUR AUDIT

1. OUR OPINION ON THE FINANCIAL STATEMENTS IS UNMODIFIED

We have audited the financial statements of Ted Baker Plc for the 52 week period ended 30 January 2016 set out on pages 66 to 102. 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 30 January 2016 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

2. OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

In arriving at our audit opinion above on the financial statements the risks of material misstatement that had the greatest effect on our audit were as follows:

VALUATION OF INVENTORY

Refer to page 25 (Audit Committee statement), page 72 (accounting policy note) and page 90 (financial statement disclosures).

The risk: Inventory is carried in the financial statements at the lower of cost and net realisable value. The net carrying value of inventory at 30 January 2016 was £125.3m. Sales in the fashion industry can be extremely volatile with consumer demand changing significantly based on current trends. As a result there is a risk that the carrying value of inventory exceeds its net realisable value.

Our response: Our audit procedures were designed to challenge the adequacy of the Group's provisions against inventory by seasonal collection and included:

- Corroborating on a sample basis that items on the stock ageing listing by season were classified in the appropriate ageing bracket;
- We examined the group's historical trading patterns of inventory sold at full price and inventory sold below full price through alternative clearance routes, together with the related margins achieved for each channel in order to gain comfort that stock has not been sold below cost; and
- Assessing the appropriateness of the provision percentages applied by challenging the assumptions made by the Directors on the extent to which older season inventory can be sold through various channels.

We have also considered the adequacy of the Group's disclosures in respect of the levels of provisions against inventory.

VALUATION OF RETAIL STORE ASSETS (LEASEHOLD IMPROVEMENTS)

Refer to page 25 (Audit Committee statement), page 72 (accounting policy note) and page 87 to 88 (financial statement disclosures).

The risk: The Group invests a significant amount of capital (included in non-current assets on the balance sheet) both within and outside the UK in its retail store portfolio through leasehold improvements. The net carrying value of leasehold improvements at 30 January 2016 was £42.3m. There is a risk that the carrying value of retail store leasehold improvements may be overstated if the profitability expectations for the related stores are adversely impacted by trading and other conditions that were not anticipated in the initial business case. The level of judgement involved in assessing impairment indicators on retail stores is one of the key judgemental areas that our audit is concentrated on.

Our response: Our audit procedures were designed to challenge whether there were any indicators of impairment and the need for any provisions against the asset carrying value and included:

- Comparing the performance of stores against expected profitability measures and understanding any material variances. This assessment is undertaken for all stores regardless of the period of time the store has been open. This analysis is used to identify those stores performing below expectations and accordingly with leasehold improvements at a greater risk of impairment;
- Where there is a material adverse variance, we considered whether this was an indicator of impairment given our understanding of the maturity of the brand in the relevant region, the period for which the store has been open and comparison of performance to the original business case for that particular store;
- Where there are indicators of impairment, reviewing the cash flow forecasts for that store to ensure that the recoverable amount exceeds the carrying amount of the leasehold improvements.

This includes:

- testing the accuracy of the calculations;
- assessing the key assumptions including growth rates in turnover and margin expectations by reference to historic rates achieved, the accuracy of previous forecasts and our understanding of the maturity of the brand in the particular region;
- considering the appropriateness of the discount rates applied by benchmarking against other comparable groups and assessing the key assumptions applied within the Company's adjusted WACC against available external market data; and
- applying sensitivity analysis on the key assumptions used in the cash flow forecasts to assess the possible range of outcomes and the overall risk of any material impairment.

We have also considered the adequacy of the Group's disclosures in respect of impairment of retail fixed assets.

3. OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The materiality for the group financial statements as a whole was set at £2.8m determined with reference to a benchmark of group profit before tax of which it represents 4.8%.

We report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £140,000 impacting the income statement and balance sheet reclassifications in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 23 reporting components, the group audit team subjected four UK components to an audit for group reporting purposes and the three US components to specified risk focused audit procedures performed by component auditors in the US.

The components within the scope of our work accounted for the following percentages of the group's results:

	NUMBER OF COMPONENTS	GROUP REVENUE	GROUP PROFIT BEFORE TAX	TOTAL ASSETS
Audits for group reporting purposes	4	67%	82%	67%
Specified risk focused audit procedures	3	24%	9%	23%
Total	7	91%	91%	90%

For the remaining components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group audit team instructed component auditors in the US as to the significant areas to be covered, including where relevant the risks detailed above and the information to be reported back. The UK components audits were covered by the Group team. The Group audit team approved the components materialities which ranged from £2.1m - £2.7m, having regard to the mix of size and risk profile of the Group across the components.

Telephone conference meetings were held with component auditors in the US. The Group team discussed the audit strategy and the findings reported to the Group audit team were discussed in more detail, and any further work required by the Group audit team was then performed by the component auditors.

4. OUR OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006 IS UNMODIFIED

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- 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.

5. WE HAVE NOTHING TO REPORT ON THE DISCLOSURES OF PRINCIPAL RISKS

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the Directors' viability statement on page 18, Concerning the principal risks, their management, and based on that, the Directors' assessment and expectations of the group's continuing in operation over the next three years to 2019; or
- the disclosures in note 1 of the financial statements concerning the use of the going concern basis of accounting.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TED BAKER PLC ONLY

6. WE HAVE NOTHING TO REPORT IN RESPECT OF THE MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or
- the Audit Committee Statement does not appropriately address matters communicated by us to the Audit Committee.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

Under the Listing Rules we are required to review:

- the Directors' statements, set out on pages 59, in relation to going concern and longer-term viability; and
- the part of the Corporate Governance Statement on page 19 relating to the Company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

SCOPE AND RESPONSIBILITIES

As explained more fully in the Directors' Responsibilities Statement set out on page 59, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Robert Brent (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditors
Chartered Accountants
15 Canada Square,
London,
E14 5GL
17 March 2016

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GROUP INCOME STATEMENT

FOR THE 52 WEEKS ENDED 30 JANUARY 2016	NOTE	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
		£'000	£'000
Revenue	2	456,169	387,564
Cost of sales		(183,147)	(152,359)
GROSS PROFIT		273,022	235,205
Distribution costs		(169,762)	(144,584)
Administrative expenses		(57,435)	(56,373)
Administrative expenses before exceptional costs		(57,435)	(51,034)
Exceptional costs	3	-	(5,339)
Licence income		14,384	11,665
Other operating (expense) /income		(840)	3,846
Other operating expense before exceptional income		(840)	(812)
Exceptional income	3	-	4,658
OPERATING PROFIT		59,369	49,759
Finance income	4	531	108
Finance expenses	4	(1,931)	(1,621)
Share of profit of jointly controlled entity, net of tax	12	695	525
PROFIT BEFORE TAX	3	58,664	48,771
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		58,664	49,452
Exceptional costs		-	(5,339)
Exceptional income		-	4,658
Income tax expense	6	(14,429)	(12,921)
PROFIT FOR THE PERIOD		44,235	35,850
EARNINGS PER SHARE	9		
Basic		100.6p	82.0p
Diluted		99.3p	81.0p

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 30 JANUARY 2016	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
	£'000	£'000
PROFIT FOR THE PERIOD	44,235	35,850
OTHER COMPREHENSIVE INCOME		
ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT		
Net effective portion of changes in fair value of cash flow hedges	951	1,328
Net change in fair value of cash flow hedges transferred to profit or loss	(669)	1,890
Exchange differences on translation of foreign operations net of tax	2,599	2,692
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	2,881	5,910
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	47,116	41,760

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 30 JANUARY 2016	SHARE CAPITAL	SHARE PREMIUM	CASH FLOW HEDGING RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE PARENT
	£'000	£'000	£'000	£'000	£'000	£'000
BALANCE AT 31 JANUARY 2015	2,196	9,331	1,368	(288)	127,967	140,574
COMPREHENSIVE INCOME FOR THE PERIOD						
Profit for the period	-	-	-	-	44,235	44,235
Exchange differences on translation of foreign operations	-	-	-	3,242	-	3,242
Current tax on foreign currency translation	-	-	-	(643)	-	(643)
Effective portion of changes in fair value of cash flow hedges	-	-	996	-	-	996
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	(669)	-	-	(669)
Deferred tax associated with movement in hedging reserve	-	-	(45)	-	-	(45)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	282	2,599	44,235	47,116
TRANSACTIONS WITH OWNERS RECORDED DIRECTLY IN EQUITY						
Increase in issued share capital	3	286	-	-	-	289
Share-based payments charges	-	-	-	-	2,019	2,019
Movement on current and deferred tax on share-based payments	-	-	-	-	1,144	1,144
Dividends paid	-	-	-	-	(18,543)	(18,543)
TOTAL TRANSACTIONS WITH OWNERS	3	286	-	-	(15,380)	(15,091)
BALANCE AT 30 JANUARY 2016	2,199	9,617	1,650	2,311	156,822	172,599

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE 53 WEEKS ENDED 31 JANUARY 2015	SHARE CAPITAL	SHARE PREMIUM	CASH FLOW HEDGING RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE PARENT
	£'000	£'000	£'000	£'000	£'000	£'000
BALANCE AT 25 JANUARY 2014	2,194	9,139	(1,850)	(2,980)	105,561	112,064
COMPREHENSIVE INCOME FOR THE PERIOD						
Profit for the period	-	-	-	-	35,850	35,850
Exchange differences on translation of foreign operations	-	-	-	3,475	-	3,475
Current tax on foreign currency translation	-	-	-	(783)	-	(783)
Effective portion of changes in fair value of cash flow hedges	-	-	2,132	-	-	2,132
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	1,890	-	-	1,890
Deferred tax associated with movement in hedging reserve	-	-	(804)	-	-	(804)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	3,218	2,692	35,850	41,760
TRANSACTIONS WITH OWNERS RECORDED DIRECTLY IN EQUITY						
Increase in issued share capital	2	192	-	-	-	194
Share-based payments charges	-	-	-	-	1,390	1,390
Movement on current and deferred tax on share-based payments	-	-	-	-	672	672
Dividends paid	-	-	-	-	(15,506)	(15,506)
TOTAL TRANSACTIONS WITH OWNERS	2	192	-	-	(13,444)	(13,250)
BALANCE AT 31 JANUARY 2015	2,196	9,331	1,368	(288)	127,967	140,574

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 30 JANUARY 2016	SHARE CAPITAL	SHARE PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL EQUITY
	£'000	£'000	£'000	£'000	£'000
BALANCE AT 31 JANUARY 2015	2,196	9,331	17,287	32,978	61,792
Profit for the period	-	-	-	24,016	24,016
TRANSACTIONS WITH OWNERS RECORDED DIRECTLY IN EQUITY					
Increase in issued share capital	3	286	-	-	289
Share-based payments charges	-	-	-	246	246
Share-based payments charges for awards granted to subsidiary employees	-	-	1,773	-	1,773
Dividends paid	-	-	-	(18,543)	(18,543)
TOTAL TRANSACTIONS WITH OWNERS	3	286	1,773	5,719	7,781
BALANCE AT 30 JANUARY 2016	2,199	9,617	19,060	38,697	69,573

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE 53 WEEKS ENDED 31 JANUARY 2015	SHARE CAPITAL	SHARE PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL EQUITY
	£'000	£'000	£'000	£'000	£'000
BALANCE AT 25 JANUARY 2014	2,194	9,139	16,073	30,295	57,701
Profit for the period	-	-	-	18,013	18,013
TRANSACTIONS WITH OWNERS RECORDED DIRECTLY IN EQUITY					
Increase in issued share capital	2	192	-	-	194
Share-based payments charges	-	-	-	176	176
Share-based payments charges for awards granted to subsidiary employees	-	-	1,214	-	1,214
Dividends paid	-	-	-	(15,506)	(15,506)
TOTAL TRANSACTIONS WITH OWNERS	2	192	1,214	2,683	4,091
BALANCE AT 31 JANUARY 2015	2,196	9,331	17,287	32,978	61,792

GROUP AND COMPANY BALANCE SHEET

AT 30 JANUARY 2016	NOTE	GROUP 30 JANUARY 2016	GROUP 31 JANUARY 2015	COMPANY 30 JANUARY 2016	COMPANY 31 JANUARY 2015
		£'000	£'000	£'000	£'000
Intangible assets	10	17,247	12,855	-	-
Property, plant and equipment	11	123,397	51,804	-	-
Investments in subsidiary	12	-	-	21,482	19,709
Investment in equity accounted investee	12	1,641	1,290	-	-
Deferred tax assets	13	6,313	5,659	-	-
Prepayments		414	461	-	-
NON-CURRENT ASSETS		149,012	72,069	21,482	19,709
Inventories	14	125,323	111,114	-	-
Trade and other receivables	15	49,303	36,873	47,486	41,510
Amount due from equity accounted investee	12	563	679	-	-
Derivative financial assets	16	2,850	3,547	-	-
Cash and cash equivalents	17	13,295	7,380	615	583
CURRENT ASSETS		191,334	159,593	48,101	42,093
Trade and other payables	18	(61,088)	(57,046)	(10)	(10)
Bank overdraft	17	(37,869)	(26,204)	-	-
Term loan	22	(1,500)	-	-	-
Income tax payable		(8,382)	(7,202)	-	-
Derivative financial liabilities	16	(352)	(636)	-	-
CURRENT LIABILITIES		(109,191)	(91,088)	(10)	(10)
Deferred tax liability	13	(56)	-	-	-
Term loan	22	(58,500)	-	-	-
NON-CURRENT LIABILITIES		(58,556)	-	-	-
NET ASSETS		172,599	140,574	69,573	61,792
EQUITY					
Share capital	19	2,199	2,196	2,199	2,196
Share premium	19	9,617	9,331	9,617	9,331
Other reserves	19	1,650	1,368	19,060	17,287
Translation reserve	19	2,311	(288)	-	-
Retained earnings	19	156,822	127,967	38,697	32,978
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE PARENT COMPANY		172,599	140,574	69,573	61,792
TOTAL EQUITY		172,599	140,574	69,573	61,792

These financial statements were approved by the Board of Directors on 17 March 2016 and were signed on its behalf by:

L D Page
Director

GROUP AND COMPANY CASH FLOW STATEMENT

FOR THE 52 WEEKS ENDED 30 JANUARY 2016	GROUP 52 WEEKS ENDED 30 JANUARY 2016	GROUP 53 WEEKS ENDED 31 JANUARY 2015	COMPANY 52 WEEKS ENDED 30 JANUARY 2016	COMPANY 53 WEEKS ENDED 31 JANUARY 2015
	£'000	£'000	£'000	£'000
CASH GENERATED FROM OPERATIONS				
Profit for the period	44,235	35,850	24,016	18,013
Adjusted for:				
Income tax expense	14,429	12,921	-	-
Depreciation and amortisation	14,929	12,536	-	-
Impairment	188	-	-	-
Loss on disposal of property, plant and equipment	58	462	-	-
Share-based payments	2,019	1,390	247	176
Net finance expense	1,400	1,513	-	-
Net change in derivative financial assets and liabilities carried at fair value through profit or loss	840	(1,507)	-	-
Share of profit in joint venture	(695)	(525)	-	-
Decrease in non-current prepayments	52	71	-	-
Increase in inventory	(12,142)	(29,131)	-	-
Increase in trade and other receivables	(10,805)	(1,815)	(5,977)	(2,401)
Increase in trade and other payables	1,566	11,653	-	-
Interest paid	(1,376)	(1,594)	-	-
Income taxes paid	(13,127)	(11,419)	-	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	41,571	30,405	18,286	15,788
CASH FLOW FROM INVESTING ACTIVITIES				
Purchases of property, plant and equipment and intangibles	(89,535)	(25,476)	-	-
Proceeds from sale of property, plant and equipment	-	5	-	-
Investment in subsidiaries	-	-	-	(333)
Dividends received from joint venture	344	259	-	-
Interest received	-	1	-	-
NET CASH FROM INVESTING ACTIVITIES	(89,191)	(25,211)	-	(333)
CASH FLOW FINANCING ACTIVITIES				
Proceeds from term loan	60,000	-	-	-
Dividends paid	(18,543)	(15,506)	(18,543)	(15,506)
Proceeds from issue of shares	289	194	289	194
NET CASH FROM FINANCING ACTIVITIES	41,746	(15,312)	(18,254)	(15,312)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,874)	(10,118)	32	143
Net cash and cash equivalents at the beginning of the period	(18,824)	(8,761)	583	440
Exchange rate movement	124	55	-	-
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(24,574)	(18,824)	615	583
Cash and cash equivalents at the end of the period	13,295	7,380	615	583
Bank overdraft at the end of the period	(37,869)	(26,204)	-	
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(24,574)	(18,824)	615	583

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and parent financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A) BASIS OF PREPARATION

Both the consolidated and parent financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). On publishing the parent company financial statements here together with the consolidated financial statements, the Company is taking advantage of the exemption in Section 408 of the Companies Act 2006 not to present its income statement and related notes that form a part of these approved financial statements.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 4 to 15. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement on pages 4 to 7. In addition, note 22 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

As highlighted in note 22 to the financial statements, the Group meets its day-to-day working capital requirements through a committed overdraft facility expiring on 29 March 2018 which is a multi-currency revolving credit facility with The Royal Bank of Scotland and Barclays. The facility will be used to the extent necessary to fund capital expenditure to support the Group's growth strategy.

The Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group has sufficient financial resources. As a consequence the Directors have a reasonable expectation that the Company and the Group are well placed to manage their business risks and to continue in operational existence for the twelve months from the date of signing these financial statements, despite the current uncertain global economic outlook. Accordingly, the Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

The consolidated and parent financial statements have been prepared under the historical cost convention, except for certain financial assets and financial liabilities (including derivative instruments), which are held at fair value.

The preparation of financial statements in conformity with Adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and 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. The Group's significant judgement areas relate to inventory provisions and impairment of assets.

REVISED AND AMENDED STANDARDS AND INTERPRETATIONS

The Group has considered the impact of the new standard, not yet effective, in relation to IFRS 15 'Revenue from Contracts with Customers'. The Group does not consider this to be significant to the Group's financial statements in the future.

IFRS 16, Leases, is not yet EU endorsed and has an effective date of 1 January 2019. Management will conduct a review of the impact this will have on the Group.

There were no other new standards, interpretations or amendments to standards issued and effective for the year which materially impacted the Group's financial statements.

B) BASIS OF CONSOLIDATION

The consolidated accounts include the accounts of the Company and its subsidiary undertakings made up to 30 January 2016. Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring the venturers' unanimous consent for strategic, financial and operating decisions. Jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost.

The consolidated financial statements include the Group's share of the total recognised income and expense and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discounted except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

C) FOREIGN CURRENCY

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to functional currency at foreign exchange rates ruling at the dates the values were determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Sterling at average foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation since the transition date are recognised directly in a separate component of equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve.

D) REVENUE RECOGNITION

Revenue represents amounts receivable for goods provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Retail revenue is recognised when a Group entity sells a product to the customer. Wholesale revenue is recognised when title has passed in accordance with the terms of individual terms of trade. Licence income receivable from licencees is accrued as earned on the basis of the terms of the relevant licence agreement, which is typically on the basis of a minimum payments spread over the licence period and a variable amount based on turnover.

The Group sells retail products with the right of return and experience is used to estimate and provide for the value of such returns at the time of sale when considered significant. Credit notes or exchanges are available to customers returning unwanted products with proof of purchase within 28 days of the date of purchase. Cash refunds are available to customers returning unwanted products with proof of purchase within 14 days of the date of purchase.

Sales of gift vouchers are treated as future liabilities, and revenue is recognised when the gift vouchers are redeemed against a later transaction.

E) LEASES

Rentals under operating leases are charged as incurred, unless there are pre-determined rental increases in the lease, in which case they are recognised on a straight-line basis over the lease term. Leasehold incentives received are recognised as an integral part of total lease expense, over the term of the lease.

Certain rental expenses are determined on the basis of revenue achieved in specific retail locations and are accrued for on that basis. The Group engages in lease and concession arrangements that include fixed and variable elements, depending on the terms of the underlying agreement. The Group has disclosed in note 3 the amounts charged in the year, and in note 21 sets out the firm commitments for future periods.

The Group's intangible asset, as shown in note 10, relates to leased premises which have a guaranteed residual value. The guaranteed value arises because the next tenant, based on current market conditions, will pay this amount to the Group. Due to the likelihood that the money will be recoverable, the asset is not amortised.

F) PENSION COSTS

Contributions payable to defined contribution schemes in respect of pension costs and other post-retirement benefits are charged to the consolidated income statement in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

G) SHARE-BASED PAYMENTS

The Group operates an equity settled share-based compensation plan.

SHARE OPTIONS AND CONDITIONAL SHARE AWARDS

Share options granted under the Sharesave scheme and the Ted Baker Plc Long-Term Incentive Plan are measured at fair value at the date of grant using the Black-Scholes and Monte Carlo pricing models respectively. The pricing models take into account the terms and conditions of the options/awards vesting. The grant date fair value is expensed on a straight line basis over the vesting period (i.e. the period in which the employees become unconditionally entitled to share options/awards) based on an estimate of shares that will eventually vest.

Shares of Ted Baker Plc held by the Company for the purpose of filling obligations in respect of employee share plans are deducted from equity in the balance sheet. Any surplus or deficit arising on the sale of the Ted Baker Plc shares held by the Company is included as an adjustment to reserves.

Transactions of the Company-sponsored Employee Benefit Trust (EBT) are treated as being those of the Company and are therefore reflected in the parent company and Group financial statements. In particular, the EBT's purchases and sales of shares in the Company are debited and credited directly to equity.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

H) DERIVATIVES

The Group holds derivative financial instruments to hedge its foreign currency exposure. Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

CASH FLOW HEDGES

Changes in the fair value of foreign currency derivatives which are designated as effective hedges of future cash flows are recognised in equity in the cash flow hedging reserve, and remain there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in other comprehensive income is transferred to the income statement in the same period that the hedged item affects the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction occurs.

Changes in the fair value of foreign currency derivatives which are ineffective or do not meet the criteria for hedge accounting are recognised in the income statement.

The Group does not hold any fair value hedging instruments.

I) TAXATION

Corporation tax payable is recognised on taxable profits using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is not recognised for temporary differences relating to investments in subsidiaries to the extent they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Income tax comprises current and deferred tax.

J) DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group and Company financial statements in the period in which it is declared.

K) INTANGIBLE ASSETS

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Key Money is not amortised but systematically tested for impairment at each balance sheet date as the Directors are of the opinion the residual value of the asset is in excess of the carrying value. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Key money: No amortisation charged.
- Computer Software: 4 years.
- Computer Software under development: Assets under development are stated at cost less any provision for impairment and transferred to completed assets when substantially all of the activities necessary for the asset to be ready for use have occurred.

L) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment losses. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset on the following bases:

- Freehold land: Not depreciated.
- Freehold buildings: Straight line over 50 years.
- Leasehold improvements: Straight line over the shorter of the period of the unexpired term of the lease or the useful economic life of the improvement.
- Fixtures, fittings and office equipment: 20% to 25% per annum on a straight-line basis apart from computer equipment, which is 33% per annum on a straight-line basis over the expected useful economic life of the asset.
- Motor vehicles: 25% per annum on a straight-line basis over the expected useful economic life of the asset.
- Assets under construction: Assets in the course of construction are stated at cost less any provision for impairment and transferred to completed assets when substantially all of the activities necessary for the asset to be ready for use have occurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the income statement.

M) INVESTMENTS

Investments in subsidiaries by the Company are shown at cost less accumulated impairment losses which are recognised in the income statement.

N) IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Recoverable amounts for cash-generating units are based on value in use, which is calculated from cash flow projections using data from the Group's latest internal forecasts, the results of which are reviewed by the Board.

The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes in margins. Management use a pre-tax discount rate derived from the Group's adjusted weighted average cost of capital. Internal forecasts reflect the current market assessment and risks specific to the cash-generating units. Changes in selling prices and direct costs are based on past experience and expectations of future changes in the market.

Impairment losses are recognised in the income statement. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but so that the increased carrying value does not exceed the carrying value that would have been determined if no impairment loss had been recognised for the asset in prior years. A reversal of an impairment loss is recognised in income immediately.

O) INVENTORIES

Inventories and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and inward transportation costs. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

P) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises cash balances and money market deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Q) INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

R) FINANCE INCOME AND EXPENSES

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

S) SEGMENT REPORTING

A segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board to make decisions about resources to be allocated to a segment and assess its performance, and for which discrete financial information is available (see note 2).

T) FINANCIAL GUARANTEE CONTRACTS

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

U) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly incremental costs (net of income taxes), is deducted from retained earnings in equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

V) ACCOUNTING ESTIMATES AND JUDGEMENTS

The Directors have made significant accounting estimates and judgements in applying the Group's accounting policies in the following areas:

Impairment: Leasehold improvements for stores are identified for further impairment testing primarily on the basis of current and projected performance, with growth assumptions based on Directors' knowledge and experience. Given the relative immaturity of the brand outside the UK, the payback period is typically longer and it is not uncommon for new stores to make losses in their start-up phase. Judgement is therefore applied by the Directors in assessing the trigger point for impairment, recognising that losses in the start-up phase are not always indicative of the future performance of a particular store. The Directors have used forecast models and an appropriate pre-tax adjusted weighted average cost of capital in its property, plant and equipment impairment calculations.

Inventory valuation: The Directors have used their knowledge and experience of the fashion industry in determining the level and rates of provisioning required to calculate the appropriate inventory carrying values. Inventory is carried in the financial statements at the lower of cost and net realisable value. Sales in the fashion industry can be extremely volatile with consumer demand changing significantly based on current trends.

As a result there is a risk that the cost of inventory exceeds its net realisable value. Management calculates the inventory provision on the basis of the ageing profile of what is in stock. Adjustments are made where appropriate based on Directors' knowledge and experience to calculate the appropriate inventory carrying values.

W) NON-GAAP PERFORMANCE MEASURES

Exceptional 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 underlying performance of the Group's ongoing business. Generally this will include those items that are largely one-off and material in nature. Exceptional items are identified and presented on a consistent basis each year and a reconciliation of profit before tax and exceptional items to profit before tax is included in the financial statements.

Exceptional items and their related tax impacts are added back/deducted from profit attributable to the owners of the Company to arrive at adjusted earnings per share.

There were no exceptional items in the current year.

Exceptional items in the prior year included:

- costs in relation to a legal dispute with a previous insurer;
- income for an early termination of a licence partner agreement; and
- receipt for a settlement of an intellectual property dispute.

The Directors believe that the profit before exceptional items and adjusted earnings per share measures provide additional useful information for shareholders on the underlying performance of the business. These measures are consistent with how underlying business performance is measured internally.

The exceptional profit before tax measure is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies.

2. SEGMENT INFORMATION

The Group has three reportable segments, retail, wholesale and licence income.

For each of the three segments, the Group's chief operating decision maker (the "Board") reviews internal management reports on a four weekly basis.

The accounting policies of the reportable segments are the same as described in note 1 on pages 72 to 77. Information regarding the results of each reportable segment is included below. Performance for the retail segment is measured based on operating contribution, whereas performance of the wholesale segment is measured based on gross profit and performance of the licence segment is measured based on royalty income, as included in the internal management reports that are reviewed by the Board.

Segment results before exceptional items are used to measure performance as management believes that such information is the most relevant in evaluating the performance of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

2. SEGMENT INFORMATION CONTINUED

A) SEGMENT REVENUE AND SEGMENT RESULT

52 WEEKS ENDED 30 JANUARY 2016	RETAIL	WHOLESALE	LICENSING	TOTAL
	£'000	£'000	£'000	£'000
Revenue	348,433	107,736	-	456,169
Cost of sales	(122,557)	(60,590)	-	(183,147)
GROSS PROFIT	225,876	47,146	-	273,022
Operating costs	(163,484)	-	-	(163,484)
OPERATING CONTRIBUTION	62,392	47,146	-	109,538
Licence income	-	-	14,384	14,384
SEGMENT RESULT	62,392	47,146	14,384	123,922
RECONCILIATION OF SEGMENT RESULT TO PROFIT BEFORE TAX				
Segment result	62,392	47,146	14,384	123,922
Other operating costs	-	-	-	(63,713)
Exceptional costs	-	-	-	-
Exceptional income	-	-	-	-
Other operating expense	-	-	-	(840)
OPERATING PROFIT	-	-	-	59,369
Net finance expense	-	-	-	(1,400)
Share of profit of jointly controlled entity, net of tax	-	-	-	695
PROFIT BEFORE TAX	-	-	-	58,664
Capital expenditure	19,386	1,153	-	20,539
Unallocated capital expenditure	-	-	-	68,994
TOTAL CAPITAL EXPENDITURE	-	-	-	89,533
Depreciation and amortisation	11,966	258	-	12,224
Unallocated depreciation and amortisation	-	-	-	2,705
TOTAL DEPRECIATION AND AMORTISATION	-	-	-	14,929
Segment assets	186,826	60,468	-	247,294
Deferred tax assets	-	-	-	6,313
Derivative financial assets	-	-	-	2,850
Intangible assets – head office	-	-	-	14,199
Property, plant and equipment – head office	-	-	-	67,072
Other assets	-	-	-	2,618
TOTAL ASSETS	-	-	-	340,346
Segment liabilities	(75,232)	(23,726)	-	(98,958)
Income tax payable	-	-	-	(8,382)
Term loan	-	-	-	(60,000)
Other liabilities	-	-	-	(407)
TOTAL LIABILITIES	-	-	-	(167,747)
NET ASSETS	-	-	-	172,599

Wholesale sales are shown after the elimination of inter-company sales of £65,535,811 (2015: £54,541,000).

2 A) SEGMENT REVENUE AND SEGMENT RESULT CONTINUED

53 WEEKS ENDED 31 JANUARY 2015	RETAIL	WHOLESALE	LICENSING	TOTAL
	£'000	£'000	£'000	£'000
Revenue	306,914	80,650	-	387,564
Cost of sales	(105,940)	(46,419)	-	(152,359)
GROSS PROFIT	200,974	34,231	-	235,205
Operating costs	(143,484)	-	-	(143,484)
OPERATING CONTRIBUTION	57,490	34,231	-	91,721
Licence income	-	-	11,665	11,665
SEGMENT RESULT	57,490	34,231	11,665	103,386
RECONCILIATION OF SEGMENT RESULT TO PROFIT BEFORE TAX				
Segment result	57,490	34,231	11,665	103,386
Other operating costs	-	-	-	(52,134)
Exceptional costs	-	-	-	(5,339)
Exceptional income	-	-	-	4,658
Other operating expense	-	-	-	(812)
OPERATING PROFIT	-	-	-	49,759
Net finance expense	-	-	-	(1,513)
Share of profit of jointly controlled entity, net of tax	-	-	-	525
PROFIT BEFORE TAX	-	-	-	48,771
Capital expenditure	16,550	42	-	16,592
Unallocated capital expenditure	-	-	-	9,112
TOTAL CAPITAL EXPENDITURE	-	-	-	25,704
Depreciation and amortisation	10,392	116	-	10,508
Unallocated depreciation and amortisation	-	-	-	2,028
TOTAL DEPRECIATION AND AMORTISATION	-	-	-	12,536
Segment assets	162,617	43,418	-	206,035
Deferred tax assets	-	-	-	5,659
Derivative financial assets	-	-	-	3,547
Intangible assets – head office	-	-	-	9,279
Property, plant and equipment – head office	-	-	-	4,712
Other assets	-	-	-	2,430
TOTAL ASSETS	-	-	-	231,662
Segment liabilities	(65,926)	(17,324)	-	(83,250)
Income tax payable	-	-	-	(7,202)
Other liabilities	-	-	-	(636)
TOTAL LIABILITIES	-	-	-	(91,088)
NET ASSETS	-	-	-	140,574

2. SEGMENT INFORMATION CONTINUED
B) GEOGRAPHICAL INFORMATION

	UK	USA	REST OF WORLD	TOTAL
52 WEEKS ENDED 30 JANUARY 2016	£'000	£'000	£'000	£'000
Revenue	291,804	99,931	64,434	456,169
Non-current assets*	103,642	25,578	13,479	142,699
53 WEEKS ENDED 31 JANUARY 2015				
Revenue	261,157	72,950	53,457	387,564
Non-current assets*	38,061	17,230	11,119	66,410

* Non-current assets exclude deferred tax assets.

C) REVENUE BY COLLECTION

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
	£'000	£'000
Menswear	202,083	168,310
Womenswear	254,086	219,254
	456,169	387,564

3. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
	£'000	£'000
Depreciation and amortisation	14,929	12,536
Impairment of property, plant and equipment	188	-
Exceptional costs	-	5,339
Exceptional income	-	(4,658)
LEASEHOLD PROPERTIES AND CONCESSION RENTALS*		
Fixed lease payments	41,171	37,080
Variable rental and commission payments	29,724	29,072
Loss on sale of property, plant and equipment	58	462
AUDITOR REMUNERATION		
Audit of these financial statements	11	10
Audit of financial statements of subsidiaries of the Company	205	179
Interim financial statements review	17	17
Audit-related assurance services	20	21
Taxation compliance and other advisory services	114	114
All other services (forensic services)	-	569

* Disclosed above are the costs charged in the year relating to leasehold properties and concession arrangements. These are either fixed in nature or variable based on revenue levels for a particular store or concession, where relevant, excluding e-commerce sales with concession partners.

There were no amounts recognised as exceptional costs or income during the 52 weeks ended 30 January 2016.

Exceptional costs in the 53 weeks ended 31 January 2015 of £5.3m relate to a legal dispute with a previous insurer.

Exceptional income in the 53 weeks ended 31 January 2015 of £4.7m comprises £3.7m relating to the early termination of a licence partner agreement and £1.0m in relation to the settlement of an intellectual property dispute.

4. FINANCE INCOME AND EXPENSES

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
	£'000	£'000
FINANCE INCOME		
– Interest receivable	-	7
– Foreign exchange gains	531	101
	531	108
FINANCE EXPENSES		
– Interest payable	(1,430)	(1,184)
– Foreign exchange losses	(501)	(437)
	(1,931)	(1,621)

5. STAFF NUMBERS AND COSTS

The average number of employees (including Executive Directors) was:

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
	No.	No.
Sales	2,281	2,206
Design	78	49
Administration	596	549
	2,955	2,804
Their aggregate remuneration comprised:	£'000	£'000
Wages and salaries	67,178	60,055
Share-based charge	2,019	1,390
Social security costs	6,266	6,226
Pension costs	1,422	1,030
	76,885	68,701

The figures stated above are Group staff costs and as such include the costs for Mr R S Kelvin, who is the only salaried employee of the parent company for both years. Further details of his remuneration may be found in the Directors' Remuneration Report on page 39 to 55.

5. STAFF NUMBERS AND COSTS CONTINUED

DIRECTORS' REMUNERATION

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
	£'000	£'000
Executive Directors' remuneration	1,313	1,513
Non-Executive Directors' remuneration	200	180
Amounts received by Executive Directors under long-term incentive schemes	-	4,734
Company contributions to Executive Directors' money purchase pension plans	53	44

The aggregate of remuneration and amounts receivable under long-term incentive schemes of the highest paid Director was £665,000 (2015: £5,412,000). In the year ended 31 January 2015 amounts received under long-term incentive schemes related to the exercise of options due to Mr R S Kelvin under the Ted Baker 2009 VCP, a long-term incentive scheme which vested in full in August 2012 and became exercisable in two tranches in October 2012 and October 2013.

No amounts in relation to pension contributions to a money purchase scheme were made on behalf of Mr R S Kelvin during the 52 weeks ended 30 January 2016 or the 53 weeks ended 31 January 2015. Amounts in relation to pension contributions to a money purchase scheme were made on behalf of Mr L D Page during the period totalling £53,125 (2015: £44,250).

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
Retirement benefits are accruing to the following number of Directors under money purchase schemes	1	1

6. INCOME TAX EXPENSE

A) THE TAX CHARGE COMPRISES

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
Current tax	£'000	£'000
United Kingdom Corporation Tax	11,609	11,394
Overseas tax	5,060	2,957
Deferred tax		
United Kingdom Corporation Tax	46	(64)
Overseas tax	(854)	(715)
PRIOR YEAR (OVER)/UNDER PROVISION		
Current tax	(2,854)	869
Deferred tax	1,422	(1,520)
	14,429	12,921

B) DEFERRED TAX MOVEMENT BY TYPE

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
	£'000	£'000
Property, plant and equipment	(107)	(94)
Share-based payments	336	32
Overseas losses	412	20
Inventory	(65)	514
Other	232	307
	808	779

For further details please refer to note 13.

C) FACTORS AFFECTING THE TAX CHARGE FOR THE PERIOD

The tax assessed for the period is higher than the tax calculated at domestic rates applicable to profits in the respective countries. The differences are explained below.

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
	£'000	£'000
Profit before tax	58,664	48,771
Profit multiplied by the standard rate in the UK – 20.16% (2015: standard rate in the UK of 21.32%)	11,827	10,398
Income not taxable/expenses not deductible for tax purposes	759	902
Overseas losses not recognised	678	912
Movement in current and deferred tax on share awards and options	30	210
Prior year over provision	(1,432)	(651)
Effect of rate change on corporation tax	41	-
Difference due to overseas tax rates	2,526	1,150
TOTAL INCOME TAX EXPENSE	14,429	12,921

D) DEFERRED AND CURRENT TAX RECOGNISED DIRECTLY IN EQUITY

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
	£'000	£'000
Current tax credit on share awards and options	(190)	(1,201)
Deferred tax (credit) / charge on share awards and options	(954)	529
Deferred tax charge associated with movement in hedging reserve	45	804
Current tax charge associated with foreign exchange movements in reserves	643	783
	(456)	915

There was a reduction in the UK corporation tax rate from 21% to 20% with effect from 1 April 2015. Further reductions to 19% from 1 April 2017 and 18% from 1 April 2020 have been substantively enacted. The Budget on 16 March 2016 announced that there will be a further cut in the corporation tax rate to 17% from 1 April 2020.

As the deferred tax assets and liabilities should be recognised based on the corporation tax rate at which they are anticipated to unwind, the assets and liabilities on UK operations have been recognised at a rate of 19%. Those assets and liabilities arising on foreign operations have been recognised at the applicable overseas tax rates.

7. PROFIT ATTRIBUTABLE TO TED BAKER PLC

The profit after tax for the 52 weeks ended 30 January 2016 of Ted Baker Plc, the parent company was £24,016,000 (2015: £18,013,000). The Directors have approved the income statement for the parent company.

8. DIVIDENDS PER SHARE

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
	£'000	£'000
Final dividend paid for prior year of 29.0p per ordinary share (2015: 24.2p)	12,739	10,566
Interim dividend paid of 13.2p per ordinary share (2015: 11.3p)	5,804	4,940
	18,543	15,506

A final dividend in respect of 2016 of 34.6p per share, amounting to a dividend payable of £15,214,123, is to be proposed at the Annual General Meeting on 14 June 2016.

9. EARNINGS PER SHARE

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
Number of shares:	No.	No.
Weighted number of ordinary shares outstanding	43,950,203	43,703,369
Effect of dilutive options	612,138	542,027
WEIGHTED NUMBER OF ORDINARY SHARES OUTSTANDING – DILUTED	44,562,341	44,245,396
EARNINGS:	£'000	£'000
Profit for the period basic and diluted	44,235	35,850
Profit for the period adjusted*	44,235	36,372
Basic earnings per share	100.6p	82.0p
Adjusted earnings per share*	100.6p	83.2p
Diluted earnings per share	99.3p	81.0p
Adjusted diluted earnings per share	99.3p	82.2p

* Adjusted profit for the period and adjusted earnings per share are shown before the net exceptional costs (net of tax) of £nil (2015: £522,000).

Diluted earnings per share and adjusted diluted earnings per share have been calculated using additional ordinary shares of 5p each available under the Ted Baker Sharesave Scheme and the Ted Baker Plc Long Term Incentive Plan 2013.

There were no share related events after the balance sheet date that may affect earnings per share.

10. INTANGIBLE ASSETS

	KEY MONEY	COMPUTER SOFTWARE	COMPUTER SOFTWARE UNDER DEVELOPMENT	TOTAL
	£'000	£'000	£'000	£'000
COST				
At 31 January 2015	865	3,669	9,278	13,812
Additions/transfers	-	4,634	1,371	6,005
Exchange rate movement	14	58	-	72
AT 30 JANUARY 2016	879	8,361	10,649	19,889
AMORTISATION				
At 31 January 2015	-	957	-	957
Charge for the year	-	1,652	-	1,652
Exchange rate movement	-	33	-	33
AT 30 JANUARY 2016	-	2,642	-	2,642
NET BOOK VALUE				
AT 31 JANUARY 2015	865	2,712	9,278	12,855
AT 30 JANUARY 2016	879	5,719	10,649	17,247

10. INTANGIBLE ASSETS CONTINUED

	KEY MONEY	COMPUTER SOFTWARE	COMPUTER SOFTWARE UNDER DEVELOPMENT	TOTAL
	£'000	£'000	£'000	£'000
COST				
At 25 January 2014	949	2,670	2,598	6,217
Additions	-	999	6,680	7,679
Exchange rate movement	(84)	-	-	(84)
AT 31 JANUARY 2015	865	3,669	9,278	13,812
AMORTISATION				
At 25 January 2014	-	137	-	137
Charge for the year	-	811	-	811
Exchange rate movement	-	9	-	9
AT 31 JANUARY 2015	-	957	-	957
NET BOOK VALUE				
AT 25 JANUARY 2014	949	2,533	2,598	6,080
AT 31 JANUARY 2015	865	2,712	9,278	12,855

The key money brought forward relates to the right to lease stores that have a guaranteed residual value. The guaranteed value arises because the next tenants based on current market conditions are required to pay these amounts to the Group. Due to the nature of this, the assets are considered recoverable and no amortisation is charged each year as the residual value of the asset is considered to be in excess of the carrying value. The current market rate rents, for both stores included within the intangible assets, continue to be above the rent under the lease terms and hence no decline in values is foreseen.

Additions included within the computer software under development category relate to the Microsoft Dynamics AX systems and are stated net of transfers to computer software. Transfers from the computer software under development category in the period amounted to £3,620,000 (2015: £nil) whilst additions into this category were £4,991,000 (2015: £6,680,000).

11. PROPERTY, PLANT AND EQUIPMENT

	FREEHOLD LAND AND BUILDINGS	LEASEHOLD IMPROVEMENTS	FIXTURES, FITTINGS AND OFFICE EQUIPMENT	MOTOR VEHICLES	ASSETS UNDER CONSTRUCTION	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
At 31 January 2015	-	73,447	58,160	110	790	132,507
Additions / transfers	57,973	12,470	10,704	-	2,381	83,528
Disposals	-	(280)	(105)	-	-	(385)
Exchange rate movement	-	1,747	1,054	-	137	2,938
AT 30 JANUARY 2016	57,973	87,384	69,813	110	3,308	218,588
DEPRECIATION						
At 31 January 2015	-	37,238	43,362	103	-	80,703
Charge for the year	32	7,218	6,025	2	-	13,277
Disposals	-	(250)	(77)	-	-	(327)
Impairment	-	187	1	-	-	188
Exchange rate movement	-	727	623	-	-	1,350
AT 30 JANUARY 2016	32	45,120	49,934	105	-	95,191
NET BOOK VALUE						
AT 31 JANUARY 2015	-	36,209	14,798	7	790	51,804
AT 30 JANUARY 2016	57,941	42,264	19,879	5	3,308	123,397

11. PROPERTY, PLANT AND EQUIPMENT CONTINUED

	LEASEHOLD IMPROVEMENTS	FIXTURES, FITTINGS AND OFFICE EQUIPMENT	MOTOR VEHICLES	ASSETS UNDER CONSTRUCTION	TOTAL
	£'000	£'000	£'000	£'000	£'000
COST					
At 25 January 2014	60,905	49,813	110	2,839	113,667
Additions / transfers	12,010	8,095	-	(2,080)	18,025
Disposals	(711)	(218)	-	-	(929)
Exchange rate movement	1,243	470	-	31	1,744
AT 31 JANUARY 2015	73,447	58,160	110	790	132,507
DEPRECIATION					
At 25 January 2014	30,791	37,692	101	-	68,584
Charge for the year	6,375	5,348	2	-	11,725
Disposals	(465)	(52)	-	-	(517)
Exchange rate movement	537	374	-	-	911
AT 31 JANUARY 2015	37,238	43,362	103	-	80,703
NET BOOK VALUE					
AT 25 JANUARY 2014	30,114	12,121	9	2,839	45,083
AT 31 JANUARY 2015	36,209	14,798	7	790	51,804

Additions included within the assets under construction category are stated net of transfers to other property, plant and equipment categories. Transfers from the assets under construction category in the period amounted to £30,642,000 (2015: £20,995,000) whilst additions into this category were £33,023,000 (2015: £18,915,000).

IMPAIRMENT OF LEASEHOLD IMPROVEMENTS

The Group has determined that, for the purposes of impairment testing, each store and outlet is tested for impairment if there are indications of impairment at the balance sheet date.

Recoverable amounts for cash-generating units are based on value in use, which is calculated from cash flow projections using data from the Group's latest internal forecasts, the results of which are reviewed by the Board. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes in margins. Management estimates discount rates using pre-tax rates that reflect the current market assessment of the time value of money and the risks specific to the cash-generating units. Changes in selling prices and direct costs are based on past experience and expectations of future changes in the market.

The pre-tax discount rate used to calculate value in use is derived from the Group's adjusted weighted average cost of capital.

The impairment losses relate to stores whose recoverable amounts (value in use) did not exceed the asset carrying values. In all cases, impairment losses arose due to stores performing below projected trading levels.

The impairment charge for the 52 weeks ended 30 January 2016 includes a charge in respect to one retail asset in the UK that has failed to deliver on its potential.

There was no impairment charge for the 53 weeks ended 31 January 2015.

12. INVESTMENTS (COMPANY)

A) SUBSIDIARY UNDERTAKINGS

The Company and Group have shares in the following subsidiary undertakings. All of the subsidiaries have been included in the consolidated accounts.

SUBSIDIARY UNDERTAKING	COUNTRY OF INCORPORATION AND OPERATION	PRINCIPAL ACTIVITY	HOLDING ORDINARY SHARES
No Ordinary Designer Label Ltd (formerly Ted Baker Limited)*	UK	Design, wholesale and retail of designer clothing and accessories	100%
Ted Baker Investments (Jersey) Ltd*	Jersey	Investment holding company	100%
Ted Baker Limited	US	Retail and wholesale of designer clothing and accessories	100%
Ted Baker (New York) Inc	US	Retail of designer clothing and accessories	100%
Ted Baker (France) SARL	France	Retail of designer clothing and accessories	100%
Ted Baker Japan KK	Japan	Retail of designer clothing and accessories	100%
Ted Baker Hong Kong Limited	Hong Kong	Retail of designer clothing and accessories	100%
Ted Baker Spain S. L.	Spain	Retail of designer clothing and accessories	100%
Ted Baker Korea Yuhan Hoesa	Korea	Retail of designer clothing and accessories	100%
Ted Baker Netherlands B. V.	The Netherlands	Retail of designer clothing and accessories	100%
Ted Baker (Beijing) Commercial Company	The People's Republic of China	Retail of designer clothing and accessories	100%
Ted Baker Canada Inc	Canada	Retail of designer clothing and accessories	100%
Ted Baker Germany GmbH	Germany	Retail of designer clothing and accessories	100%
Ted Baker Belgium N.V.	Belgium	Retail of designer clothing and accessories	100%
Big Lobster Limited	UK	Property	100%
Little Lobster Limited	UK	Dormant	100%

* Held directly by Ted Baker Plc.

B) SUBSIDIARY UNDERTAKINGS – COST AND NET BOOK VALUE

	COMPANY
	£'000
At 31 January 2015	19,709
Increase in cost of investment for share options / awards granted to subsidiary employees	1,773
AT 30 JANUARY 2016	21,482

	COMPANY
	£'000
At 25 January 2014	18,162
Increase in cost of investment for share options / awards granted to subsidiary employees	1,214
Increase in cost of investment in UK subsidiary	333
AT 31 JANUARY 2015	19,709

C) INTEREST IN JOINT VENTURE

The Group has a 50% interest in the ordinary share capital of No Ordinary Retail Company Pty, a company incorporated in Australia through its wholly owned subsidiary, No Ordinary Designer Label Limited. The joint venture is represented by eight stores in Australia and one store in New Zealand (2015: six stores in Australia and one store in New Zealand).

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
	£'000	£'000
Opening Investment in Joint Venture	1,290	1,024
Share of profit of Joint Venture	695	525
Dividend received	(344)	(259)
CLOSING INVESTMENT IN JOINT VENTURE	1,641	1,290

The above carrying value represents the initial cost of the investment undertaken, as well as any subsequent change in net assets of the venture, as at 30 January 2016.

	30 JANUARY 2016	31 JANUARY 2015
	£'000	£'000
AMOUNTS DUE FROM EQUITY ACCOUNTED INVESTEE	563	679

There are no contingent liabilities relating to the Group's interest in the joint venture, and no contingent liabilities of the venture itself. The joint venture's assets, liabilities and profit as at 30 January 2016 were as follows:

	30 JANUARY 2016	31 JANUARY 2015
	£'000	£'000
Non-current assets	2,714	2,591
Current assets	2,278	1,854
Non-current liabilities	-	-
Current liabilities	(2,538)	(2,413)
NET ASSETS	2,454	2,032
Share capital	25	27
Retained earnings	1,094	1,021
Current year profit, net of tax	1,390	1,050
Exchange rate movement	(55)	(66)
TOTAL EQUITY	2,454	2,032

13. DEFERRED TAX ASSETS AND LIABILITIES

AS AT 30 JANUARY 2016	ASSET/ (LIABILITY) BROUGHT FORWARD	(CHARGE) / CREDIT TO INCOME STATEMENT	(CHARGE)/ CREDIT TO EQUITY	FOREIGN EXCHANGE ON RETRANSLATION	ASSET / (LIABILITY) CARRIED FORWARD
	£'000	£'000	£'000	£'000	£'000
DEFERRED TAX ASSET/(LIABILITY) ON UK OPERATIONS ARISING FROM:					
ASSETS					
Share-based payments	1,082	336	954	-	2,372
Other	221	(121)	-	-	100
LIABILITIES					
Property, plant and equipment	198	(2,246)	-	-	(2,048)
Derivative financial instruments	(341)	-	(45)	-	(386)
NET DEFERRED TAX ASSET ON UK OPERATIONS	1,160	(2,031)	909	-	38
DEFERRED TAX ASSET ON FOREIGN OPERATIONS ARISING FROM:					
Foreign trading losses	1,877	357	-	129	2,363
Inventory	1,266	(42)	-	77	1,301
Property, plant and equipment	481	549	-	67	1,097
Other	875	605	-	34	1,514
DEFERRED TAX LIABILITY ON FOREIGN OPERATIONS ARISING FROM:					
Property, plant and equipment	-	(52)	-	(4)	(56)
NET DEFERRED TAX ASSET ON FOREIGN OPERATIONS	4,499	1,417	-	303	6,219
TOTAL	5,659	(614)	909	303	6,257

Recognition of deferred tax assets is based on the generation of future taxable profits that will allow utilisation of losses.

Deferred tax assets are only recognised on the foreign trading losses when these businesses pass their development phase, and when management considers it probable that future taxable profits will be available against which they can be utilised.

The tax effect of the unused cumulative tax losses for which no deferred tax asset has been recognised in the balance sheet is £3,318,000 (2015: £2,576,000). These losses expire between one and ten years.

14. INVENTORIES

	30 JANUARY 2016	31 JANUARY 2015
	£'000	£'000
Raw materials and packaging	7,176	6,780
Work in progress	984	1,406
Finished goods and goods for resale	117,163	102,928
	125,323	111,114
Cost of inventories recognised as an expense	180,304	150,286
Inventories written down and recognised as an expense in the period	4,168	5,979

15. TRADE AND OTHER RECEIVABLES

	GROUP 30 JANUARY 2016	COMPANY 30 JANUARY 2016	GROUP 31 JANUARY 2015	COMPANY 31 JANUARY 2015
	£'000	£'000	£'000	£'000
Trade receivables	30,136	-	25,823	-
Amounts owed by Group undertakings	-	47,486	-	41,510
Prepayments and accrued income	17,975	-	11,050	-
Other taxes and social security	1,192	-	-	-
	49,303	47,486	36,873	41,510

16. DERIVATIVE FINANCIAL INSTRUMENTS

	ASSETS 30 JANUARY 2016	LIABILITIES 30 JANUARY 2016	ASSETS 31 JANUARY 2015	LIABILITIES 31 JANUARY 2015
	£'000	£'000	£'000	£'000
DERIVATIVES THAT ARE DESIGNED AND EFFECTIVE AS HEDGING INSTRUMENTS AND CARRIED AT FAIR VALUE:				
Forward foreign exchange contracts	2,300	(33)	2,103	(263)
DERIVATIVES THAT ARE CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS:				
Foreign currency options	550	(319)	1,444	(373)
	2,850	(352)	3,547	(636)

Derivative financial instruments are used to hedge exposure to fluctuations in foreign exchange rates that arise in the normal course of the Group's business.

The Group did not have any ineffective cash flow hedges in the period (2015: £nil).

The charge to the income statement in respect of changes in the fair value of foreign currency derivatives that do not meet the criteria for hedge accounting was £840,000 (2015: credit of £1,507,000).

Gains and losses in equity relating to forward exchange contracts at 30 January 2016 for derivatives in effective hedging relationships will remain there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in other comprehensive income is transferred to the income statement in the same period that the hedged item affects the income statement.

17. RECONCILIATION OF CASH AND CASH EQUIVALENTS PER BALANCE SHEET TO CASH FLOW STATEMENT

	GROUP 30 JANUARY 2016	COMPANY 30 JANUARY 2016	GROUP 31 JANUARY 2015	COMPANY 31 JANUARY 2015
	£'000	£'000	£'000	£'000
Cash and cash equivalents per balance sheet	13,295	615	7,380	583
Bank overdraft per balance sheet	(37,869)	-	(26,204)	-
NET CASH AND CASH EQUIVALENTS PER CASH FLOW STATEMENT	(24,574)	615	(18,824)	583

18. TRADE AND OTHER PAYABLES

	GROUP 30 JANUARY 2016	COMPANY 30 JANUARY 2016	GROUP 31 JANUARY 2015	COMPANY 31 JANUARY 2015
	£'000	£'000	£'000	£'000
Trade payables	31,657	-	32,241	-
Accruals and deferred income	21,923	10	20,316	10
Other taxes and social security	7,508	-	4,489	-
	61,088	10	57,046	10

19. CAPITAL AND RESERVES

	30 JANUARY 2016	31 JANUARY 2015
	£'000	£'000
Authorised – 80,000,000 ordinary shares of 5p each	4,000	4,000
Allotted, called up and fully paid – 43,971,454 ordinary shares of 5p each (2015: 43,926,288)	2,199	2,196

At 30 January 2016, the Ted Baker Group Employee Benefit Trust ("Employee Trust") and the Ted Baker 1998 Employee Benefit Trust ("1998 Trust") did not hold any ordinary shares in Ted Baker Plc (2015: Employee Trust - £nil, 1998 Trust - £nil).

OTHER RESERVES AND RETAINED EARNINGS

Other Reserves and retained earnings include the following reserve accounts:

CASH FLOW HEDGING RESERVE

The effective portion of financial instruments that are designated as hedging instruments and is documented as part of an effective hedge of future cash flows is recognised directly in equity and recycled to the income statement when the underlying cash flows occur, or are no longer expected to occur.

TRANSLATION RESERVE

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

OTHER RESERVES – COMPANY

This reserve relates to the premium on equity consideration used in the acquisition of a subsidiary, No Ordinary Designer Label Limited, by Ted Baker Plc in 1997, which is classified within Other Reserves under the Companies Act. This reserve also includes the cost of share options and awards granted to employees of the Group. This reduction in other reserves is reflected in retained earnings in the Group Statement of Changes in Equity.

20. SHARE-BASED PAYMENTS

LONG-TERM INCENTIVE PLAN

Share awards are made in the form of nil-cost options over Ordinary shares in Ted Baker Plc under the Long-Term Incentive Plan 2013 ("LTIP 2013"), which was approved by the shareholders at the general meeting held on 20 June 2013. The options will be exercisable three years after the date of grant subject to the satisfaction of profit before tax per share and share price performance targets, each measured over a three year period. The profit before tax per share target is calibrated so that the percentage of awards that vests is linked to the level of profit growth achieved.

Share options and awards granted under the LTIP 2013 and outstanding at the end of the period were as follows:

GRANT DATE	EXPIRY DATE	NUMBER OF OPTIONS GRANTED	FAIR VALUE AT GRANT DATE	NUMBER OF AWARDS OUTSTANDING AT 30 JANUARY 2016	NUMBER OF AWARDS OUTSTANDING AT 31 JANUARY 2015
3 July 2013	2 July 2023	220,226	1,140.0p	214,324	214,963
1 May 2014	30 April 2024	254,141	695.0p	242,691	247,111
30 April 2015	29 April 2025	192,860	1,785.0p	186,393	-
		667,227		643,408	462,074

The terms and conditions of the awards granted during the year ended 30 January 2016 were the same as those for the awards made under the LTIP 2013 in previous periods and are as follows:

GRANT DATE	TYPE OF AWARD	NUMBER OF OPTIONS	VESTING CONDITIONS	VESTING PERIOD
30 April 2015	LTIP 2013	192,860	Adjusted profit before tax per share growth of 10-15% per annum and 10% share price growth over the vesting period	Up to 100% after three years

The charge for the year to the income statement in respect of options issued under the LTIP 2013 amounted to £1,777,000 (2015: £1,244,000). In respect of R S Kelvin, who is employed by the Company, there is a charge of £246,147 in the year (2015: £176,215).

The Monte-Carlo valuation methodology has been used as the basis of measuring the fair value of all awards made under the LTIP 2013. The inputs into the Monte-Carlo model for awards made during the period were as follows:

Share price at grant	2,855.0p
Share price at grant (based on six month average) for share price performance condition	2,385.0p
Risk free interest rate	0.84%
Expected life of options	3 years
Share price volatility	29.0%
Dividend yield	1.41%

The share price volatility was determined by calculating the historic volatility of the Group's share price over a time period matching the expected life of the option.

21. FINANCIAL COMMITMENTS

A) CAPITAL COMMITMENTS

The Group has capital commitments of £13,819,909 at 30 January 2016 (2015: £14,923,000) which were not provided in the financial statements.

B) OPERATING LEASES

Total of future lease payments under non-cancellable operating leases are as follows:

	AS AT 30 JANUARY 2016	AS AT 31 JANUARY 2015
	£'000	£'000
Within one year	45,536	37,513
Between one and five years	130,173	85,611
Later than five years	82,227	58,870
	257,936	181,994

The above table includes the minimum future commitments assuming no lease terminations. Under certain arrangements, if a lease is terminated, the quantum of any future minimum lease payments is subject to the terms of the contract which may result in final payments lower than those disclosed above.

Our operating leases for retail stores often contain rental expenses based on revenue ('revenue leases'). Under the terms of certain revenue leases there are minimum payments due, together with variable amounts in excess of those minimums which are based on the store's future revenue levels. For certain other revenue leases there are no minimum payment conditions within the terms of the lease such that rental charges are contingent wholly on future store revenue levels.

The table above includes only committed minimum payments and excludes the variable or contingent elements of future rental payments. As a result, the amounts charged to the Income Statement may be materially higher than the financial commitment at the prior period end.

Financial commitments for operating lease amounts due as at 31 January 2015 have been revised to include minimum payments due under operating leases relating to concession spaces which had previously been included in a separate disclosure.

C) PENSION ARRANGEMENTS

The Group operates a number of defined contribution schemes for senior management and a stakeholder pension scheme for employees, for which the pension cost charge for the period amounted to £1,422,000 (2015: £1,030,000). Contributions totalling £400,995 are included in other payables at the year end (2015: £16,808 receivable).

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

A) CARRYING AMOUNT AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS AND LIABILITIES – GROUP

The fair values of financial assets and liabilities of the Group, together with the carrying amounts shown in the balance sheet, are as follows:

	CARRYING AMOUNT 30 JANUARY 2016	FAIR VALUE 30 JANUARY 2016	CARRYING AMOUNT 31 JANUARY 2015	FAIR VALUE 31 JANUARY 2015
	£'000	£'000	£'000	£'000
FINANCIAL ASSETS				
Trade receivables	30,136	30,136	25,823	25,823
Accrued income	1,179	1,179	1,290	1,290
Amount due from equity accounted investee	563	563	679	679
Derivative financial assets	2,850	2,850	3,547	3,547
Cash and cash equivalents	13,295	13,295	7,380	7,380
TOTAL FINANCIAL ASSETS	48,023	48,023	38,719	38,719
FINANCIAL LIABILITIES				
Trade and other payables	(53,580)	(53,580)	(52,557)	(52,557)
Derivative financial liabilities	(352)	(352)	(636)	(636)
Bank overdraft	(37,869)	(37,869)	(26,204)	(26,204)
Term loan	(60,000)	(60,000)	-	-
TOTAL FINANCIAL LIABILITIES	(151,801)	(151,801)	(79,397)	(79,397)
NET FINANCIAL LIABILITIES	(103,778)	(103,778)	(40,678)	(40,678)

There are no significant trade debtor balances overdue and no significant amounts impaired at the end of the period.

FINANCIAL ASSETS AND LIABILITIES – COMPANY

The fair values of financial assets and liabilities of the Company, together with the carrying amounts shown in the balance sheet, are as follows:

	CARRYING AMOUNT 30 JANUARY 2016	FAIR VALUE 30 JANUARY 2016	CARRYING AMOUNT 31 JANUARY 2015	FAIR VALUE 31 JANUARY 2015
	£'000	£'000	£'000	£'000
FINANCIAL ASSETS				
Amounts owed by Group undertakings	47,486	47,486	41,510	41,510
Cash and cash equivalents	615	615	583	583
TOTAL FINANCIAL ASSETS	48,101	48,101	42,093	42,093
FINANCIAL LIABILITIES				
Trade and other payables	(10)	(10)	(10)	(10)
TOTAL FINANCIAL LIABILITIES	(10)	(10)	(10)	(10)
NET FINANCIAL ASSETS	48,091	48,091	42,083	42,083

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

The methods and assumptions used to estimate fair values of financial assets and liabilities are as follows:

1. Cash and cash equivalents have been stated at their book values due to their short maturities or immediate or short-term access.
2. The fair values of trade receivables, amount due from equity accounted investee and amounts owed by Group undertakings have been stated at their book value due to their short maturities.
3. The fair value of derivatives is determined by reference to third party valuations (usually from a bank) or by reference to readily observable market prices.
4. The fair values of trade and other payables have been stated at their book values due to their short maturities.
5. The fair value of the term loan considers the present value of expected payment discounted using a risk-adjusted discount rate.

Valuation of all financial assets and liabilities carried at fair value by the Group is based on hierarchy Level 2. Fair value hierarchy levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

B) DERIVATIVE FINANCIAL INSTRUMENTS

	CONTRACTUAL/ NOTIONAL AMOUNTS 30 JANUARY 2016	ASSETS 30 JANUARY 2016	LIABILITIES 30 JANUARY 2016	CONTRACTUAL/ NOTIONAL AMOUNTS 31 JANUARY 2015	ASSETS 31 JANUARY 2015	LIABILITIES 31 JANUARY 2015
	£'000	£'000	£'000	£'000	£'000	£'000
Currency derivatives	34,285	2,850	(352)	52,190	3,547	(636)
	34,285	2,850	(352)	52,190	3,547	(636)

C) CASH FLOW HEDGING RESERVE MOVEMENTS

The following table indicates the cash flow hedging reserve balance at 30 January 2016 and the periods in which the cash flows are expected to occur. The periods in which the cash flows are expected to impact the income statement are materially the same.

	CURRENCY DERIVATIVES 30 JANUARY 2016	CURRENCY DERIVATIVES 31 JANUARY 2015
	£'000	£'000
Within six months	5	200
Between six months and one year	587	534
Between one and two years	1,058	634
UNRECOGNISED GAINS	1,650	1,368

The following table identifies the movements in the cash flow hedging reserve during the year, including where gains and losses have been recognised in the income statement.

	CURRENCY DERIVATIVES 30 JANUARY 2016	CURRENCY DERIVATIVES 31 JANUARY 2015
	£'000	£'000
Opening balance	1,368	(1,850)
Gains recognised in hedging reserve	996	2,132
Amounts recycled from hedging reserve and recognised in income statement	(669)	1,890
Deferred tax associated with movement in the hedging reserve	(45)	(804)
UNRECOGNISED GAINS	1,650	1,368

D) FINANCIAL RISK IDENTIFICATION AND MANAGEMENT

The Group's multinational operations and debt financing requirements expose it to a variety of financial risks. In the course of its business the Group is exposed to:

- market risk;
- credit risk; and
- liquidity risk have been established and are reviewed regularly to reflect changes in the market conditions and the Group's activities. The Group, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

i) MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. At the balance sheet date, the only significant market risk to the Group arises from foreign currency risk.

The Group operates internationally and is therefore exposed to foreign currency risk primarily on purchases denominated in US Dollars and Euros.

The Board reviews and agrees policies for managing exchange rate risks on a regular basis. Where appropriate, the Group uses financial instruments to mitigate these risks. All transactions in derivatives, principally forward exchange contracts, are taken solely to manage these risks. No transactions of a speculative nature are entered into. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group's policy is to hedge substantially all the risks of such currency fluctuations by using forward contracts taking into account forecast foreign currency cash inflows and outflows.

The Group's risk management policy is to hedge the vast majority of anticipated cash flows (mainly purchases of inventory) in each major foreign currency for the subsequent twelve months. The vast majority of projected purchases in each major currency qualifies as 'highly probable' forecast transactions for hedge accounting purposes.

FOREIGN CURRENCY RISK

The Group operates internationally and is therefore exposed to foreign currency transaction risk, primarily on purchases denominated in US Dollars and Euros. Where appropriate, the Group uses financial instruments to mitigate these risks. The Group also publishes its financial statements in Sterling and is therefore exposed to foreign currency translation risks due to movements in foreign exchange rates on the translation of the results and underlying net assets of its foreign operations into Sterling.

TRANSACTION RISK

Currency transaction exposure occurs where a business makes sales and purchases in a currency other than its functional currency. It also arises where monetary assets and liabilities of a business are not denominated in its functional currency, and where dividends or surplus funds are remitted from overseas. The Group's policy is to match transaction exposures wherever possible, and to hedge actual exposures and firm commitments as soon as they occur by using forward foreign exchange contracts. An element of this risk is mitigated by natural hedges as the Group operates internationally and income is generated in the local currencies.

ECONOMIC (FORECAST) RISK

The Group uses forward foreign currency contracts to hedge its exposure to movements in exchange rates on its highly probable forecast foreign currency purchases on a rolling twelve month basis. The Group does not formally define the proportion of highly probable forecast purchases to hedge, but agrees an appropriate percentage by reference to the Group's risk management policies and prevailing market conditions. The Group documents currency derivatives used to hedge its forecast transactions as cash flow hedges. To the extent that cash flow hedges are effective, gains and losses are deferred in equity until the forecast transaction occurs, at which point the gains and losses are recycled either to the income statement or to the non-financial asset acquired.

The majority of the Group's currency derivatives have original maturities of less than one year. The Group's most significant currency transaction exposure is the purchases of inventories which are denominated in a number of currencies, predominantly Euros and US Dollars.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

The analysis of the Group's foreign currency exposure of its subsidiaries to financial assets and liabilities that are not denominated in their functional currency is as follows:

	US DOLLAR 30 JANUARY 2016	EURO 30 JANUARY 2016	OTHER 30 JANUARY 2016
	£'000	£'000	£'000
FINANCIAL ASSETS			
Trade receivables	6,530	5,749	729
Cash and cash equivalents	(1,870)	1,237	889
	4,660	6,986	1,618
FINANCIAL LIABILITIES			
Trade and other payables	(14,929)	(4,122)	(2,900)
	(14,929)	(4,122)	(2,900)
	(10,269)	2,864	(1,282)

	US DOLLAR 31 JANUARY 2015	EURO 31 JANUARY 2015	OTHER 31 JANUARY 2015
	£'000	£'000	£'000
FINANCIAL ASSETS			
Trade receivables	2,616	6,564	471
Cash and cash equivalents	184	158	706
	2,800	6,722	1,177
FINANCIAL LIABILITIES			
Trade and other payables	(5,974)	(2,851)	(2,050)
	(5,974)	(2,851)	(2,050)
	(3,174)	3,871	(873)

The following significant exchange rates applied during the year:

	AVERAGE RATE 30 JANUARY 2016	CLOSING RATE 30 JANUARY 2016	AVERAGE RATE 31 JANUARY 2015	CLOSING RATE 31 JANUARY 2015
US Dollar	1.522	1.424	1.639	1.518
Euro	1.379	1.316	1.246	1.338

SENSITIVITY ANALYSIS

The Group has used a sensitivity analysis technique that measures the estimated change to the income statement and equity of a 10% strengthening or weakening in Sterling against all other currencies, using the rates applicable at 30 January 2016. The analysis assumes that all other variables, in particular, interest rates, remain constant.

The following sensitivity analysis illustrates the impact that a 10% strengthening of the Group's reporting currency against local functional currencies would have had on profit before tax and non-controlling interest and equity. The analysis covers currency translation exposures at the year end on the Group's financial assets and liabilities that are not denominated in the functional currencies of those businesses.

A 10% (2015: 10%) strengthening or weakening of the Sterling against the following currencies at 30 January 2016 would have increased/(decreased) equity and profit by the amounts shown in the following table:

	IMPACT ON PROFIT 30 JANUARY 2016	IMPACT ON EQUITY 30 JANUARY 2016	IMPACT ON PROFIT 31 JANUARY 2015	IMPACT ON EQUITY 31 JANUARY 2015
TEST OF 10% (2015: 10%) STRENGTHENING IN STERLING AGAINST OTHER CURRENCIES	£'000	£'000	£'000	£'000
US Dollar	(933)	(933)	(289)	(289)
Euro	260	260	352	352
	(673)	(673)	63	63
TEST OF 10% (2015: 10%) WEAKENING IN STERLING AGAINST OTHER CURRENCIES				
US Dollar	1,141	1,141	353	353
Euro	(318)	(318)	(430)	(430)
	823	823	(77)	(77)

INTEREST RATE RISK

The Group's exposure to interest rate risk is limited to floating rate financial assets and liabilities.

The interest rate profile of the financial assets and liabilities of the Group are as follows:

FINANCIAL ASSETS AND LIABILITIES SUBJECT TO INTEREST RATE RISK	GROUP 30 JANUARY 2016	GROUP 31 JANUARY 2015	COMPANY 30 JANUARY 2016	COMPANY 31 JANUARY 2015
	£'000	£'000	£'000	£'000
Sterling	(92,545)	(24,619)	615	583
US Dollar	(57)	1,865	-	-
Euro	2,607	627	-	-
Other	5,324	3,215	-	-
	(84,671)	(18,912)	615	583

There were no fixed rate financial assets or liabilities at 30 January 2016 and 31 January 2015.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

ii) CREDIT RISK

Credit risk is the risk that counterparties to financial instruments do not perform according to the terms of the contract or instrument. The Group is exposed to counterparty credit risk when dealing with its credit customers, and from certain financing activities.

The immediate credit exposure of financial instruments is represented by those financial instruments that have a net positive fair value by counterparty at 30 January 2016. The Group considers its maximum exposure to credit risk to be:

	GROUP 30 JANUARY 2016	GROUP 31 JANUARY 2015
	£'000	£'000
Cash and cash equivalents	13,295	7,380
Trade receivables	30,136	25,823
Accrued income	1,179	1,290
Amount due from equity accounted investee	563	679
Derivative financial assets	2,850	3,547
	48,023	38,719

All cash balances and derivative financial assets are held with reputable banks or financial institutions.

As at 30 January 2016, there were no significant financial guarantees or third-party obligations that increase the credit risk of the financial assets set out above.

Although the Group has seen no direct evidence of changes to the credit risk of its counterparties that hold cash balances and derivative financial assets, the current focus on financial liquidity in all international markets has introduced increased financial volatility. The Group uses market knowledge, changes in credit ratings and other techniques to identify significant changes to the financial profile of its counterparties.

TRADE RECEIVABLES

Credit risk arises on credit exposure to wholesale customers including outstanding receivables and committed transactions. However, this risk is substantially mitigated by insurance being taken out up to the amount of the credit limit.

All new wholesale customers are checked against appropriate trade references and details such as frequency/delinquency. The limits applied to each customer are set in conjunction with our credit insurer's advice. Monitoring of credit limits is undertaken on a daily basis.

No credit limits were exceeded in the reporting period and management will continue with its current approach to credit control to prevent any future losses from non-performance arising.

The Group is not able to protect its royalty income with credit insurance, although it does not consider this a significant credit risk. Forecasts are obtained from all its licence partners throughout the year to allow extensive visibility of future income.

iii) LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at entity level in the operating companies of the Group in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these; and monitoring balance sheet liquidity ratios against internal and external regulatory requirements. Based on current cash flow projections, the Group expects to have sufficient headroom against its borrowing facilities (see section overleaf for further details on the borrowing facilities).

The table below analyses the Group's financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date, at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

	CARRYING AMOUNT	CONTRACTED AMOUNT LESS THAN 1 YEAR	CONTRACTED AMOUNT 1–2 YEARS	CONTRACTED AMOUNT 2–5 YEARS
	£'000	£'000	£'000	£'000
AT 30 JANUARY 2016				
NON-DERIVATIVE FINANCIAL LIABILITIES				
Trade and other payables	53,580	53,580	-	-
Bank overdraft	37,869	37,869	-	-
Term loan	60,000	1,500	6,000	52,500
DERIVATIVE FINANCIAL LIABILITIES				
Derivative financial instruments	352	352	-	-
AT 31 JANUARY 2015				
NON-DERIVATIVE FINANCIAL LIABILITIES				
Trade and other payables	52,557	52,557	-	-
Bank overdraft	26,204	26,204	-	-
Term loan	-	-	-	-
DERIVATIVE FINANCIAL LIABILITIES				
Derivative financial instruments	636	636	-	-

BORROWING FACILITIES

In July 2015, the Group agreed an increase in its committed borrowing facility to £85.0m (2015: £65.0m). The facility is a multi-currency revolving credit facility with The Royal Bank of Scotland and Barclays expiring on 29 March 2018. Interest is payable based on LIBOR plus a margin. The facility will be used to the extent necessary to fund capital expenditure to support the Group's growth strategy. The Group had utilised £36.0m (2015: £26.0m) of the £85.0m credit facility as at 30 January 2016.

In January 2016, the Group borrowed £60.0m under a Sterling-denominated term credit facility with The Royal Bank of Scotland and Barclays. The facility was used to support the purchase of The Ugly Brown Building. The term loan is for a period of five years with an interest rate based on LIBOR plus a margin and quarterly loan repayments commencing January 2017.

The facilities contain financial covenants which are believed to be appropriate in the current economic climate and tested on a quarterly basis. The Group monitors actual and prospective compliance with these on a regular basis.

The financial covenant tests are based upon the following:

- a ratio of total net debt to EBITDA;
- a fixed charge cover ratio; and
- minimum net tangible assets.

The Group, as part of its regular forecasting process, has a forward looking view of these financial covenant tests and based on current projections there are no indications that any of these covenants will be breached during the term of the agreement. No covenants were breached during the year to 30 January 2016.

E) CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base, defined as total shareholders' equity, totalling £172,599,000 at 30 January 2016 (2015: £140,574,000), so as to maintain investor, creditor and market confidence and to sustain future development of the business.

From time to time the Company purchases its own shares on the market; the timing of these purchases depends on market prices. Primarily the shares are intended to be used for issuing shares under the Group and Company's share option and award programmes. Buy and sell decisions are made on a specific transaction basis by the Board; the Group and Company do not have a defined share buy-back plan.

It is the Board's intention to achieve a dividend cover ratio of two times every year.

There were no changes in the Group and Company's approach to capital management during the year.

23. RELATED PARTIES

The Group considers its Executive and Non-Executive Directors as key management and their compensation therefore comprises a related-party transaction.

Total compensation in respect of key management for the year was as follows:

	52 WEEKS ENDED 30 JANUARY 2016	53 WEEKS ENDED 31 JANUARY 2015
	£'000	£'000
Salaries and short-term benefits	1,513	1,693
Contributions to money-purchase pension schemes	53	44
Share-based payment charges	480	342
	2,046	2,079

Directors of the Company and their immediate relatives control 35.5% of the voting shares of the Company.

At 30 January 2016, No Ordinary Designer Label Limited (NODL), the main trading company, owed Ted Baker Plc £47,486,000 (2015: £41,510,000). NODL was owed £55,931,309 (2015: £50,025,000) from the other subsidiaries within the Group.

Transactions between subsidiaries were priced on an arm's length basis.

The Group has a 50% interest in the ordinary share capital of No Ordinary Retail Company Pty, a company incorporated in Australia, through its wholly owned subsidiary, No Ordinary Designer Label Limited. As at 30 January 2016, the joint venture owed £563,179 to the main trading company (2015: £679,000). In the period the value of sales made to the joint venture by the Group was £2,426,921 (2015: £2,507,000).

During the year the Group provided design services to THAT Bournemouth Company Limited (THAT BCL) for which licence income fees were charged of £170,000. No amounts were outstanding as at 30 January 2016. R S Kelvin and L D Page are both directors of, and shareholders in, THAT BCL and as such, THAT BCL is a related party of the Company for the purposes of Chapter 11 of the Listing Rules.

NOTES TO THE FINANCIAL STATEMENTS

	52 WEEKS ENDED 28 JANUARY 2012	52 WEEKS ENDED 26 JANUARY 2013	52 WEEKS ENDED 25 JANUARY 2014	53 WEEKS ENDED 31 JANUARY 2015	52 WEEKS ENDED 30 JANUARY 2016
	£'000	£'000	£'000	£'000	£'000
RESULTS					
Revenue	215,625	254,466	321,921	387,564	456,169
Operating profit	24,269	29,514	39,588	49,759	59,369
Profit before tax	24,255	28,922	38,923	48,771	58,664
Profit before tax and impairment	23,903	29,687	39,648	48,771	58,853
Profit before tax and exceptional items	27,069	31,536	39,969	49,452	58,664
PROFIT FOR THE PERIOD	17,557	21,597	28,852	35,850	44,235
ASSETS EMPLOYED					
Property, plant and equipment	35,680	45,412	45,083	51,804	123,397
Non-current assets	5,575	6,873	12,118	20,265	25,615
Net current assets/(liabilities)	45,350	47,105	54,863	68,505	82,143
Non-current liabilities	(1,420)	(497)	-	-	(58,556)
NET ASSETS	85,185	98,893	112,064	140,574	172,599
FINANCED BY					
Shareholders' funds	85,185	98,893	112,064	140,574	172,599
Non-controlling interest	-	-	-	-	-
	85,185	98,893	112,064	140,574	172,599
KEY STATISTICS					
Basic earnings per share	42.2p	51.5p	67.2p	82.0p	100.6p
Adjusted earnings per share	48.9p	56.4p	69.0p	83.2p	100.6p
Diluted earnings per share	40.6p	49.9p	66.3p	81.0p	99.3p
Dividends per share	23.4p	26.6p	33.7p	40.3p	47.8p
Dividend cover	1.8 times	1.9 times	2.0 times	2.0 times	2.1 times
Dividend cover before exceptional costs	2.1 times	2.1 times	2.0 times	2.1 times	2.1 times
Pre-tax return on capital employed before exceptional costs	32.6%	29.7%	33.9%	32.0%	30.5%
Post tax return on capital employed before exceptional costs	23.6%	22.2%	25.1%	23.5%	23.0%

❦ NOTES ❦

Never one to rest on his laurels,
Ted's already getting his hands dirty
with next year's bumper crop.
You reap what you sew, after all.