FRASERS GROUP PLC

ANNUAL REPORT & ACCOUNTS 2022.

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FRASERS GROUP

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ABOUT FRASERS GROUP

Founded as a single store in 1982, Frasers Group Plc (Frasers Group, the Group, the business or the Company) is today the UK's largest sporting goods retailer by revenue.

The Group operates a diversified portfolio of sports, fitness, premium lifestyle and luxury fascias in over 20 countries. We have more than 30,000 colleagues across five business segments: UK Sports Retail, Premium Lifestyle, European Retail, Rest of World Retail and Wholesale & Licensing.

Our strategy is to provide consumers with access to the World's best sports, premium and luxury brands by providing a World-leading retail ecosystem. Aligned with this vision, we have defined the Group's purpose:

To elevate the lives of the many by giving them access to the World's best brands and experiences.

MISSION STATEMENT

TO SERVE OUR CONSUMERS WITH THE WORLD'S BEST SPORTS, PREMIUM AND LUXURY BRANDS.

BUSINESS ETHOS

We do not run the business for the short-term but work to ensure we deliver shareholder value over the medium to long-term, whilst adopting accounting principles that are conservative, consistent and simple.

OUR IMPACT SINCE 2007

We became a listed public company in 2007. In the years since we floated, the Group has greatly contributed to the British economy. This includes:

£250m

Approx. £250m paid in staff share bonuses

30,000

Have a workforce of approx. 30,000 people Worldwide, approx. 22,000 of which are in the UK

£2,300m

Contributed approx. £2,300m in VAT and Duty

£200m

Approx. £200m paid in sales commission to retail bonuses

£700m

Contributed approx. £700m in UK Corporation Tax

£200m

Contributed approx. £200m in NI employer contributions

GROUP OUTLOOK

We are delighted to report a record-breaking year for Frasers Group with an adjusted profit before tax of £339.8m (FY21: loss £39.9m), despite the significant economic headwinds and well-chronicled challenges across the sector.

Our Elevation strategy has remained laser focused, and we have re-structured our team to execute it with conviction. It is underpinned by our core strengths and rock-solid foundations. Although the backdrop remains challenging, this momentum gives us the confidence of achieving an adjusted profit before tax of between £450m and £500m for the next financial year.

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GROUP AT A GLANCE

UK SPORTS RETAIL

55.0%
Total Group Revenue

£2,640.1m

0.7% ↑

UK Sports Retail includes core sports retail store operations in the UK, plus all the Group's sports retail online business (excluding Bob's Stores, Eastern Mountain Sports and Sports Direct Malaysia), the gyms, SRL, the Group's Shirebrook campus operations, retail store operations in Northern Ireland, Evans Cycles and GAME UK.

Our store footprint is significant, with **808 stores** across the UK, totalling approximately **6.7m sq.ft.** of retail space. The majority of stores are operated under the Sports Direct, USC, Evans Cycles and GAME fascias.

EUROPEAN RETAIL

16.4%
Total Group Revenue

£790.2m

0.5% ↑

European Retail includes all the Group's sports retail stores, management and operations in Europe including the Group's European distribution centres in Belgium and Austria as well as GAME Spain. *The total European store count is* **489 stores** and approximately **3.7m sq.ft.** of retail space.

During FY22, management continued to elevate the Group's European stores and work to further tailor the Group's consumer value propositions to our local markets.

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PREMIUM LIFESTYLE

22.0% Total Group Revenue

£1,056.6m

1.7% ↑

The Group's Premium Lifestyle division offers a broad range of clothing, footwear and accessories from leading global contemporary and luxury retail brands through our fascias in the UK: FLANNELS, Cruise, van mildert, House of Fraser, Sofa.com and Jack Wills along with their related websites. The majority of these fascias operate as multi-brand premium retail destinations and are focused on providing fashion conscious consumers with high-end and on trend products.

The segment is supported by our Group-wide centralised commercial and support functions, giving the benefits of scale and operating efficiencies to each fascia. The segment is a significant part of the Group's new generation retail concept and as such, in certain locations, Premium and Lifestyle stores are co-located alongside our Sports retail stores to benefit from increased customer footfall and operating synergies.

The total Premium Lifestyle store count is **179 stores** and approximately **4.0m sq.ft.** of retail space.

REST OF THE WORLD RETAIL

Rest of World Retail includes sports and outdoor retail stores in the US under the Bob's Stores and Eastern Mountain Sports fascias and their corresponding e-commerce offerings. It also includes the Group's retail stores in Malaysia, under the Sports Direct fascia, and its corresponding e-commerce offering. Subsequent to the period end the Bob's Stores and Eastern Mountain Sports fascias and their corresponding e-commerce offerings were disposed of.

As at the period end, the total Rest of World store count is **76 stores** and approximately **1.3m sq.ft.** of retail space.

3.1% Total Group Revenue

£150.3m

1.1% ↓

WHOLESALE & LICENSING

3.5% Total Group Revenue

£168.1m

0.7% ↓

The Wholesale & Licensing segment operates our globally renowned heritage Group brands (such as Everlast, Lonsdale, Karrimor and Slazenger) and our wholesale, licensing and distribution relationships across the World, as well as our partnerships with third party brands that we license-in to sell certain products.

The Group's own brands are managed both individually and centrally within this segment. This unique, integrated approach to brand management leverages the expertise of our people, encourages innovation, and ensures consistency.

FINANCIAL HIGHLIGHTS

32.5%

Strong financial performance as we recover from Covid-19, with Group revenue up by 32.5%

Excluding acquisitions and on a currency neutral basis, revenue increased by 31.2%[1]

43.6%

Premium Lifestyle revenue increased by 43.6%, largely due to new FLANNELS stores, continued growth in online, and the strong reopening of stores after the last lockdown in March 2021

Excluding acquisitions, revenue increased by 43.3%[1]

3,848.2%

Reported profit before tax was £335.6m, up 3,848.2% from a profit of £8.5m driven by the strong reopening of stores after lockdown, new FLANNELS stores, continued growth in online in the Premium Lifestyle segment, continued operating efficiencies, FY21 including Covid-19 related lockdowns and current period property related impairments of £227.0m compared to £317.0m in FY21.

£578.3m → £628.9m

Cash inflow from operating activities increased to £628.9m compared to £578.3m in the prior period

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34.1%

UK Sports Retail revenue increased by 34.1%, largely due to the strong reopening of stores after the last lockdown in March 2021 and the comparative period being impacted by lockdowns as a result of Covid-19

Excluding acquisitions, revenue increased by 30.1%[1]

28.4%

European Retail revenue increased by 28.4%, largely due to strong growth in Ireland and the lockdowns experienced in the prior year

Excluding acquisitions and on a currency neutral basis, revenue increased by 33.4%[1]

£339.8m

£(39.9m)

£1,308.6m

As at 24 April 2022 net assets increased to £1,308.6m from £1,211.0m at 25 April 2021

Group adjusted PBT[2] increased to £339.8m compared to a loss of £(39.9m) in the prior period

Excluding acquisitions and on a currency neutral basis, Adjusted PBT[2] increased by £394.0m[1]

STRATEGIC AND OPERATIONAL HIGHLIGHTS

FURTHER GROWTH

Further growth of our key brand partner relationships, alongside establishing new and innovative brand partners

OUR ELEVATION STRATEGY HAS COME TO LIFE

SPORTS DIRECT BIRMINGHAM

Our Elevation strategy has come to life through the new store developments, including the creation of flagship stores, leading to recent openings including Sports Direct Birmingham and FLANNELS Liverpool

MISSGUIDED studio

UNLOCK NEW E-COMMERCE CAPABILITIES

Strategic acquisitions, including Missguided (post period end) and Studio Retail ('SRL'), enable the Group to unlock new e-commerce capabilities and access a wider customer base

IMPROVED THE DIGITAL CONSUMER EXPERIENCE

Significantly improved the digital consumer experience across all touchpoints within the Group

£980m

Successfully refinanced our Group facility, which now stands at £980m

£193.2m

Returned £193.2m to shareholders through a significant share buy back program

HUGO BOSS

Supported our strategic brand partner Hugo Boss AG, with an increased investment reflecting our growing relationship and confidence in the brand's future

CHAIR'S STATEMENT

CEO Appointment

Earlier this year, Michael Murray transitioned into the role of Chief Executive of Frasers Group and was formally appointed on 1 May 2022. With Michael's leadership, we remain laser focused on the growth of the business, through keeping up the momentum of our Elevation strategy, investing in our people and building out the proposition for brands.

Michael has set out a clear vision for the business - to provide consumers with access to the World's best sports, premium and luxury brands by providing a World-leading retail ecosystem, and through that, he has significantly improved our relationships with our key brand partners and grown our presence across the UK and Europe, through the development of our store portfolio.

With the Group's new leadership, and a clear direction, Michael continues to redefine the culture, employee value proposition and strategy of Frasers Group, which all contribute to the efficiency of the business and our strong performance.

Business Performance and Financial Highlights

We are pleased that our business has performed above expectations since stores reopened in March 2021, following the final period of closure due to the Covid-19 pandemic. We are a cash generative business which enables us to continue to invest in our strategies and withstand some of the pressures and impact of the pandemic, Brexit, global supply chain challenges and political and economic uncertainty at home and abroad. Notwithstanding our business resilience, these macro-economic factors have contributed to our conservative judgements and estimates, leading to some significant non-cash accounting impairments of £232.7m (FY21: £326.1m) to our asset base, further details can be found in notes 2, 17, 18 and 19.

- Revenue increased to £4,805.3m (FY21: £3,625.3m)
- Profit Before Tax increased to £335.6m (FY21: £8.5m)
- Adjusted PBT increased to a profit of £339.8m (FY21: loss £39.9m)
- Net assets at FY22 £1,308.6m (FY21: £1,211.0m)

Looking forward, we will continue to invest in the high street alongside our online and digital capabilities. Following the success of the business's first Sports Direct flagship on London's Oxford Street, which opened to great acclaim last June, we recently opened our second Sports Direct flagship store in Birmingham – further demonstrating the strength of our elevated consumer experience, and the direction of the Sports Direct brand.

The FLANNELS business continues to perform exceptionally well and we are excited about the recent opening of our 120,000 sq. ft. FLANNELS flagship store in Liverpool. The store is our largest store opening to date and saw an impressive investment of approx. £30m from the business. Our expansion plans for FLANNELS are crucial to the on-going success of the luxury side of the business and through our new brand vision to become the leading destination for new luxury, we are delighted to be expanding into new markets and new locations throughout the UK and Europe, including the expansion into Ireland with openings planned for Dublin, Blanchardstown and Cork.

Acquisitions

We continue to see opportunities that strengthen Frasers Group's brand proposition and our recent acquisitions of Studio Retail Limited (with its significant knowledge and experience in consumer credit) during FY22. Missguided and I Saw It First (with their focus on womenswear and its digital platforms) subsequent to the period end are examples of our drive to expand and acquire businesses and brands that can strengthen the Group, and our connection to our consumers.

Operations

We are continually developing our automation capabilities in our Shirebrook distribution facility, including the launch of a Dematic Shuttle machine which covers a floor plate of 200,000 sq. ft and increasing the size of our AutoStore facility, which was already the biggest in Europe. In the second half of the financial year, we completed the purchase of land in Bitburg, Germany, where we have plans for a significant distribution centre which will service mainland Europe from both a store and digital perspective.

Our People

Our people are the key asset to the business.

Under Michael Murray's leadership, the management team has been strengthened. The business has created several new roles including the additions of a Managing Director of Sports, Ger Wright (formerly a Nike Executive), and a Managing Director of Luxury and Premium, David Epstein. Alongside the management team, we will look to support the business by adding relevant talent and expertise to the Board when appropriate.

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This year the Group will receive its third annual intake of highly talented individuals into the Elevation Programme. The programme is aimed at high potential graduates seeking a career in commercial management, and we have twenty-six (FY20: twenty-seven and FY21: twenty-five) young, ambitious new joiners who started in September 2022. Over the past three years, we have been monitoring the success and benefits of the Elevation Programme and are pleased to confirm that we will be rolling out the scheme across our finance department, which has seen five graduates start in August 2022.

Sustainability

Sustainability and Elevation go hand in hand and both are important priorities for the Group and its stakeholders. We have built a Sustainability Team structure within the organisation with our CFO Chris Wootton as the executive sponsor. There are Sustainability Champions across the business and hundreds of dedicated people across our stores who are responsible for helping deliver against our priorities.

We have set ourselves targets to reduce emissions and single use plastic, and improve our waste management and recycling. We now offer a carbon neutral delivery option on the web.

We have outperformed our target of a 10% reduction in our UK stores energy usage, achieving a reduction of 15%. More detail of our various achievements and targets can be found in the ESG Report on page 33.

This is the first year of Taskforce on Climate-related Financial Disclosures (TCFD). During the year we have worked closely with expert external advisors to enhance our understanding of the potential impact of climate change on Frasers Group and to inform our future strategy risk management approach and the metric and targets we will use to monitor our progress. The TCFD section can be found in the ESG report on page 40.

Refinancing

In our Half Year reporting we noted the successful refinance of our Group facility whereby we have access to a combined term loan and revolving credit facility (RCF) of £930.0m for a period of three years, with the possibility to extend this by a further 2 years. This facility has increased in size to £980.0m since then. We believe this is a great endorsement for the business and our Elevation strategy and I want to say thank you to our banking partners for their support.

Disposals

Subsequent to the period end the Bob's Stores and Eastern Mountain Sports fascias and their corresponding e-commerce offerings were disposed of for consideration of $70m. The Bobs and EMS store estate does not include any of the new elevated stores which are core to the FG Elevation strategy. The disposal of these non-core businesses allows Frasers Group to have an even greater focus on delivering its Elevation strategy by focusing on store experience, digital and product. The board of Frasers Group is grateful to staff in Bobs and EMS for their loyal service and wishes these businesses every success for the future.

The Group disposed of a number of freehold and long leasehold retail parks held by its wholly owned subsidiaries post period end for a total of £205m. Frasers Group fascias will operate from leases within these properties where appropriate. Frasers Group in the ordinary course of business purchases and sells properties from time to time.

Outlook

Under Michael Murray's direction and leadership, we are confident the Group is well positioned for a successful year ahead.

Relationships with our key brand partners are better than they have ever been, and we will continue to invest in supporting and growing these relationships.

The business cannot overlook the many significant economic factors which are headwinds on the business, including challenges with supply chain, increased energy costs and cost of living – these factors could have an impact on business potential.

However, we look forward to growing the business both organically and through acquisitions, to ensure we remain a market leader globally. We believe the growth factors will mitigate these headwinds and we will be looking to grow our Adjusted PBT to between £450m and £500m in FY23.

Dividend and Share Buybacks

The Board has decided not to pay a final dividend in relation to FY22 (FY21 £nil). The Board remains of the opinion that it is in the best interests of the Group and its shareholders to preserve financial flexibility and facilitate future investments and other growth opportunities. The payment of dividends remains under review.

Our share buyback programme during the year has continued which is a demonstration of our commitment to shareholder returns, our confidence in the Company and the strategy for future growth.

David Daly

Non-Executive Chair of the Board

20 September 2022

OUR BUSINESS

Business Model

Founded as a single Store in Maidenhead in 1982, Frasers Group Plc today operates a diversified portfolio of sports, fitness, premium lifestyle and luxury store fascias. The Group's colleagues work together with our suppliers and our third-party brand partners to serve customers in over 20 countries. The Group aspires to be an international leader in sports, lifestyle and luxury retail. The Board is committed to treating all people with dignity and respect. We value our people, our customers and our shareholders and we strive to adopt good practices in our corporate dealings. We aim to deliver shareholder value over the medium to long term, whilst adopting accounting principles that are conservative, consistent and simple. Our strategy is set out in the 'Our Strategy – To build the World's most compelling brand ecosystem' section of this report.

Our business model remains consistent in providing customers with the World's best brands. This requires us to have the right product, in the right place, at the right time and at the right price. Our vision is to become the elevated, multi-channel platform for our Sports Retail and Premium Lifestyle fascias. To this end, we are elevating across all channels to enhance the customer journey every step of the way.

The Group's business model is explained in greater detail below. This includes an outline of our fascias and retail channels, management of our property portfolio, our people, our third-party brand partners, our Group brands and our centralised support functions.

Business Structure

The Group is structured across five business segments: UK Sports Retail, Premium Lifestyle, European Retail, Rest of World Retail and Wholesale & Licensing.

In UK Sports Retail, we offer a complete range of sporting apparel, footwear and equipment through our predominant fascia, Sports Direct. This segment also includes our lifestyle fascia USC. Our current forward-looking view is that the majority of our offering to customers must include leading third-party brands. The elevation of our sports retail proposition is key to ensuring we are fully aligned with the future direction and ambitions of these brand partners. UK Sports Retail includes core sports retail store operations in the UK, plus all the Group's sports retail online business (excluding Bob's Stores, Eastern Mountain Sports and Sports Direct Malaysia), the gyms, SRL, the Group's Shirebrook campus operations, retail store operations in Northern Ireland, Evans Cycles and the GAME UK stores and online business.

In Premium Lifestyle, we are developing the Group's premium and luxury offering, which consists of the FLANNELS, Frasers, House of Fraser, Jack Wills and Sofa.com fascias, along with Cruise and van mildert. We aim to offer fashion-conscious consumers a luxurious, multi-brand retail destination with high-end and on-trend products.

In European Retail, we are evolving our customer proposition in line with the Elevation strategy, while also seeking to increasingly tailor our proposition to the local markets in which we operate. These include the Republic of Ireland and continental Europe.

In Rest of World Retail, we operate stores trading as Bob's Stores and Eastern Mountain Sports and we also have stores trading as Sports Direct in Malaysia. Subsequent to the period end the Bob's Stores and Eastern Mountain Sports fascias and their corresponding e-commerce offerings were disposed of, further detail can be found in note 16.

In Wholesale & Licensing, the Group retains a portfolio of World-famous heritage brands, which we offer via our fascias, and also wholesale and license to partners internationally. Our own brands include Everlast, Lonsdale, Karrimor and Slazenger. The Group is also proud to have a number of sporting and entertainment personalities as ambassadors, as well as supporting sporting events.

Multi-Channel Elevation strategy

Our Elevation strategy continues to work towards improving our offering to customers across all our channels, including marketing, social media, product, digital and in-store. This aims to enable the Company, along with our third-party brand partners, to connect with customers via a consistent voice across multiple platforms, including online, mobile and on the high street. This strategy enables our stores and our online operations to complement each other.

The websites for each of our core fascias in the UK, including SPORTSDIRECT.com, USC.co.uk, FLANNELS.com, Houseoffraser.co.uk and GAME.co.uk, have undergone significant enhancements to facilitate optimum appeal to consumers. Our product offering across these core fascias, both in-store and online, aims to create a compelling shopping experience in key categories that include, amongst others, football, women's, kids, running, cycling, lifestyle, fashion, luxury and gaming.

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We offer product across a range of price points, including good, better and best. This enables us to offer more premium products, which is net-new to the business. This gives consumers a greater range of choices for those who wish to shop for premium products, whilst still retaining our original entry-level and continuity product offerings.

Progression of the Elevated Store Model

The Group remains firmly committed to the Elevation strategy across fascias and territories building on the momentum gained over recent years.

For Sports Direct, the beginning of the financial period welcomed the opening of the Oxford Street, London flagship store following a significant refurbishment. This store showcases the elevated flagship concept in one of Europe's most iconic retailing destinations. A further flagship Sports Direct store was opened after the financial period end in Birmingham city centre, and additional markets are being explored to deliver equivalent flagship stores.

To complement the elevated Sports Direct concept, store-in-store models continue to be refined for our Evans Cycles and GAME fascia's providing a more diverse offer in-store.

A significant milestone over the period was the first FLANNELS *flagship store opening in Sheffield, with* this large format incorporating new categories such as beauty and food & beverage. After the period end, the FLANNELS flagship concept reached new heights with the opening of the largest FLANNELS store to date in Liverpool, covering 120,000 sq ft over seven floors. The new store introduces new experiences such as the boutique fitness brand Barry's Bootcamp.

Post period end a new Jack Wills concept store was launched in Derby. To complement this new concept a store-in-store model has also been developed, having been launched in selected USC locations.

Finally, a new Everlast Gym concept was delivered in Denton, Manchester. This elevated concept sets the new standard for the division, with more sites to follow.

Our People

The Group's policy is to treat all our people with dignity and respect. Frasers Group colleagues work together across all areas of the business and we are proud that Frasers Group Plc is one of the first public companies in the UK to make an elected Workers' Representative a Board member. We welcome all new colleagues into the Group following *the acquisitions in the year and* post period end and those who joined us through the Frasers Group Elevation Programme as well as all other new recruits.

Remuneration and Rewards

Our policy is to foster a reward-based culture that enables our colleagues to share in the success of the Group. It is Company policy to pay above the statutory National Minimum Wage, including rates that are above the statutory National Living Wage for those over 23 years of age in the UK. In addition to this, in the current period the Group paid awards and incentives of approximately £15.0m, from which both permanent and casual colleagues benefitted.

Our Fearless 1000 share scheme will result in 1,000 of our Fearless colleagues, who live and breathe our values - thinking without limits and take the team with you, don't hesitate and act with purpose and own it and back yourself - being eligible to receive share bonuses ranging from £50k right up to £1m, if the share price is at £10 at the vesting dates. See note 25 for further details.

Workers' Representative

The Frasers Group Workers' Representative is Cally Price, a Manager at our Cardiff Bay store. The Workers' Representative has a unique insight into the Group and will speak on behalf of the Group's workforce at all scheduled meetings of the Board, in order to facilitate a healthy and constructive dialogue.

Colleague Engagement

In addition to the Workers Representative, the Company has an ongoing dialogue with colleagues via an initiative called 'Your Company, Your Voice.' This is a system whereby colleagues are able to raise any issues of their choosing via a number of different routes, both physical and digital. This feedback is passed to senior management and the Workers' Representative for review and appropriate action.

Our Global Third-Party Brand Partners

We work with our leading third-party global brand partners and provide significant prominence for them with our customers across all our platforms.

Our third-party and Group brands are managed by central brand and marketing teams. This centralised structure significantly benefits the Group by enabling the individual brands to participate in Group buying and sourcing; aggregated supplier relationships and enhanced supply chain disciplines; Group inventory monitoring and replenishment; and more inspired and harmonious visual merchandising in-store.

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OUR STRATEGY

Frasers Group believes in the power of brands. We serve them, nurture them, and invent them. Today more than ever, the World looks to Brands for ideas, inspiration and meaningful change, crexating value for people and elevating the everyday.

Our strategy is aligned to this purpose and is based on three interconnected focus pillars – the brands we sell, our digital offering and our physical stores. These are supported by a set of enablers, focused on our people, systems, automation and data. By continuing to elevate our performance across all areas of our strategy, we will achieve our vision: to build the World's most compelling brand ecosystem.

TO BUILD THE WORLD'S MOST COMPELLING BRAND ECOSYSTEM

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Strategy	Key Achievements In FY22	Priorities for FY23
Brands Our customers look to brands to elevate their everyday. They want to have the choice of the World's best brands, whether in sports, lifestyle or luxury. Accessibility is essential for our success. To achieve our vision, we focus on building excellent relationships with our brand partners, unlocking the best talent and product. This powerful brand offering is supported by our complementary range of own brands, where we aim to offer unrivalled choice and value, and drive growth through meaningful partnerships and brand collaborations. We will continue to consider strategic acquisitions that bring attractive brands into the Group.	During FY22, our achievements included: • Further growing our relationships with key brand partners, such as Nike, adidas, Gucci, Balenciaga, Mulberry and Hugo Boss, and establishing new, innovative brand partners such as Hermes Beauty, On Running and Jacquemus. • Supporting our key strategic brand partner, Hugo Boss AG, with an increased Strategic Investment, reflecting our growing relationship, our confidence in its future and the potential for synergies between our businesses.	During FY23, our priorities are to: • Continue to nurture and strengthen our brand partner relationships and further improve our access to their best product and talent. • Invest in and grow our own-brand portfolio, to ensure they remain relevant to consumers and pioneer the market. • Invest in the best talent for our businesses, so that our partners continue to have consistent and effective communication, to ensure that they have clear insight into the businesses' strategic goals.
Digital We aim to elevate our digital experience to meet the demands of consumers and brands and offer an outstanding experience. Through our digital Elevation strategy, we are continuing to invest more than £100m to elevate our proposition across our channels. This investment has and will further build on our core digital foundations, to support future growth and agility. A key focus remains our online customer experience, which includes investment into platforms that will reinvent engagement, data, marketing and customer service.	During FY22, our achievements included: • Significantly improving the digital consumer experience across all touchpoints within the Group. • Investing and working alongside industry leaders, ensuring our web business has remained relevant with strong performance. • Integrated 360 marketing initiatives to demonstrate a cohesive and better reflecting brand image for our fascia's.	During FY23, our priorities are to: • Continue to invest in our online retail capabilities, particularly on the luxury side of the business, which will focus on merchandising, brand adjacencies and visual representation. • Pioneer our approach to digital marketing through the latest trends and consumer insights, to ensure we are industry leaders within this market. • Invest in our payment platform strategy.

Physical
The elevation and concept innovation of our physical store portfolio is a fundamental part of our Group-wide strategy.
Across our three pillars of Sports, Premium and Luxury, we will continue to:
• Invest in new strategic locations and acquisitions.
• Elevate and improve our current estate, particularly for Sports Direct.
• Give consumers access to unrivalled luxury destinations across the UK.
• Invest in retail efficiencies which will improve our operating, technology, and stock capabilities.
	During FY22, our achievements included:
	• Opening a series of our new-concept flagship stores, including:
	  ◦ FLANNELS Sheffield and FLANNELS Leicester, which also saw the delivery of our first ever food & beverage concepts and the launch of FLANNELS Beauty.
	  ◦ *Sports Direct Birmingham New Street*
	• Continuing to open new location stores across UK and Europe, including Brighton, Southampton, and Hertfordshire.
	• Significantly investing in our flagship FLANNELS Liverpool on Parker Street, which opened to great acclaim in June 2022.
	• Committing to over 500,000 sq. ft of vacant retail space in the Irish market with recent store openings in Derry, Cork, and Galway.
	• Acquiring Boucher Retail Park in Northern Ireland.
		During FY23, our priorities are to:
		• Roll out new elevated stores across the Group.
		• Invest in new concepts and retail partner collaborations across key categories which will focus on fitness, home, and beauty.
		• Develop and improve operational excellence across our retail portfolio.
		• Progress the ongoing elevation and improvement of our existing store portfolio.
		• Strategise and select key destinations across Europe for expansion.

Enablers We need to have talented people who will enable us to succeed, supported by training that empowers them to achieve. To attract new talent, we will continue to develop our employer brand, while further improving internal communication to drive engagement with existing colleagues. We will also continue to invest in our systems and automation to enhance efficiency, and in our data capabilities, so we can make data-driven decisions.	During FY22, our achievements included: • Doubling down on our investment in people, launching a new careers website, introducing new roles and programmes focused on learning and development, reinvigorating our retail pay rates and incentives and recruiting over 60 new high-potential people into our early careers programmes. • Connecting through regular communication and videos, to create transparency with our Leadership team. • Further investing in automation, now claiming one of the largest auto stores in the World. • Enhancing data sharing with suppliers through electronic data interchange (EDI), improving management of stock and streamlining supplier payment processes.	During FY23, our priorities are to: • Build out clear career pathways in our Commercial function, to enable the growth we need in this area over the coming years. • Continue to drive a high-performance culture, with the introduction of more regular updates and support around colleague performance. • Significantly expand our Retail development offering. • Launch a new internal comms and engagement platform to better connect people across our business and share key updates and successes. • Continue onboarding products and suppliers onto EDI. • Capture customer data and insights through growth in our digital business, digital marketing and the roll-out of our loyalty programme.

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KEY PERFORMANCE INDICATORS

The Board manages the Group's performance by reviewing a number of key performance indicators (KPIs).
The KPIs are discussed in this Chief Executive's Report and Business Review, the Financial Review, the Environment section and the 'Our People' section.

The table below summarises the Group's KPIs.

	52 weeks ended 24 April 2022	**52 weeks ended 25 April 2021**	**52 weeks ended 26 April 2020**
Group revenue	£4,805.3m	£3,625.3m	£3,957.4m
Reported PBT	£335.6m	£8.5m	£143.5m
Adjusted PBT[1]	£339.8m	(£39.9m)	£115.1m
Cash flow from operating activities	£628.9m	£578.3m	£425.2m
Net assets	£1,308.6m	£1,211.0m	£1,280.3m
Non-Financial KPIs			
Number of retail stores[2]	1,552	1,547	1,534
Workforce turnover	38.3%	28.9%	28.6%
Packaging recycling[3]	14,405 tonnes	11,164 tonnes	12,358 tonnes

(1) The method for calculating adjusted PBT is set out in note 4 and the Glossary

(2) Excluding associates and stores in the Baltic states that trade under fascias other than SPORTLAND or SPORTSDIRECT.com, and other in the fascias includes GAME and Sofa.com concessions

(3) Cardboard and plastic recycling

The Directors have adopted Alternative Performance Measures (APM's). APMs should be considered in addition to IFRS measures. The Directors believe that Adjusted profit before tax (PBT) provide further useful information for shareholders on the underlying performance of the Group in addition to the reported numbers, and are consistent with how business performance is measured internally. They are not recognised profit measures under IFRS and may not be directly comparable with 'adjusted' or 'alternative' profit measures used by other companies.

From FY22 management changed the main reporting KPI from Underlying EBITDA to Adjusted PBT. Adjusted PBT is profit before tax less the effects of exceptional items, realised foreign exchange, fair value adjustments to derivative financial instruments included within Finance income/costs, fair value gains/losses and profit on disposal of equity derivatives, and share schemes. This change has been reviewed by the Audit Committee which has appropriately challenged management on the presentation and the adjusting items included in this APM.

Management has taken this decision for the following reasons:

- with the continued significant investment in and roll out of our Elevation strategy, on both the physical and digital fronts, the importance of depreciation and amortisation to both the Board and our stakeholders in terms of assessing performance has grown;
- *our understanding from a number of financial* sectors including the banking sector is that accounting for IFRS 16 Leases is becoming an increasingly important consideration; and
- with this new measure being introduced we are trying to align with the Financial Reporting Council's thematic standpoint with regard to 'alternative performance measures' as far as possible whilst retaining a degree of interpretation given factors outside of our control, such as FX and fair value movements in our Strategic Investments which are exceptionally difficult to forecast, particularly months in advance.

Group Revenue

The Board considers that this measurement is a key indicator of the Group's growth.

Reported Profit Before Tax

Reported PBT shows both the Group's trading and operational efficiency, as well as the effects on the Group of external factors as shown in the fair value movements in Strategic investments and FX.

Adjusted Profit Before Tax

Adjusted PBT shows how well the Group is managing its ongoing trading performance and controllable costs and therefore the overall performance of the Group.

Cash Inflow from Operating Activities

Cash inflow from operating activities is considered an important indicator for the Business of the cash available for investment in the Elevation strategy.

Net Assets

The Board considers that this measurement is a key indicator of the Group's health.

Number of Retail Stores

The Board considers that this measure is an indicator of the Group's growth. The Group's Elevation strategy is replacing older stores and often this can result in the closure of two or three stores, to be replaced by one larger new generation store.

Workforce Turnover

The Board considers that this measure is a key indicator of the contentment of our people. for more details refer to the retention section of the 'Our People' section of this report.

Packaging Recycling

The Board considers that this measurement is a key indicator of our impact and commitment to the best environmental practices. for more details refer to the environment section of this report.

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CHIEF EXECUTIVE'S REPORT AND BUSINESS REVIEW

Clear Vision

We are accelerating our strategy to provide consumers with access to the World's best sports, premium and luxury brands by providing a World-leading retail ecosystem. Aligned with this vision, we have defined the Group's purpose:

To elevate the lives of the many by giving them access to the World's best brands and experiences.

To deliver on this mission and purpose, and to maintain the momentum created by the Elevation strategy, we will continue to work closely with our key brand partners such as Nike, Hugo Boss and Stone Island, to align plans. Our brand partnerships are deeper and stronger than they have ever been in the Group's history. These relationships will allow us to continue improving our product offering and customer experience, by creating the best platforms to enable our brands to succeed. We are also redeveloping our sustainability strategy to ensure we set ambitious targets and meet them in the coming years.

Strategic Delivery

Our focus has been on executing our Elevation strategy, with investments across our store portfolio, brand partnerships and further innovations across our operations. The strategic investments we made during the year offer exciting new opportunities for Frasers Group, whilst also supporting the long-term future of the existing retail businesses, saving the jobs and livelihoods of many.

Our recent acquisition of Studio Retail Limited provides expertise and synergies which will enable us to deliver flexible payment models in the future. Our post period end acquisitions of the digital-first fashion brands Missguided and I Saw It First allows us to unlock the latest trends in women's fashion and e-commerce. To strengthen our European expansion strategy, subsequent to the period end we acquired the leading Danish sport retailer SportMaster.

We will also continue to divest non-core assets that fall outside our vison and key focus segments, such as our post period end disposal of Bob's Stores and Eastern Mountain Sports in America. Further details can be found within note 16.

Increased PBT Guidance

We are alive to the challenging economic conditions at present, with inflationary pressures and supply chain disruption causing challenges for many businesses operating in the retail sector. As well as the significant increase in general running costs, we are fighting against a fundamentally flawed business rates system which is yet to be addressed. Linked to these are the cost-of-living pressures facing many of our consumers.

As a result, we have been conservative in our forecasting for the next financial year. However, with our proven strategy and strong operational backbone, we are confident of achieving a healthy growth to between £450m and £500m of Adjusted PBT.

Store Openings

Our Elevation strategy keeps exceeding our expectations. Its strength is demonstrated by our recent store openings of FLANNELS Liverpool and Sports Direct Birmingham.

FLANNELS Liverpool is one of the largest luxury retail investments in the UK to date. This revolutionary seven floor, 120,000 sq. ft store in a historic building brings a ground-breaking fashion, beauty, wellness and restaurant experience to the North of England. It boasts a leading collection of experiences including boutique fitness phenomenon Barry's Bootcamp, the first ever of its kind in a retail environment. Our regional flagships do not only benefit the physical environment, but also allow us to bring in new categories and brands that our consumers can access online through our omnichannel platforms.

Sports Direct Birmingham follows our Oxford Street, London, opening last summer. Both stores demonstrate the pinnacle of our journey and showcase the strength of our Elevation strategy. The consumer experience has been enhanced at every stage including digital touchpoints, activations and integrations of other group brands such as Evans, USC and GAME, giving access to a wider variety of products and experiences.

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Big Believers in Physical Retail

We have consistently criticised the archaic business rates regime and the need for reform. Unfortunately, these issues remain unaddressed and are now coupled with soaring construction and store fit out costs, making for an extremely challenging environment to open and operate physical stores. While others have shied away from committing to physical retail in these difficult times, we are convinced that consumers will still flock to stores for great brands and experiences. This belief has allowed us to build remarkable momentum, bucking market trends. We will continue to invest in new store openings, refurbishments and flagship opportunities, to bring the World's best brands and experiences to untapped markets.

Digital and Operational Transformation

As part of our growth strategy, we are continually innovating across our supply chain and logistics to drive further efficiencies. At our Shirebrook site, home to our distribution centre, we have invested over £200m in automation. This makes us the biggest AutoStore in Europe and vastly improves our digital capabilities.

This has provided us with significant operational efficiencies and supported the smooth integration of acquisitions into the Frasers Group platform, enabling both our own brands and brand partners to benefit from our World-leading operations and logistics capabilities. At Shirebrook, we now have approximately 2 million sq. ft of warehousing, which enables us to process up to 4 million units per week. This still leaves us with capacity for further growth.

We have continued to iterate and improve across the entirety of our Frasers Group platform. Most notably we have trialled a new headless e-commerce platform on our Malaysian site, with a view to roll-out across the Group. This will be a transformative step for the Group, allowing us to be more agile when entering new territories or deploying changes to our technology stack.

Global Growth

We also have extensive ambitions to grow the business outside of the UK and will be exploring the potential for further international expansion through acquisitions, joint ventures and organic openings. We have already begun to expand our operational capabilities in Europe, with a new development site in Bitburg, Germany set to open in the coming years. This will have up to 2.4million sq. ft of warehouse and distribution space, handling approximately 300 million units annually. This will support our growth across continental Europe.

Talent and Partners

To support the Group in executing our ambitious strategy, I am proud to have built an excellent senior team made up of outstanding talent. They are the driving force behind the Group's ambitious culture, bringing together dynamic, talented and motivated teams to drive growth across the business. I have made it a priority to strengthen Frasers Group's management team by creating several new roles. Alongside the management team, we will look to support the business by adding relevant talent and expertise to the Board when appropriate.

Finally, thank you to our people and partners for your continued support. I am proud of the steps we have taken this year in transforming the trajectory of Frasers Group and look forward to another exciting year of innovation, impact and growth.

Michael Murray

Chief Executive Officer

20 September 2022

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Performance Overview

Group revenue increased by 32.5% to £4,805.3m in the year. UK Sports Retail revenue increased by 34.1% to £2,640.1m, Premium Lifestyle revenue increased by 43.6% to £1,056.6m, European Retail revenue increased by 28.4% to £790.2m, Rest of World Retail revenue decreased by 1.6% to £150.3m and Wholesale & Licensing revenue increased by 9.7% to £168.1m.

Group gross margin in the year has improved compared with the prior year with a small increase of 130 basis points from 42.2% to 43.5%. UK Sports Retail margin increased 100 basis points to 43.1% (FY21: 42.1%), largely due to the continually improving product mix. Premium Lifestyle's gross margin was 44.9% (FY21:44.9%), consistent with the prior year as product margins were maintained over the period. European Retail gross margin increased to 42.7% (FY21: 39.0%), largely due to continually improving product mix in the core business. Rest of World Retail gross margin increased to 51.0% (FY21: 41.9%), largely due to decreased inventory provisions within the US businesses as inventory management was significantly improved. Wholesale & Licensing gross margin decreased to 37.5% (FY21: 44.1%), largely due to product mix within the US wholesale division.

Group Selling, distribution and administrative expenses increased by 20.5% largely driven by increased store costs due to the reopening of stores after lockdowns due to the Covid-19 pandemic, no repeat of the prior year Government support schemes such as CJRS (Coronavirus Job Retention Scheme), business rates relief in the prior year particularly in House of Fraser and increased investment in marketing.

There were property related impairments in the period totaling £227.0m (FY21: £317.0m), including £76.8m in relation to right-of-use assets (FY21: £168.2m), £106.5m in relation to freehold land and buildings (FY21: £84.4m), £2.0m in relation to long-term leasehold (FY21: £3.9m), £40.7m of other property, plant and equipment (FY21: £59.9m) and £1.0m of investment properties (FY21: £0.6m). Property related impairments have been recognised following a reassessment of future expected cash flows largely driven by supply chain issues, the increased cost of living, the change in consumer behaviour in moving from physical to online shopping, the impact of direct-to-consumer and increasing costs as a result of Brexit. Further details including sensitivity analysis are included within note 2.

Depreciation and amortisation charges have decreased by 15.4% to £260.0m (FY21: £307.5m) largely due to prior period impairment and a decrease in freehold land and buildings depreciation, following the change in useful economic life estimate in the period. See accounting policies for further details.

As a result, Adjusted PBT for the year was £339.8m (FY21: loss £39.9m). Excluding acquisitions and on a currency neutral basis, Adjusted PBT increased to £371.9m from a loss of £22.1m. UK Sports Retail Adjusted PBT was £196.9m up from a loss of £12.8m in FY21, while Premium Lifestyle Adusted PBT was £10.5m, up from a loss of £7.8m in FY21. European Retail Adjusted PBT was £88.6m, up from a loss of £51.3m in FY21. Rest of World Retail Adjusted PBT was £32.7m, up from £12.2m in FY21 and Wholesale & Licensing Adjusted PBT decreased to £11.1m from £19.8m.

Group profit before tax increased to £335.6m (FY21: £8.5m), driven by the strong reopening of stores after lockdown, new FLANNELS stores, continued growth in online in the premium lifestyle segment, continued operating efficiencies, and the FY21 comparative including Covid-19 related lockdowns, mitigated to some extent by property related impairments of £227.0m. Basic EPS for the year increased to 52.9p (FY21: loss of 16.5p).

Within other comprehensive income, the Group's hedging contracts increased by £43.8m (FY21: decreased by £16.5m) as a result of the fair value movements in the period. With regard to the Group's long-term financial assets, fair value movements have resulted in a loss of £8.1m (FY21: gain of £77.3m) in the period.

The Group generated cash inflows from operating activities during the year of £628.9m, up from £578.3m in the prior period, largely due to the increase in operating profit year on year, offset by the increase in inventory.

Total Net assets as at the period end totalled £1,308.6m compared to £1,211.0m in the prior period, largely due to the profitability of the business mitigated by significant share buybacks.

REVIEW BY BUSINESS SEGMENT

UK Sports Retail

The UK Sports Retail segment includes all of the Group's sports retail and USC store operations in the UK (including Northern Ireland), all of the Group's online businesses (excluding Bob's Stores, Eastern Mountain Sports, Baltics and Malaysia), the Group's gyms, Evans Cycles, GAME UK *stores and the Group's Shirebrook* campus operations. UK Sports Retail is the main driver of the Group and accounts for 54.9% (FY21: 54.3%) of Group revenue.

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
UK Sports Retail Revenue	2,640.1	1,968.5
Cost of Sales	(1,503.3)	(1,139.2)
Gross Profit	1,136.8	829.3
Gross Margin %	43.1	42.1

Revenue increased 34.1% to £2,640.1m. Excluding acquisitions, revenue increased 30.1%, largely due to the strong reopening of stores after the last lockdown in March 2021 and the comparative period being impacted by lockdowns as a result of Covid-19.

UK Sports Retail gross margin increased to 43.1% (FY21: 42.1%), largely due to the continually improving product mix.

Adjusted PBT for UK Sports Retail was £196.9m (FY21: loss of £12.8m), largely due to the strong reopening of stores after the last lockdown in March 2021 and the comparative period being impacted by lockdowns as a result of Covid-19 and a reduction in property related impairments in the current period (FY22: £103.4m compared to FY21: £201.9m).

UK Sports Retail Store Portfolio (3)

	24 April 2022	25 April 2021
England	387	394
Scotland	37	39
Wales	30	31
Northern Ireland	19	21
Isle of Man	1	1
GAME UK (1)	259	247
Evans Cycles (2)	57	48
USC	18	25
Total	**808**	**806**
Opened	90	93
Closed	(88)	(98)
Acquired	-	42
Area (sq.ft.)	approx. 6.7m	approx. 6.5m

(1) The GAME UK store numbers include 125 concessions operating within Sports Direct fascia stores (FY21: 71) and does not include BELONG arenas

(2) The Evans Cycles store numbers include 7 concessions operating within House of Fraser fascia stores (FY21: 1)

(3) Table excludes the Group's standalone gyms

Premium Lifestyle

Premium Lifestyle consists of FLANNELS, Cruise, van mildert, House of Fraser, Jack Wills and Sofa.com fascia stores and corresponding web sales.

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Gross Transaction Value (GTV)[1]	1,133.8	788.1
Revenue	1,056.6	735.6
Cost of Sales	(581.8)	(405.3)
Gross Profit	474.8	330.3
Gross Margin %	44.9	44.9
Adjusted PBT	10.5	(7.8)

(1) GTV being gross sales net of VAT, discounts and returns, and gross sales where the Group acts as agent

Revenue grew 43.6% to £1,056.6m. This was largely due to new FLANNELS stores, continued growth in online, growth in House of Fraser, and the impact of Covid-19 related lockdowns on the prior period comparative.

Gross margin was 44.9%, consistent with the prior year as product margins were maintained over the period.

It should be noted that despite year-on-year trading improvements in the House of Fraser business, business rates in their current form continue to be a significant and disproportionate cost to House of Fraser.

Adjusted PBT for Premium Lifestyle increased from a loss of £7.8m in FY21 to a profit of £10.5m for the period, largely due to new FLANNELS stores, continued growth in online, the strong reopening of stores after the last lockdown in March 2021, offset by more significant property related impairments in the current period (FY22: £103.5m compared to FY21: £40.9m).

Premium Lifestyle Store Portfolio

	24 April 2022	25 April 2021
FLANNELS	53	41
Jack Wills[2]	52	60
House of Fraser / Frasers [2]	39	43
Sofa.com[1]	23	24
Cruise	5	5
18 Montrose	4	3
van mildert	1	1
Garment Quarter	1	1
Psyche	1	1
Total	**179**	**179**
Opened	21	12
Closed	(21)	(17)
Acquired	-	5
Area (sq.ft.)	approx. 4.0m	approx. 4.2m

(1) Sofa.com store numbers include 17 concessions operating within House of Fraser fascia stores (FY21: 17)

(2) Jack Wills and Frasers stores in Republic of Ireland are shown in the European store numbers as opposed to the Premium Lifestyle store numbers

European Retail

The European Retail division includes the Group's sports retail store management and operations in Europe, including the Group's European distribution centres in Belgium and Austria, stores and corresponding web business in the Baltic regions and GAME Spain stores and corresponding web business.

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Revenue	790.2	615.2
Cost of Sales	(452.9)	(375.5)
Gross Profit	337.3	239.7
Gross Margin %	42.7	39.0
Adjusted PBT	88.6	(51.3)

Revenue increased 28.4% to £790.2m. On a currency neutral basis and excluding acquisitions, European Retail revenue increased by 33.4%, largely due to temporary store closures as a result of Covid-19 in the prior period comparative.

Gross margin increased to 42.7%, largely due to continually improving product mix in the core business.

Adjusted PBT for European Retail improved from a loss of £51.3m in FY21 to a profit of £88.6m for the period, largely due to the strong reopening of stores after lockdown, the comparative period being impacted by lockdowns as a result of Covid-19, especially in Ireland and significant property related impairments in the prior period of £71.6m compared to £17.9m in the current period.

All of the following stores are operated by companies wholly owned by the Group, except Estonia and Latvia where the Group owns 60.0% and Lithuania where the Group owns 51%.

European Retail Store Portfolio [1]

	24 April 2022	25 April 2021
GAME Spain	235	236
Republic of Ireland[1]	43	39
Belgium	34	34
Portugal	21	20
Estonia[2]	20	21
Austria	19	20
Lithuania[2]	19	18
Latvia[2]	18	17
Poland	13	14
Slovenia	13	13
Czech Republic	12	12
Spain	10	9
Hungary	8	8
Cyprus	6	6
Holland	5	5
Slovakia	5	5
France	4	4
Luxembourg	2	2
Germany	1	2
Iceland	1	1
Total	**489**	**486**
Opened	12	13
Closed	(9)	(38)
Acquired	-	-
Area (sq.ft.)	approx. 3.7m	approx. 3.6m

1) Excluding Heatons fascia stores

(2) Includes only stores with SPORTSDIRECT.com and SPORTLAND fascias

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Rest of World Retail

Rest of World Retail includes sports stores in Malaysia trading under the Sports Direct fascia, retail stores in the US trading under Bob's Stores and Eastern Mountain Sports and their online businesses. In Malaysia the stores are 51.0% owned by the Group.

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Revenue	150.3	152.7
Cost of Sales	(73.6)	(88.7)
Gross Profit	76.7	64.0
Gross Margin %	51.0	41.9
Adjusted PBT	32.7	12.2

(1) GTV being gross sales net of VAT, discounts and returns, and gross sales where the Group acts as agent

Revenue decreased 1.6% to £150.3m, mostly due to the US businesses offset by an increase in Malaysia. Gross margin increased to 51.0% from 41.9%, largely due to decreased inventory provisions within the US businesses, as inventory management was significantly improved. Adjusted PBT was £32.7m, compared to £12.2m in FY21, largely due to overall operating efficiencies in the US businesses.

Subsequent to the period end the Bob's Stores and Eastern Mountain Sports fascias and their corresponding e-commerce offerings were disposed of.

Rest of World Retail Store Portfolio

	24 April 2022	25 April 2021
Malaysia	34	33
Bob's Stores	21	22
Eastern Mountain Sports	21	21
Total	**76**	**76**
Area (sq.ft.)	approx. 1.3m	approx. 1.3m

Wholesale & Licensing

The portfolio of Group brands includes a wide variety of World-famous sport and lifestyle brands. The Group's Sports Retail division sells products under these brands in its stores, and the Wholesale & Licensing division sells the brands through its wholesale and licensing activities. The Wholesale & Licensing division continues to sponsor a variety of prestigious events and retains a variety of globally recognised celebrities and sporting professionals as brand ambassadors.

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Wholesale	145.3	131.5
Licensing	22.8	21.8
Total Revenue	**168.1**	**153.3**
Cost of Sales	(105.0)	(85.8)
Gross Profit	63.1	67.5
Gross Margin %	37.5	44.1
Adjusted PBT	11.1	19.8

Revenue increased by 9.7% to £168.1m. Wholesale revenues were up 10.5% to £145.3m and Licensing revenues increased 4.6% to £22.8m, largely due to the prior period comparative being impacted by Covid-19.

Total gross margin decreased to 37.5% (FY21: 44.0%), largely due to product mix within the US wholesale division. Adjusted PBT decreased 43.9% to £11.1m (FY21: £19.8m), largely due to impairment of goodwill in the period.

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PROPERTY REVIEW

The beginning of the financial year welcomed the opening of the refurbished Sports Direct on Oxford Street, London, showcasing the elevated store model in one of Europe's most iconic retailing destinations. Further Sports Direct flagship locations in the pipeline include Birmingham, which opened shortly after the financial period end and Manchester, due to open late FY23. Opportunities to deliver this flagship concept are also being considered in various European capital cities. In addition, a refurbishment model has been trialled and is under development, to elevate appropriate stores which are currently trading.

FLANNELS experienced significant new store activity over the period with 15 new openings. The most notable opening was delivering the first FLANNELS flagship store in Sheffield incorporating beauty and food & beverage elements across 55k sq ft. The outcome is a World-class luxury offering receiving industry recognition. A second FLANNELS Flagship store was also opened in Fosse Park, Leicester, in the period. Further flagship sites have been secured in Liverpool which is now trading, along with Cardiff and Leeds which are both due to open during FY24. FLANNELS will also be expanding its store network into Ireland over the coming financial period. These will be the first store openings outside of the U.K. for the brand having secured sites in Dublin, Blanchardstown and Cork.

The Group continues to identify large sites, which working with collaborative landlords can be configured to provide a multi fascia offering. Over the period sites have been secured at Derby, Cork and Newbridge in Ireland, to develop into Frasers and Sports Direct stores.

The main objective for the Group's estate remains the move to turnover-based rents. There has been significant investment into new store concepts across all the Group's brands, including more recently the new Everlast Gym concept as well as enhancements to existing brand concepts such as the Sports Direct and FLANNELS Flagship concepts. Where landlords are prepared to co-invest in new stores the Group is prepared to enter into long leases.

The Group remains acquisitive across fascias and territories, with an exciting pipeline of new stores due to open in the coming financial year; the number of new store openings is expected to be comparable to FY22. However, caution is being applied over shop fit costs, which are being monitored closely and could influence the store opening pipeline. In the usual manner, freehold investment activity will continue to be used as an option to secure space for the Group.

The business rates regime continues to be a challenging landscape to navigate, particularly on large stores and former department stores. With further clarity required on the new regime effective April 2023 and the uncertainty around transitional relief arrangements, the Group is taking a cautious view on future rates liabilities.

Store Portfolio – UK Retail

Sports Stores in the UK (including Northern Ireland):

- Sports Direct is currently operating 387 stores in England, 37 in Scotland, 30 in Wales and 19 in Northern Ireland. There were 18 openings and 30 closures over the period. The majority of closures were linked to new larger store openings and closures, following the acquisition of the DW Sports estate in FY21.
- Noteworthy openings include the Oxford Street flagship (55k sq ft), Leicester Fosse Park (35k sq ft) and Cheshunt (25k sq ft), a new market opening following the successful asset management plan of the retail park that the Group acquired in FY20.
- Store-in-store GAME/BELONG and Evans Cycles concepts have been developed to complement Sports Direct formats in selected locations. All new store openings include a USC zone providing a lifestyle offering, as part of the elevated store model across all size formats.

Store Portfolio – Evans Cycles:

- There are currently 57 Evans Cycle stores trading, an increase of nine stores over the period as a result of ten openings and one closure. The Evans Cycles store-in-store concept continues to be refined and will be rolled out into selected future store openings.

Store Portfolio – GAME UK:

- The relocation program transitioning GAME stores into selected Sports Direct stores continued over the period and will continue throughout FY23. With GAME now forming part of a significant number of new Sports Direct store openings, the overall number of GAME stores for the UK estate increased to 259, having closed 50 and opened 62.
- The BELONG gaming arenas form part of GAME stores in selected viable locations and have been introduced to a number of elevated Sports Direct stores. Note the GAME store numbers do not include BELONG.

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Store Portfolio – Premium Lifestyle

FLANNELS, Cruise and van mildert:

- Across the FLANNELS, Cruise and van mildert fascias there was significant store activity with 16 openings and four closures resulting in a net increase of 12 stores. Combining these fascias, the total estate at the end of the financial period amounted to 59 stores.
- Key openings for FLANNELS include the Meadowhall flagship being the first FLANNELS store to incorporate a beauty offering and F&B along with the Leicester Fosse Park Flagship opening shortly after. FLANNELS was also introduced on the South Coast of England for the first time opening at Southampton, Brighton and Portsmouth.
- After the financial period, the largest FLANNELS flagship store to date was opened in Liverpool covering seven floors over 120,000 sq ft and introducing new experiences such as the boutique fitness brand Barry's Bootcamp.
- A refit programme refreshing older stores to the new standard continued over the period and will continue throughout the upcoming financial period. There will be a focus on securing further new stores in key incremental markets as well as flagship locations.
- Finally, FLANNELS is due to launch in the Republic of Ireland over FY23 having secured three new store locations over the period. The secured locations are in Dublin, Blanchardstown and Cork.

House of Fraser (HoF):

- At the end of FY22 there were 39 House of Frasers stores trading, a net decrease of four stores after five closures and one opening.
- Having come back into effect following relief over the pandemic, the current business rates regime remains a significant burden on the Hof estate particularly given the large store sizes. Clarity around the new regime effective April 2023 is eagerly awaited and will be an influential factor on the Hof estate.
- Whilst a significant proportion of the Hof estate remains on short term flexible leases, progress has been made on securing long term solutions. New Frasers stores due to open over FY23 include Derby along with Cork and Newbridge in Ireland.

Jack Wills:

- Over FY22 there were eight store closures reducing the estate to 52 stores. Negotiations with landlords continue to transition to long term leases.
- A new store concept for Jack Wills was delivered shortly after the FY22 period end in Derby and additional locations to deliver the new concept are being pursued. Further to this a new shop-in-shop concept has been developed and implemented in a number of USC locations.

Store Portfolio - European Retail:

Republic of Ireland (ROI):

- At the end of the financial period there were 43 stores within the Republic of Ireland (ROI), a net increase of four stores. Key new openings included Sports Direct stores in Galway, Newbridge and Cork Mahon Point Shopping Centre, which are all new incremental markets.
- Further incremental markets and upsizes across the ROI are actively being pursued for Sports Direct. Along with the new store pipeline, a refit programme is underway elevating appropriate Sports Direct stores to the latest concept.
- During the financial period three FLANNELS locations were secured in ROI and due to open over FY23. This is a first for the fascia and the territory. The secured locations were Dublin, Blanchardstown and Cork.

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Store Portfolio Europe (excluding ROI):

- The Group continues to operate sports stores in 19 countries in Europe.
- 211 Sports retail stores in Europe (excluding ROI, plus 26 non-core, speciality and outlet stores).
- Total sq.ft. of approx. 2.7m of all sports fascias in Europe (including Sportland, Lillywhites, SportsWorld etc).
- Closed 1 GAME store in Spain during the period.
- Seven openings in six different countries.
- Eight closures in five different countries either due to poor performance, beneficial trade transfer or landlords required the units back.
- During the period four elevated Sports Direct stores incorporating a USC were opened totalling 47,012 sq ft of retail space. One of these was a freehold purchased in FY20 that has been refurbished and opened as an elevated Sports Direct store alongside *a right-sized Toys R Us store.*
- As is the case in the UK, the Group is firmly committed to the rollout of elevated stores across Europe. Due to the accelerated shift to online experienced across Europe due to the effects of Covid-19 and a number of retailers reducing their portfolio size, the Group believes it can capitalise on these market conditions to efficiently expand our physical estate, focussing on capital city and flagship opportunities.
- We further expanded our geographical coverage with the purchase of Denmark's number one Sporting Goods chain, Sportmaster, shortly after the financial period. This increased our sports store numbers by a further 75.

Store Portfolio – Rest of the World:

- 34 stores in Malaysia following 4 openings and 3 closures over FY22. Our flagship store at Sunway Carnival totalling 18,284 sq ft and incorporating a USC lifestyle area on the ground floor, opened in the period alongside our Frasers Group Asia HQ at the Sunway Pyramid retail and leisure complex.
- The Malaysian elevation and expansion drive continues with all long term stores now elevated into the latest Sports Direct fit outs. Five of these stores now have USC areas within and we will look to roll-out this concept across the estate where appropriate.
- 42 stores in the USA, following one closure in FY22. The Group subsequently sold the Bob's Stores and Eastern Mountain Sports business shortly after the financial period end.

Freehold / Long Leasehold Property:

- Over FY22 a total of 14 properties were acquired across the Group, totalling £121.3m. The most significant purchase was Boucher Road Retail Park in Northern Ireland for £40.0m. One site was acquired within the EU consisting of development land for a logistics scheme.
- Disposal of property assets continues to be standard practice for the Group. Over the period eight disposals completed in the Group totalling £36.8m. There were no disposals across the EU or RoW.
- For the upcoming financial period it is anticipated that Freehold acquisition activity will be broadly in line with previous financial years.

Michael Murray

Chief Executive Officer

20 September 2022

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FINANCIAL REVIEW

The Financial Statements for the Group for the 52 weeks ended 24 April 2022 are presented in accordance with International Financial Reporting Standards (IFRS).

Summary of Results

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Revenue	4,805.3	3,625.3
Reported profit before tax	335.6	8.5
Adjusted PBT[1]	339.8	(39.9)
Earnings per share (EPS)	**Pence per share**	**Pence per share**
Reported basic EPS	52.9	(16.5)
Adjusted basic EPS[2]	53.9	(27.3)

(1) Adjusted PBT is profit before tax less the effects of exceptional items, realised foreign exchange, fair value adjustments to derivative financial instruments included within finance income / costs, fair value gains, losses and profit on disposal of equity derivatives and share schemes. Further detail on this calculation can be found in the Glossary.

(2) Adjusted basic EPS is reported basic EPS less the effects of exceptional items, realised foreign exchange, fair value adjustments to derivative financial instruments included within finance income / costs, fair value gains / losses and profit on disposal of equity derivatives and share schemes. Further detail on this calculation can be found in note 15.

Foreign Exchange and Treasury

The Group reports its results in GBP but trades internationally and is therefore exposed to currency fluctuations on currency cash flows in various ways. These include purchasing inventory from overseas suppliers, making sales in currencies other than GBP and holding overseas assets in other currencies. The Board mitigates the cash flow risks associated with these fluctuations with the careful use of currency hedging using forward contracts and other derivative financial instruments.

The Group uses forward contracts that qualify for hedge accounting in two main ways – to hedge highly probable EUR sales income and USD inventory purchases. This introduces a level of certainty into the Group's planning and forecasting process. Management has reviewed detailed forecasts and the growth assumptions within them and is satisfied that the forecasts meet the criteria for being highly probable forecast transactions.

As at 24 April 2022 and as detailed in note 30c, the Group had the following forward contracts that qualified for hedge accounting under IFRS 9 Financial Instruments, meaning that fluctuations in the value of the contracts before maturity are recognised in the Hedging Reserve through Other Comprehensive Income. After maturity, the sales and purchases are then valued at the hedge rate.

Currency	Hedging against	Currency value	Timing	Rates
USD / GBP	USD inventory purchases	USD 480m	FY23	1.41
USD / EUR	USD inventory purchases	USD 120m	FY23-FY24	1.26 – 1.31
EUR / GBP	Euro sales	EUR 600m	FY23, FY25	0.99 - 1.08

The Group also uses currency options, swaps and spots for more flexibility against cash flows that are less than highly probable and therefore do not qualify for hedge accounting under IFRS 9 Financial Instruments. The fair value movements before maturity are recognised in the Income Statement.

The Group has the following currency options and unhedged forwards:

Currency	Expected use	Currency value	Timing	Rates
USD / EUR	USD inventory purchases	USD 120m	FY23, FY25	1.26 – 1.31
EUR / GBP	Euro sales	EUR 740m	FY23, FY26	0.99 - 1.08

The Group is proactive in managing its currency requirements. The Treasury team works closely with senior management to understand the Group's plans and forecasts, and discusses and understands appropriate financial products with various financial institutions, including those within the Group Revolving Credit Facility (RCF). This information is then used to implement suitable currency products to align with the Group's strategy.

Regular reviews of the hedging performance are performed by the Treasury team alongside senior management to ensure the continued appropriateness of the currency hedging in place and, where suitable, to implement additional strategies and / or restructure existing approaches, in conjunction with our financial institution partners.

Given the potential impact of commodity prices on raw material costs, the Group may hedge certain input costs, including cotton, crude oil and electricity.

Taxation

The effective tax rate on profit before tax in FY22 was 23.5% (FY21: 1,017.6%). The prior year was impacted by more significant property impairments and disallowable depreciation compared to FY22.

Earnings

Basic earnings per share (EPS) is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial period. Shares held in Treasury and the Employee Benefit Trust are excluded from this figure.

	52 weeks ended 24 April 2022	52 weeks ended 25 April 2021
	Pence Per Share	Pence Per Share
Reported EPS (Basic)	52.9	(16.5)
Adjusted EPS (Basic)[1]	53.9	(27.3)
Weighted average number of shares (actual)	471,975,282	501,955,281

(1) Adjusted earnings per share measures provide additional useful information for shareholders on the underlying performance of the business and are consistent with how business performance is measured internally. Adjusted earnings is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies. Further details can be found in the Glossary

Dividends

The Board has decided not to pay a final dividend in relation to FY22 (FY21 £nil). The Board remains of the opinion that it is in the best interests of the Group and its shareholders to preserve financial flexibility and facilitate future investments and other growth opportunities. The payment of dividends remains under review.

Capital Expenditure

During the period, gross capital expenditure (excluding IFRS 16) amounted to £323.2m (FY21: £219.4m), which included £121.3m on freehold and investment properties (FY21: £84.3m) and £36.8m on warehouse automation (FY21: £48.5m).

Strategic Investments

The Group continues to hold various strategic investments as detailed in note 21. In addition, the Group also holds indirect strategic investments within contracts for difference and options.

The fair values of the contracts for difference and options are recognised in Derivative Financial Assets or Liabilities on the Group Balance Sheet, with the movement in fair value recorded in the Income Statement.

Acquisitions

On 25 February 2022, the Group acquired the entire share capital of Studio Retail Limited and certain other assets of Studio Retail Group Plc (in administration). The consideration for the transaction comprised cash and the release of SRG from its liabilities to the lending banks under its revolving credit facilities resulting in a cash payment by Frasers Group to the lenders of £28.3m. As Frasers Group seeks to elevate its customer journey including a flexible repayment proposition, the acquisition of SRL will provide Frasers Group with expertise and synergies that will accelerate this ambition.

Related Parties

MM Prop Consultancy Limited, a company owned and controlled by Michael Murray, who is a member of key management personnel as per IAS 24, continued to provide property consultancy services to the Group during FY22. During FY22, MM Prop Consultancy Limited was primarily tasked with finding and negotiating the acquisition of new sites in the UK, Europe and Rest of the World, for both our larger-format stores and our combined retail and gym units but it also provides advice to the Company's in-house property team in relation to existing sites in the UK, Europe and Rest of the World.

In the year, all properties have been assessed that are considered to have created value across all the outstanding freehold and long leasehold properties over the applicable period from the MM Property Consultancy agreement commencement to 29 September 2021, they have been valued by an independent valuer who confirms the value created by MM Prop Consultancy Limited. The Group's independent Non-Executive Directors then review and agree the value created and have full discretion to approve a payment to MM Prop Consultancy Limited of up to 25% of the value created.

On 1 May 2022 Michael Murray was appointed as CEO. Prior to his appointment MM Prop Consultancy Limited and Frasers Group finalised the terms on which any relevant prior consultancy services agreements are terminated. The Board has now completed its assessment of the unsettled value created by MM Prop Consultancy Limited to the Group, with the assistance of independent third-party experts.

MM Prop Consultancy Limited is entitled to up to 25% of any value created by services provided to the Group. MM Prop Consultancy Limited has agreed to waive contractually due amounts, including part crediting previous payments under this agreement, such that the Group receives a 40% discount as part of the finalisation and cessation of the consultancy agreement. The final payment to be made by the Group to MM Prop Consultancy Limited following the application of this discount is £20.9m which was paid in the year (FY21: £2.5m was accrued and subsequently paid in FY22).

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During FY21 the Group entered into an agreement with M.P.M Elevation Limited, a company owned and controlled by Michael Murray, in relation to Elevation strategy services. M.P.M Elevation Limited was paid £0.1m in relation to the provision of the Elevation strategy services (FY21: £0.1m).

Other related parties are disclosed in note 35.

Cash Flow and Net Debt

Net debt increased by £242.2m, from £248.9m at 25 April 2021 to £491.1m at 24 April 2022 (including the £232.0m borrowings acquired due to the acquisition of Studio Retail). Interest on bank loans and overdrafts increased to £13.6m (FY21: £11.1m) largely due to increased usage of the RCF in the period.

Analysis of Net Debt:

	24 April 2022 (£m)	25 April 2021 (£m)
Cash and cash equivalents	336.8	457.0
Borrowings	(827.9)	(705.9)
Net debt	**(491.1)**	**(248.9)**

On 30 November 2021 the Group refinanced its existing borrowings and entered into a combined term loan and revolving credit facility of £930.0m for a period of three years, with the possibility to extend this by a further two years. This facility increased to £940.0m as at 24 April 2022 and to £980.0m subsequent to the period end.

The Group continues to operate comfortably within its banking facilities and covenants and the Board remains comfortable with the Group's available headroom. Note: Due to the timing of payroll and supplier payments, net debt at calendar period end 30 April 2022 was materially higher than at 24 April 2022.

Cash flow:

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Cash inflow from operating activities	628.9	578.3
Income taxes paid	(121.0)	(59.3)
Invested in:		
Purchase of subsidiaries, net of cash acquired	(0.2)	(39.4)
Purchase of listed investments	(198.4)	(113.3)
Proceeds on disposal of listed investments and derivatives	238.4	7.0
Proceeds on disposal of subsidiary undertaking	1.0	-
Proceeds in relation to equity derivatives	117.4	48.1
Net capital expenditure	(280.2)	(192.3)
Exchange movement on cash balances	0.1	(5.3)
Investment income received	1.0	0.5
Finance income received less finance costs paid	(26.5)	(22.6)
Lease payments	(176.2)	(78.0)
Purchase of own shares	(193.2)	(4.3)
Borrowings acquired through business combinations	(232.0)	-
Repayment of acquired debt	-	(1.4)
Dividend paid to non-controlling interest	(1.3)	(0.9)
(Increase) / decrease in net debt	**(242.2)**	**117.1**

Summary of Consolidated Balance Sheet *(Extract)*

	24 April 2022 (£m)	25 April 2021 (£m)
Property, plant and equipment	816.3	915.2
Right of use assets	194.7	249.7
Investment properties	89.2	14.1
Long-term financial assets	206.6	263.3
Deferred tax assets	100.8	66.8
Inventory	1,277.6	1,096.6
Trade and other receivables	841.4	546.5
Provisions	433.0	361.2
Trade and other payables	729.8	646.3
Lease liabilities	620.6	722.7
Borrowings	827.9	705.9

The majority of the decrease in property, plant and equipment relates to the impairments of freehold land and building and plant and equipment due to the significant economic factors which are headwinds on the business, including challenges with supply chain, increased energy costs and cost of living.

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IFRS 16 right of use assets have decreased largely due to impairments. Lease liabilities have decreased largely due to lease payments during the period.

Long-term financial assets have decreased during the period due to the reduction in the valuation of Studio Retail Group plc.

Inventory has increased due to the acquisitions in the period, these being the single individual reason.

Receivables includes a £88.3m reimbursement asset in relation to the Group's ongoing non-UK tax enquiries (FY21: £118.3m), £243.9m relating to deposits in respect of derivative financial instruments (FY21: £131.0m) with the increase mainly relating to Hugo Boss and £234.2m credit customer receivables relating to the Studio Retail business (FY21: £nil).

Provisions have increased mainly due to the acquisition of SRL in the period.

Payables have increased largely due the acquisition of SRL in the period.

Summary of Company Balance Sheet *(Extract)*

	24 April 2022 (£m)	25 April 2021 (£m)
Investments	1,443.6	1,494.9
Debtors	512.8	162.9
Creditors: amounts falling due within one year	(985.7)	(609.0)

Investments relates to investments in subsidiaries and long-term financial assets. The majority of the decrease relates to Studio Retail Group Plc.

The majority of the movement in debtors relates to an increase in collateral to cover margin requirements for derivative transactions held with counterparties.

Creditors largely relates to amounts owed to Group undertakings.

Chris Wootton

Chief Financial Officer

20 September 2022

NON-FINANCIAL INFORMATION

The table below sets out where the information required by sections 414CA and 414CB of the Companies Act 2006 can be found in this Annual Report.

Requirement	Location	Relevant Policies
Environmental Matters	Environment pages 38 to 39	Environmental policy
Employees	ESG Report pages 33 to 37	Staff Handbook Employee Data Privacy Statement Acceptable Use Policy
Social Matters*	ESG Report pages 33 to 37	
Human Rights	ESG Report pages 33 to 37	Anti-Slavery and Human Trafficking Policy
Anti-Bribery & Corruption policy	ESG Report pages 33 to 37	Staff Handbook Anti-Bribery & Corruption policy Whistleblowing Policy Code of Conduct / Supply Policy

* We continually work to ensure that we improve in this sector. Our policy is not sufficiently formalised although evidence of what we do can be located on pages 33 to 37

WORKERS' REPRESENTATIVE REPORT

I have now been in the role of Workers Representative and Non-Executive Director for three years and during this period, my relationship with both my colleagues and the Board have gone from strength to strength.

Although this past year has had challenges for the retail sector as a whole, this has not detracted from the wellbeing and development of our people being a key focus. I continue to have full control and ownership of the colleague welfare portal, where every colleague has the opportunity to raise concerns or queries directly to me. I operate with complete transparency and any findings from these platforms are shared with the rest of Board or, if appropriate, in accordance with our whistleblowing policy.

A key success of my role this year was being able to host and present to all our Retail Managers at conferences held at our London and Shirebrook offices. At the conferences, we celebrated our people and rewarded every Manager with a selection of gifts for their efforts over the past year, including a number of points under the Fearless 1000 scheme to managers and their colleagues.

Furthermore, I am pleased that despite the challenges that the retail sector faces, this year we have revived our retail colleague bonus and launched new reward and recognition incentives, reinforcing the value we place in our people.

Continuing my focus on our people, I am working across the UK facilitating focus groups with colleagues of varying seniority and experience to ensure our people are consistently given a platform for their voices to be heard.

This year, I have attended both the Remuneration and Nomination committees, so I have full transparency and insight into everything at Board level. This has not only proved useful to me for my own personal development but has given me a greater depth and understanding of the topics that are discussed at Board level. With each passing year, I am confident that I continue to add value to both our Non-Executive and Executive teams.

I am looking forward to the year ahead and supporting our incoming CEO Michael Murray, to ensure that Frasers Group continues to place our people at the heart of the business.

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ESG REPORT

Our People

We have approximately 30,000 people across the Group. Building on strong foundations around how we manage and support our people, during FY22 we have continued to invest in and improve the experience of working for Frasers Group.

Culture and Values

Our culture and values continue to be integral to the environment we are creating for our colleagues to work in. We have maintained a focus on embedding our values through every aspect of the colleague journey, including recruitment, reward and recognition, leadership and learning and how we measure performance. Having this thread running through our approach around people ensures we are clear about what is important and what success looks like, so our people understand how they can develop and progress.

Our values are:

- Own it and back yourself
- Don't hesitate and act with purpose
- Think without limits and take the team with you

This year we have developed our recruitment process to include a specific culture and values assessment, ensuring that we select those people who are most aligned with our business and ways of working, improving their experience and their chances of achieving success with us.

We have also focused on continuing to drive awareness of Frasers Group as an employer externally, driven by a social media strategy designed to:

- raise the reputation and profile of Frasers Group; and
- bring the organisation to life for potential future talent.

This strategy has driven an increase in followers of 71% across our Frasers Group Linked In account and an increase in followers of 34% on Instagram. We have also undertaken an external survey, representative of the UK working population, with our specialist employer brand partner and we learned that 78% of those who are aware of Frasers Group would consider working for us.

We also recognise that internal communication is an integral part of engaging our colleagues with the business and our culture and this year we raised the bar with a significant levelling up in our internal communications approach. We have delivered a monthly newsletter from our senior leaders to all colleagues, updating on key events across the organisation, as well as regular updates celebrating our success through programmes like our monthly Frasers Champion awards, weekly round ups of all comms messages and more focus on driving function updates via our central comms teams, to improve consistency and accessibility.

We also held our first Retail Managers Conference in over two years following the pandemic. This event saw our Retail Managers across the UK and Europe come together over three weeks to thank them for their hard work and dedication during the pandemic and to recognise their incredible efforts since returning to work. Here we also re-invigorated our retail incentive schemes, recognition events and awarded points under our Fearless 1000 bonus scheme (more details below). We also held dedicated conferences for the first time for some of our key support functions across the business.

Attraction

We aim to hire the best people within each discipline across our organisation. Our ability to do so is key to our strategy and success.

This year, we launched a new careers website, designed to engage and educate potential new hires about who Frasers Group are, our culture and values and the people who make our business what it is. This was also underpinned by the introduction of a new Applicant Tracking System, to improve our ability to source the best candidates for all roles across the business and improve the experience our candidates have when applying for roles with Frasers Group.

We understand that one of the best ways to find people who are suitable for our organisation is through the recommendation of people that already work for us, so this year we also re-launched an internal referral scheme, encouraging colleagues who work for us to recommend people they know for key roles.

Retention

Alongside hiring the best people, we aim to retain their knowledge, skills and commitment within the Group.

FY22 saw one of the most challenging landscapes for colleague retention in recent times and as a result, we saw an increase in the attrition of our UK salaried colleagues to 33% (29% in FY21). Pleasingly however, across our Store Manager population within Sports Direct, our stability increased to 91% from 84% in FY21. Our Assistant Manager stability increased to 87% from 86% and our Footwear Manager stability decreased slightly to 91%, compared to 94% in FY21.

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Development

Continuing our objective of populating the organisation with high-calibre, well trained people to be the future leaders of Frasers Group, this year we have started an investment of over £1m in the development of our people. We have introduced a new Head of Learning & Development to shape and develop a comprehensive offering of operational, technical and soft skills development. Our new group L&D team provides a shared service across the business, with a key focus on management and leadership development, retail capability, commercial training and the learning experience of our colleagues. We have also invested in new 'Head of' roles in each of these areas and, true to our core principles around promoting from within, all of these roles have been filled by internal talent.

We have already launched a new Leadership Academy, which houses a trio of options for our people leaders across the Group. These include premium digital on-demand content from our strategic partners Sporting Edge, our own in-house development programme, Managing Without Limits, as well as access to professionally accredited qualifications from the Chartered Management Institute (CMI) in partnership with Corndel and Imperial College's Business School.

We have also kicked off our most significant cohort of internal apprenticeships yet, with 154 people from our early career talent pool enrolled on our new Retail Team Leader programme, investing almost £700k from our apprenticeship levy funds.

Within Retail, we have revised our new store on-boarding programme for Management colleagues and developed a new programme for our CAST teams to ensure that they receive a World class start to their careers with Frasers Group.

We have also undertaken a full refurbishment of our Shirebrook Learning Academy facility, with significant investment in new technology and an upgrade of our facilities, with a focus on improving the representation of all our Group fascias and further enhancing the experience colleagues have when they come to the campus.

Diversity and Inclusion

Frasers Group is a company of growth, elevation, determination and a global community of diverse and talented people. We welcome and celebrate individuality and take pride in only allowing a colleague's contribution to define their path. We empower individuality through our core values and our attitude is championed within our brands through diversity and inclusion amongst sport, fashion and lifestyle, and is a considered and crucial part of our approach. As we continue on our elevation journey as one team, we are clear that the success of our business is dependent on the success of our colleagues. We aspire to create an environment where everyone can be the best that they can be, every day. To us, diversity and inclusion are about being the business that our people want us to be.

We will not tolerate discrimination on grounds of gender identity, sexual orientation, race, nationality, religion, age, disability or any other grounds.

Included in our Management Without Limits programme, launched in FY22 is an entire module dedicated to promoting difference within our workforce, to help our managers understand the importance and benefits of diversity and inclusion and educate them on concepts like conscious and unconscious bias.

We endeavour to meet our responsibilities to train and employ disabled people. Applications for employment by people with any disability are given full and fair consideration for all vacancies and are assessed in accordance with their skills and abilities. People who have a first language other than English are important to our business. In our Warehouse, we have this year begun the introduction of personalised workwear to enable easy identification of colleagues' native language and we are also offering translators in training and meetings.

The table below shows the gender diversity of our workforce at the period end. Approximately 54% of our workforce is female, including 36% of our senior management and their direct reports (FY21: 35% UK workforce). We aim to ensure that both male and female candidates are provided with equal opportunities to apply for and work in all positions across the Group.

	Female	Male
Directors	29%	71%
Other senior managers and direct reports	36%	64%
Other employees	55%	45%

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Gender Pay Gap

Our gender pay gap report for 2021 was published in April 2022. We are pleased to report that we have maintained a 0% average gender pay gap across the Group for three years in a row, compared to 6.3% in 2017.

We continue to work vigorously on aligning roles and putting transparent structures in place across all areas of the business. When it comes to rewards, we have been lifelong champions of growth in earnings through performance related bonuses. We encourage all our people to reach their maximum potential and reward the achievement of appropriate targets, set within the respective discipline of the business. This is reflected in the high percentage of males and females earning a bonus, which are all gender neutral by design, and continues to reflect the equality which we strive to achieve across our business.

We recognise there is a difference in total earnings between female and male colleagues. We are therefore continuing to explore and implement methods that will establish enhanced processes and training tools for our employees and engaged workers, to achieve maximum earning potential through our various bonus and commission schemes (more details of which below).

Talent and Capability Development

Our strategy and future goals rely significantly on our ability to nurture and grow the best talent in our industry, and this year, alongside the investment in our people development capability mentioned above, we have continued to build on our ability to identify and support talent to progress within Frasers Group.

This year, we have continued to run our Fearless Focus performance review process, aligning individual goals to our broader Group objectives and ensuring that every colleague has a clear plan to progress their careers. This has also enabled us to identify those colleagues who we believe have the potential to develop and grow to become future leaders of our organisation.

We have also introduced new leadership roles across our Retail, Digital and Technology and IT functions, to ensure that we have the right people at the right level to support the achievement of our goals and the development of future talent within their business areas. We have also re-organised our structures within our Retail and Commercial functions to align with our Sports, Premium and Luxury pillars, ensuring these key teams are best positioned to deliver our purpose and strategy.

We have continued to see success from our Elevation Programme, with two colleagues from our first cohort being promoted into senior leadership roles in our Commercial team at the end of their second year in the programme. We have also seen our second cohort of 25 new colleagues start their programme in September 2021 and the recruitment for cohort three being completed, with another 26 high-potential individuals who joined Frasers Group in September 2022. We levelled up our approach to attracting the best calibre of early careers talent this year, running an onsite and digital marketing campaign that saw us voted third in the category for Best Student Marketing Campaign at the National Graduate Recruitment Awards 2022. We also extended our Elevation Programme to our Finance team in FY22, with five new graduates recruited, who joined in August 2022.

Remuneration and Reward

We foster a reward-based culture that enables our colleagues to share in the Group's success. In the UK, our policy is to pay above the National Minimum Wage, including rates that are above the National Living Wage for people aged over 25. We offer bonus schemes and incentives depending on the role and the fascia, and colleagues receive discounts across all fascias.

In FY22, we started the year with a full review of our Retail pay structures, resulting in increased rates of pay across the board, including management and casual workers. In November 2021, we also re-invigorated our Retail commission and bonus structures, making them more accessible than they have ever been before and paying out over £15m to our colleagues through our bonus and commission schemes over the course of this financial year.

We also reviewed our Fearless 1000 bonus scheme and made a number of changes, to ensure that the scheme is working in the best interests of our colleagues. These included:

- extending the scheme for a further 12 months to account for the impact of the pandemic in the first year of the scheme and increase the opportunity to achieve the goal of hitting the £10 share price for 30 consecutive days;
- increasing the number of points available to retail leaders to recognise the number of people under their remit; and
- moving the points allocation window to half yearly to enable more time for great work to be visible to senior leaders who are awarding points to our colleagues.

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Casual Workers

We strive to ensure our arrangements for casual staff are fair and equitable. All casual workers are paid the same rates as permanent employees in the same role. We promote stability in working hours, while our casual workers also benefit from the flexibility to decline shifts at any time. This flexibility also benefits the Group, enabling us to adjust staffing levels to cope with peak times and quieter periods.

Casual workers are also included in our commission schemes and in the Fearless 1000 bonus scheme.

Health and Safety

The Group's health and safety programme has continued to evolve, to support business growth. The Company has safely operated through the Covid-19 pandemic and we have successfully implemented a number of significant general health and safety improvement measures that we are confident will help drive and support our continuous improvement plans.

Over the last 12 months the Company continued to respond effectively to the Covid-19 pandemic. Across our distribution, office and warehousing operations and together with our retail team, we maintained robust social distancing and cleaning policies, meeting or exceeding guidelines, to ensure customers were able to enjoy a safe retail experience and maintain a safe workplace for our teams.

We have implemented a number of measures to strengthen our health and safety programme, focusing on identifying and sharing good practices across the business and, where appropriate, harmonising our health and safety policy and procedures. Specific initiatives include:

- the introduction of a bespoke online accident reporting system, which is delivering improved accident reporting and data analytics to inform organisational learning and accident prevention;
- a significant increase in our Health and Safety team in our Shirebrook warehouse to provide additional expertise and support for our operational teams;
- supporting the retail team to help implement and sustain in-store health and safety standards; and
- investing in our health and safety capabilities with our regional H&S officers undertaking specialist training on fire risk assessments.

We continue to positively engage with fire service and local authority enforcement representatives and there have not been any environmental enforcements or prosecutions in the past 12 months.

All accidents and incidents are investigated in a timely manner, to prevent recurrence.

The Group's Reporting of Injuries, Disease and Dangerous Occurrences (RIDDOR) incidents in the last 12 months all involved over seven-day incapacitation. In total six incidents were reported in FY22, a reduction of 45% on the 11 incidents reported during FY21.

The accident rate for the distribution, office and store workforce was 2.5 accidents per 100,000 hours worked in FY22, an increase on the rate of 1.8 compared to FY21. A direct comparison between periods is adversely affected by extended periods of Covid-19 related disruption, across operations and teams, including store closures. The FY22 rate is more representative of regular business activity.

In prior years, we have calculated the number of accidents to the general public as a rate per £10m of store turnover, using a 12-month rolling average. The FY22 accident rate was 6.6. A comparison with FY21 is not considered to be meaningful, given the impact of Covid-19 restrictions and associated store closures during this period.

During FY23, we will pursue our continuous improvement programme to further develop and sustain effective health and safety across the business.

Wellbeing

Colleague wellbeing continues to be a focus for us, as the understanding and importance of health and wellbeing and its impact on our colleagues grows. We maintain and have further embedded our relationship with the Retail Trust this year. Our partnership gives all Frasers Group colleagues access to free and confidential wellbeing support, including advice, financial assistance, face-to-face and telephone counselling, cognitive behavioural therapy, non-repayable grants, career development support, legal guidance and on-site critical incident support. The helpline is available 24 hours a day, seven days a week. We also offer an enhanced counselling referral service to colleagues who require a greater level of support.

In FY22 we have developed and launched a mental health and wellbeing series through our digital learning platform for colleagues and managers, to access support people who are dealing with issues related to their mental health.

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Human Rights and Modern Slavery

We are committed to respect and maintain equal treatment for all people.

We recognise that modern slavery is an ongoing challenge for organisations, especially those dealing in consumer goods, and we remain committed to addressing this risk. Ultimately, we strive to ensure that no slavery or human trafficking takes place within our business or supply chain. We have policies in place aimed at proactively identifying and mitigating these risks. These policies aim to send a clear message that we do not tolerate these practices.

We have a range of tools in place, including videos and literature to educate colleagues about their rights, and a number of communication channels, including an internal telephone hotline and comment boxes on site, for reporting any feedback or concerns. Anyone making a report can remain anonymous if they choose. We also continue to review and develop our colleague training, monitoring processes and evaluation of outcomes, and work with our employment agencies and other relevant bodies, including the Gangmasters and Labour Abuse Authority and the police, to support our training and knowledge.

If we find, or suspect, that any organisations or individuals are participating in modern slavery, we will take immediate action. Accordingly, we have a policy of reporting any suspicious activity to the police, who have historically assisted in ensuring successful convictions. Our s54 Modern Slavery Act statement can be found on our website www.frasers.group.

Community and Charity

We are committed to engaging with the local and wider communities around our stores and our offices in London and Shirebrook, and we aim to minimise any detrimental impact on them.

Our Sports Directory subsidiary has been a specialist supplier of sports equipment to the education sector for nearly 30 years, and part of the Frasers Group since 2016. Sports Directory plays a key role in giving back to schools in the UK and helping to keep our young people fit and healthy. Through its 'My School' scheme, schools purchase sports equipment from Sports Directory and the business gives them the opportunity to claim a voucher for every purchase. To date, Sports Directory has issued over 65,000 vouchers to UK schools, which equates to more than £4.5 million worth of free sports equipment.

Sports Directory has also, via the Professional Footballers' Association, donated free equipment to 72 football league clubs, helping to support local communities.

For more information on Sports Directory visit: www.sportsdirectory.com

The Group has also run campaigns to encourage children to become active in sport. This included the Monster Kickabout campaign launched by Eric Cantona. Over 3,000 schools participated in this campaign and the Group donated £500,000 of football kits to the schools. Four schools were also given the experience of a lifetime at St George's Park, where they received the opportunity to train with FA coaches.

Anti-Bribery and Corruption

The Group has an Anti-Bribery and Corruption Policy in place, which was originally created following the introduction of the UK Bribery Act. As a result of the Act, all policies and procedures were reviewed to ensure compliance measures were put in place to mitigate colleagues being offered and/or accepting bribes. We have a zero-tolerance approach to bribery and corruption at Frasers Group, and we encourage our people to speak up if they have concerns that bribery or fraud is taking place. No instances of bribery, corruption or fraud have been reported during FY22.

Whistleblowing

The Group has an approved whistleblowing policy and a number of processes in place which support our policy, including Your Company Your Voice, our Retail Support Unit Asset Protection hotline, as well as a dedicated whistleblowing e-mail address.

During the financial year the Audit Committee reviewed and recommended to the Board the approval of an updated Whistleblowing Policy, which was subsequently adopted by the Group and rolled out to colleagues.

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ENVIRONMENT

ESG is an increasingly important area to Frasers Group. We recognise the importance of sustainability to our stakeholders and to the future success of the business and take seriously the part we must play to change the paradigm of the retail and manufacturing industries.

We welcome the progress made at COP26 and are actively working with our partners to identify opportunities to work together to tackle climate change, particularly in relation to carbon emissions from transport and waste.

Frasers Group supports the introduction of the Taskforce for Climate-related Financial Disclosures (TCFD). Significant analysis and scenario modelling went into producing our disclosure. The findings have given us a robust foundation to mitigate climate related risks and inform opportunities going forwards. Our full TCFD disclosure can be found at page 40.

The role of the sustainability team continues to evolve as we further embed sustainability throughout the Group, linking sustainability to Group strategy and vice versa. TCFD has further helped to formalise this approach and the Group's sustainability manager is an integral member of the newly formed Climate Risk Group.

There has been a particular focus on materiality and data gathering over the past year, to better inform the direction of the Group's ESG journey. Notably, there has been improved data collected on energy use and savings, product material composition and single-use plastic.

We expect continued improvement in the quality of data we collect and in the way we use and share that data, to better inform agile decision making as the information and the opportunities that presents become clearer.

Campaigns through the year included our Save the Bumblebees campaign, which aimed to engage and educate our customers on biodiversity, giving out free seeds and information booklets and temporarily rebranding our popular Sports Direct bag for life and mug with the #savethebumblebees logo.

Carbon

This continues to be a priority focus area for the Group, as evidenced by our newly created Carbon Reduction Manager role. It is one of the areas where we have made significant improvements in data gathering and target setting.

The plans we already had in motion last year to reduce our energy use and emissions have cushioned the Group from some of the impacts of a volatile energy market and associated increased energy costs and will continue to bring cost savings year on year. This approach has bought about both commercial and environmental benefits.

Of note, we have accelerated our LED upgrade programme, investing more than £5M in replacing LED lights in 124 stores and 1 warehouse. The project will save more than £2.5M per year (as an average of our energy costs last year) and more than 3.0Mtco2e annually.

We also introduced a store colleague incentive to reduce energy use, dubbed 'Top of the Shops.' The incentive rewards store colleagues for best practice in energy saving measures, such as ensuring the escalators were only turned on when the stores are open to customers. Impacts of the savings were communicated to stores regularly and stores were able to measure themselves against each other in a Top of the Shops league table, fostering healthy competition. We were delighted with the engagement level from store colleagues. We had forecast a 10% reduction in UK electricity use for the year but exceeded this to achieve a 15% reduction (from a 2019 baseline, measured against like-for-like stores. 2019 baseline used as a comparative year due to coronavirus lockdowns affecting data in 2020 and early 2021).

Our pilot trial of infrared overdoor heaters has demonstrated their improved efficiency compared to the traditional electric blow heaters. Infrared heaters will now be installed as standard practice in all new stores and store refits.

We installed 18 EV charging points at our warehouses last year which have been well utilised by colleagues and visitors.

Aside from our estate, we have also been working hard to reduce emissions in our supply chain, notably from delivery of goods, building on the success of our pioneering container optimisation programme which maximises the space used per container. We have further expanded the number of brands we collaborate with and have also increased the number of deliveries that are optimised from our existing brand partners.

Delivering to us in this way reduces the number of deliveries by 25% on average. That means approximately 25% has been saved in delivery costs and the greenhouse gases associated with those deliveries.

Container optimisation complements our growing automation system, reducing manual handling and processing time from leaving port of origin, to arrival with our customers.

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For last mile deliveries, customers now have the option to select DPD Carbon neutral delivery at check out. Approximately 32.1tco2e was saved in FY22 by customers selecting this option.

Acknowledging the urgency of the climate crisis, Frasers Group's primary focus for the coming year will be to further investigate our scope 3 emissions and gather decision-useful data, to enable us to target high-impact areas effectively.

Frasers Group has responded to the Science Based Targets initiative's (SBTi) urgent call for corporate climate action, by committing to align with 1.5°C and net-zero through the Business Ambition for 1.5°C campaign. The Group now has 24 months to submit a target for validation to the SBTi.

Waste

Waste has always been managed very well from our Shirebrook DC and we have detailed collection data going back to 2014. In FY22 we recycled 86% of our waste, of which 68% was cardboard.

This last year we modernised the way we collect and share information to help further improve our recycling rates. We have set a target for FY23 that 90% of the waste that goes through Shirebrook DC will be recycled. This includes even more packaging waste that we expect to receive back from our stores, due to the store recycling initiative that is being piloted, to drive behaviour change and bring down waste rates. We are proud of this achievement, as reducing waste has a big impact on the environment. However, we recognise that whilst perfecting the system at Shirebrook DC, we have not had the same focus on our other warehouses. We acknowledge that we have a lot of work to do in collecting baseline data for those and looking at the systems in place to see where improvements can be made.

Packaging

Detailed data is being gathered on the material composition of the Group's own-brand core product packaging, to enable us to look for more environmentally responsible alternatives such as FSC card and alternatives to virgin plastic packaging. This work was already being undertaken to reduce and improve the packaging we use but has been accelerated and other streams of data added, to account for the Plastic Packaging Tax that came into force in April 2022.

The additional data collection also brought into scope other plastics we procure, such as e-commerce and carrier bags. All of our carrier bags are now fully FSC certified and recyclable or from 100% recycled and recyclable plastic (80% post-consumer waste, 20% factory waste).

We are in a strong position to report for the tax requirement and have already been able to implement changes to some of our packaging to remove or reduce plastic content, thereby falling out of scope for the tax whilst improving the environmental impact.

Elevated Product

Frasers Group acknowledges its responsibility as part of the fashion industry to reduce the amount of textiles waste that is sent to landfill and to maximise the full value of textiles already in circulation.

As part of the Elevated Product pillar of our strategy, we have gathered data on the material content of 91% of our own-brand core textile products. This will give better visibility of the composition of materials we use and enable us to choose more sustainable materials in the future. We are in a good position to report the first-year submissions to the Textiles 2030 initiative, of which we are a member.

For Spring/Summer 2022, 100% of our own-brand seasonal swimwear was from 100% recycled nylon and we plan to extend use of recycled nylon across the ranges for next year, as well as working with our brand partners to encourage the use of more sustainable fibres in third-party products.

Looking at circularity in fashion, we are delighted to announce our partnership with Sharewear in piloting a clothing take-back scheme, which launched in five House of Fraser stores in April 2022. Sharewear's unique ReLived scheme is the only clothing collection scheme that guarantees all useable clothing will go to someone in poverty in the UK, free of charge. The collaboration is part of Frasers Group's commitment to reduce our impact on the environment by ensuring that textiles are kept in use for as long as possible. Not only does this initiative protect the environment, but it also helps people in need in our local communities. Frasers Group was the only retailer to pilot the scheme with Sharewear, providing a supply of clothing that enabled people to attend interviews, leading to work and training, and send their children to school warm and dry.

Future Progress

We are pleased with the progress made during the last year and recognise that there is much more work to do in all areas of sustainability.

Whilst we are keen to address every issue with urgency, we are mindful that it takes time to deliver large scale adjustments and we are committed to working with our partners and colleagues to deliver changes that are long lasting and impactful.

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TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Frasers Group supports the aims of the TCFD, which we believe is an important step in tackling climate change. In this section of the report, we are making the disclosures recommended by TCFD, to provide stakeholders with useful information on climate-related risks and opportunities relevant to our business.

During the year, we have worked closely with expert external advisers to enhance our understanding of the potential impact of climate change on Frasers Group and to inform our future strategy, risk management approach and the metrics and targets we will use to monitor our progress. This work has included:

- a gap analysis, to identify key gaps between our practices and the TCFD recommendations;
- identification and shortlisting of our key potential climate-related risks and opportunities;
- qualitative scenario analysis for both physical and transition risks and opportunities, over time and across two different temperature scenarios; and
- development of actions to integrate climate-risk considerations into our Enterprise-wide Risk Management framework (ERM).

The two temperature scenarios we considered were increases of 1.5oc and 4oc above pre-industrial levels. We selected two pathways as we identified that there are two potential futures ahead of us. A scenario where we actively move towards a lower-carbon economy to keep warming to 1.5oc would introduce more transitional risks to our business. 1.5oc was identified as a best-case scenario of the Paris Agreement at the COP21 summit in 2015, was reiterated at the COP26 summit in November 2021, and also aligns with the objectives of the SBTi. Alternatively, if efforts are not made to limit global warming to the agreed 1.5oc, we could face a worst-case scenario of 4oc of warming, which would pose a lot more physical risks such as extreme weather events.

Governance

The Board has ultimate responsibility for ensuring effective risk management and that our strategy takes account of the risks and opportunities we face, including those related to climate change. The Board has delegated its oversight of climate-related risks to the Audit Committee, which reports to the Board on these matters on a quarterly basis, and are tasked with:

- Monitoring progress against climate-related goals and targets.
- Continuous review of the Group's ESG risks and opportunities.
- Keeping under review the materiality of climate-related risk and its impact on financial statements.
- Monitoring adherence to externally applicable sustainability codes and principles.

During the year, our external advisers presented twice to the Audit Committee, sharing their work on the identification and assessment of transitional and physical climate-related risks, and proposals for enhancing our risk management processes in relation to climate. Our Sustainability Manager also presented the external advisers' findings to the Board in the February 2022 Board meeting.

Going forward, we plan to establish our Climate Risk Steering Group to manage any current or upcoming identified risks relating to climate whose responsibilities will include:

- Providing direction and input into our targets and goals, and ensure the continual evolution of our action plans
- Oversight of the delivery of our action plan and improvement roadmap, targets and emerging climate-related risks.

Our Sustainability Manager who will be an integral part of the Climate Risk Steering Group, will then communicate findings from the Group into the Audit Committee and Compliance & Risk Group on a quarterly basis.

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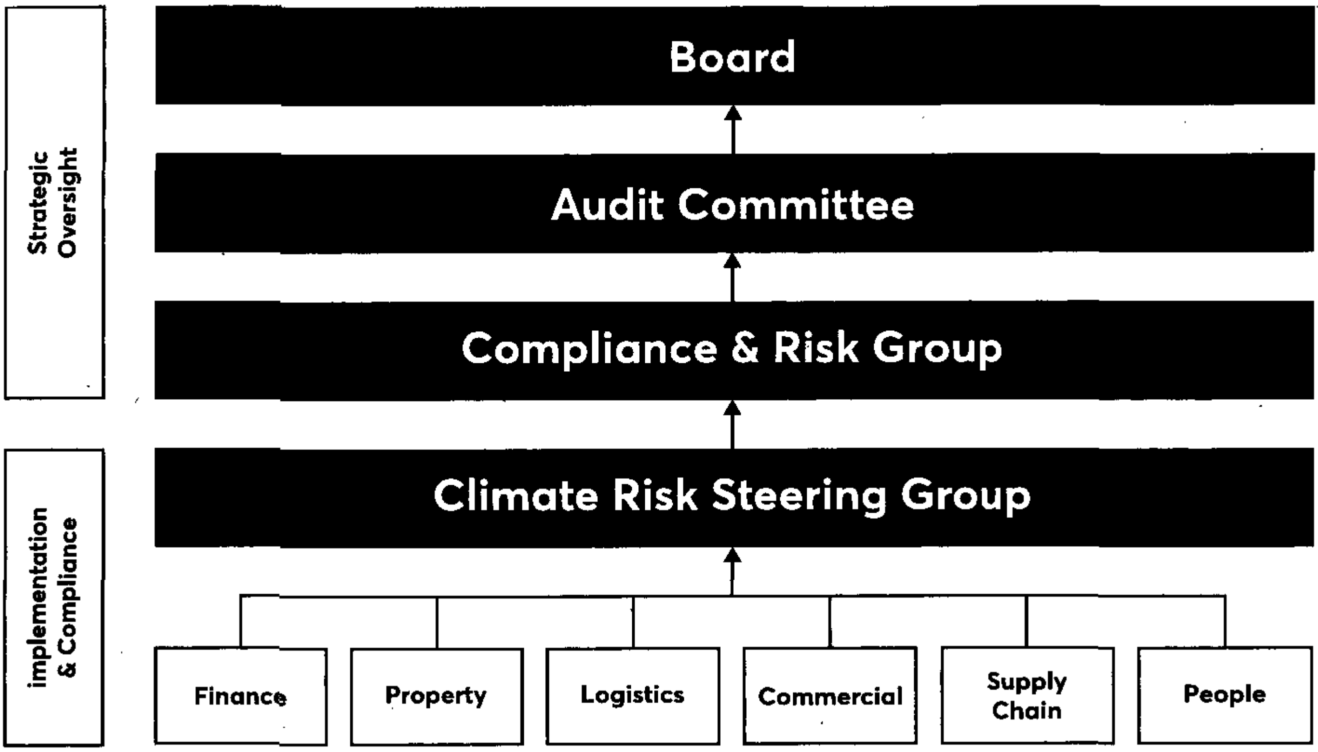

Reporting to the Climate Risk Steering Group, cross functional management are responsible for managing on a day-to-day basis the climate related risks and opportunities of the business.

The Chief Executive Officer has overall responsibility for our management of risk, supported by his direct reports, who are accountable to him for managing the risks that fall within their remits. In addition, the Compliance & Risk Group has a range of important roles in relation to risk management, as described on pages 50 to 62.

Strategy

Scenarios are hypothetical in nature describing a path of development leading to a plausible future state. During the year, we worked with our external advisers to identify the potential physical risks, transition risks and opportunities that could affect our business in both a 1.5oc scenario (low physical risk, high transition risk), as recommended by the TCFD recommendations and in line with the 2015 Paris Agreement and a 4oc high emissions (high physical risk, low transition risk) scenarios. We compiled the list on both a top-down and bottom-up basis, across each of our business areas. We refined the list to exclude those where our assessment of their potential likelihood and impact meant the risks were not material*, or to combine certain risks (such as heatwaves and water stress) where they arose from the same cause.

* *The materiality of the climate related risks were assessed by taking into account probability of failure and productivity loss values over time for each risk and their impact on Frasers Group locations and operations using a qualitative approach in line with our risk management framework.*

Physical Risks

From our shortlist of physical risks, we identified the following potential hazards:

- riverine flooding;
- surface water flooding;
- *extreme wind;*
- coastal inundation; and
- extreme heat.

To understand the potential impact of these hazards, we aggregated our business operations into three areas: sourcing, logistics and retail. Underlying these three areas are 11 sectors of operation, covering the breadth of our value chain, as shown in the diagram below. We then reviewed these sectors across'11 key countries of operation.

	1. Sourcing		2. Logistics		3. Retail
Value Chain	**Raw Material Sourcing**	**Manufactoring**	**Transportation**	**Warehousing & Utilities**	**Retail / Sales**
Sectors	• Plant Based Fibres • Wool, Silk-Worm Cocoons	Manufacture of: • Textiles • Rubber & Plastic • Wearing Apparel • Leather	• Land Transportation • Water Transportation	• Warehouse Sector • Electricity, transmission & distribution	• Wholesale & Retail Trade

Each hazard was assessed for:

- the annual probability of that hazard causing an *asset or sector to stop working, with or* without damage;
- *the percentage loss of productive availability of an* asset due to component failure, damage or repair; and
- the resulting productivity loss for Frasers Group, weighted by the percentage of sales and procurement in each country.

This analysis demonstrated that the key physical risks for Frasers Group are coastal inundation and extreme heat, and that the potential impact of riverine flooding, surface flooding and extreme wind are not material. No significant changes are expected to the Group's business model as a result of the analysis, other than considering a potential other sourcing locations.

For coastal inundation, although there is uncertainty around the time horizon over which climate related risks will materialise, we assessed the risk at specific points in time, such as 2025, 2030 and 2050, representing short, medium and long term time horizons, across both the 1.5oc and 4oc scenarios. for extreme heat, we considered the number of median (>35oc) and extremely hot days (>40oc) in 2030 and 2050, across both temperature-rise scenarios.

Our assessment of the impact on our productivity and the range of opportunities to mitigate that impact are shown in the table below. Overall, we see these risks as arising in the medium to long term. Without mitigating actions, we are likely to see the impact of these risks on the business in around 20 years.

Risk	Potential annual impact on productivity	Mitigations available & Business response
Coastal inundation	• Sourcing: The annual probability of occurrence of coastal inundation causing *closures and disruptions* to operations is likely to increase over time. The *production* of raw materials and manufacturing of garments are sectors that are likely to have high productivity loss. • Logistics: Coastal inundation resulting in coastal flooding could have major consequences on transport infrastructure. Potential productivity *loss impact for both* land and water transportation is likely to *increase*.	• Baseline assessment of supply chain climate resilience. • Focus on countries that came out as highest risk in our analysis. • Engage with suppliers, brands or manufacturing units to develop or improve their risk mitigations. • Explore other supplier bases that are more resilient.
Extreme heat	• Sourcing: There is an increase in the *likelihood of extreme* heat events such as heatwave, drought etc. materialising and leading to closure/ stoppage of activities in supply chains. • Logistics: The annual probability of occurrence of an extreme heat event causing disruptions to Frasers Group' operations is likely to increase over time. • Retail: An increase in the productivity loss impact of physical risks could be felt across most *retail* activities.	• Understand supply chain risks through *engagement, including* suppliers' business continuity and contingency plans. • Work with suppliers to mitigate factory-level operational risks. • Build an internal data set to track the effects *of rising temperatures* across locations. • Explore other supplier *bases that are* more resilient.

Transition Risks

The risk identification process described earlier highlighted several potential risks related to the transition to a low-carbon economy. These were:

- the cost to transition, as a result of rising energy costs and the switch to renewable energy generation;
- increased costs of raw materials and production;
- carbon taxes and other carbon-pricing mechanisms;
- regulatory changes, reporting obligations and increased stakeholder concerns; and
- shifting consumer preferences and supplier requirements, which also presents opportunities for us (see below).

We analysed the potential impact of rising costs of energy, raw materials and production, and the introduction of carbon taxes or pricing, using our external adviser's specialist modelling tools. The effect of regulatory, reporting and stakeholder changes, and of shifting consumer preferences and supplier requirements, were assessed using qualitative reviews, analysis of trends and identification of key drivers. All of these analyses were conducted for both the 1.5oc and 4oc scenarios. This enabled us to project the likely trajectory of costs, taxes and other variables, to give a potential impact for each year over the period from 2020 to 2050.

The risks, their potential impacts and the mitigations available are summarised in the table below. Overall, while these risks may arise in a shorter timeframe (less than five years), and continue to impact over the medium to longer term, we are working to mitigate these as shown in the table below;

Risk	Potential impact	Mitigations available & Business response
Cost to transition to a low-carbon economy	• Increased energy costs, as low-carbon energy and technology tends to be more capital intensive. • Increased capital expenditure, for example to implement renewable energy generation on Frasers Group sites.	• Business planning to factor in higher energy costs and capital expenditure. • Develop a robust transition plan aligned to the business strategy.
Increased cost of raw materials and production	• Increased costs and reduction in profitability if supplier costs are passed through as a result of fluctuating raw material prices, carbon price rises etc.	• Engage with suppliers and gain increased visibility of supply chain operations. • Develop methods to improve agility of the supply chain, to avoid major disruptions.
Carbon tax and other carbon pricing mechanisms	• Increased cost base as a result of higher carbon prices, felt directly or indirectly across most activities in the sector.	• Measure Scope 3 emissions, to determine materiality of supply chain exposure to carbon prices. • Engage with suppliers, to influence mitigation of supply chain emissions. • Identify products that are less emission intensive.
Regulatory changes, reporting obligations and increased stakeholder concerns	• Regulations are changing rapidly, adding to existing reporting requirements. • Insufficient transparency in our operations could lead to litigation and reputational risks.	• Set up repeatable climate-related data collection processes. • Engage with stakeholders to enable oversight of new regulatory requirements. • Regular stocktakes and assessment of regulatory compliance measures.
Shifting consumer preferences and supplier requirements	• Increased consumer demand for highest levels of low-carbon compliance and greater transparency of operations.	• Develop supplier selection criteria to identify leaders in the domain and screen out suppliers who do not meet the criteria.

Opportunities

We have identified opportunities in relation to the transition to a low-carbon economy. These have the potential to increase our revenues, enhance our efficiency and optimise costs, and open up a broader range of financing sources. The opportunities are set out in the table below:

Transition opportunity	Benefit for Frasers Group	Potential actions
Optimisation and efficiency of processes and assets	• There is an opportunity for Frasers Group to reduce costs by upgrading and improving assets and processes across the value chain.	• Improve building and infrastructure efficiency. • Switch to an all-electric vehicle fleet. • Optimise logistics and the supply chain.
Financing	• There may be opportunities to raise debt capital to finance climate projects. • A robust approach to managing climate risks and opportunities can help us to attract and retain new shareholders.	• Identify potential opportunities to finance climate projects using debt capital. • Continue to enhance our climate-related reporting and our sustainability reporting more generally.
Shifting consumer preferences and supplier requirements	• There may be opportunities to capitalise on the emergence of a new and growing market for sustainable, clean and responsibly sourced products.	• Engage with suppliers and brands who are leaders in sustainability.

Risk Management

The process through which we have identified and assessed our climate-related risks during the year is described in the Strategy section above. Our overall risk-management framework is set out on page 50.

We have begun work to fully integrate the identification, assessment and management of climate-related risks into our Group-wide ERM. This work is based on the following principles:

- **Disaggregation.** We will assess climate risks as individual physical and transition risks, across our regions and sites.
- **Cross-cutting.** We will integrate climate risks into existing processes, so they can be considered alongside our other operational and business risks, including their interaction with those risks.
- **Appetite.** We will set an appropriate risk appetite for each disaggregated risk.
- **Ownership.** We will set clear roles and responsibilities, from the top down.
- **Escalation.** We will establish a process to escalate risks to senior management, if necessary.
- **Monitoring and evaluation.** We will set up a continuous process for monitoring, evaluating and reporting across the business.

Our work to date includes climate risk being included within our ESG principal risk and ensuring that physical and transition risks are included in the functional risk registers owned by the respective business risk owners, such as finance, property, logistics, commercial trading, supply chain and people which can be found in on page 33.

Our plan is then to discuss potential actions with each team, based on the principles described above. We are implementing a Climate.Risk Group, which will meet regularly to discuss and drive forward our approach to climate risk management. This will include all of the risk owners mentioned above with executive sponsorship and Audit Committee oversight, to ensure we remain focused on the risks and opportunities for the Group

We will report on our progress with integrating climate risks into the ERM in our FY23 Annual Report.

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Metrics and Targets

Information on our greenhouse gas emissions can be found on page 46. Currently we do not have an approved greenhouse gas emissions reduction target as part of our metrics and targets. However, we have submitted our commitment to the SBTi, which has now been approved and we plan to have a target in place within the next two years. The table below sets out the metrics we will use to monitor progress with managing our climate-related opportunities and risks, as well as the targets we have set in relation to them.

Metric Category	Climate-related Target	Climate-related Metric	Reasoning
Transition Risks	All sustainability-related mandatory reporting obligations met on time annually	% sustainability-related regulatory disclosures met within required timeframe annually	We continue to be committed to complying with ongoing regulatory changes and support the aims of initiatives such as TCFD to prepare companies for climate change.
Physical Risks	Counter-cost the top 40% of our own brand contributing lines with alternative manufacturers by end of FY23	% of products by contribution with an alternative manufacturer plan in place	To migitate the risks of coastal inundation and extreme heat we plan to counter cost the top 40% of our own brand contributing lines with alternative manufacturers to provide us with an alternative partner, should our current partner become unavailable.
Physical Risks	Ensure top manufacturer by contribution has risk mitigation in place in line with 2050 projected floodplain by end of FY23	Risk mitigation in place Y/N	Following our analysis as part of TCFD we plan to share the projected floodplain information with our manufacturers to help them mitigate their potential physical risks in their locations.
Climate-related Opportunities	90%+ Sports Direct GB stores with a lease of 2 years or more and no planned fixed break to be fitted with LED lighting by end of 2023	% of Sports Direct GB stores with LED lighting	Lighting was identified as the greatest energy reduction opportunity within our estate. We chose Sports Direct stores as a starting point as they are the largest percentage of our estate.
Climate-related Opportunities	Increase our container fill rate by 5% by end of FY23 based on a 2020 base year	Average units per delivery	By maximising the fill rate of our containers we reduce the number of containers transported thereby reducing greenhouse gas emissions and costs related to those deliveries

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Greenhouse Gas Emissions and Energy Consumption

Reporting period	1 May 2021 to 30 April 2022
Baseline year[1]	FY20
Consolidation approach	Financial control
Boundary summary	All entities and facilities globally, either owned or under financial control, were included. Emissions from air conditioning and refrigeration units are excluded due to the cost of data collection. These are expected to be a negligible percentage of scope 1 emissions.
Consistency with financial statements	Organisations are encouraged to align information to financial years, to aid comparability and consistency of information with financial performance. SECR reporting has been prepared on an annual basis to 30 April 2022, which is aligned with the financial year of Frasers Group. The difference in emissions of these date ranges is expected to be negligible.
Emission factor data source	DEFRA (BEIS) 2021 has been used for all emissions sources.
Assessment methodology	The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. Scope 2 reporting uses the market-based calculation approach.
Estimations	18% of the energy data (kWh) and 16% of the emissions data (FY20: 10.3% of the energy data (kWh) and 7.6% of the emissions data) used to prepare these results is based on estimations or extrapolations, as calculated by a third-party provider.
Intensity ratio	Emissions per £m of revenue

(1) Due to the impact of Covid-19 the base year chosen for all future SECR comparisons is FY20 (1 May 2019 to 30 Apr 2020)

The Group has engaged a third-party provider to assess emissions and energy consumption for the periods reported in these results.

Scope 1 emissions comprise the emissions associated with the combustion of fuels by the Group, as well as additional emissions sources such as transport fuel. Scope 2 emissions comprise the emissions associated with electricity consumption by the Group, as well as emissions from any generated electricity. Scope 3 emissions are other indirect emissions occurring as a consequence of the activities from sources not owned or controlled by the Group, including indirect transport from travel in employee-owned cars and lease/hire cars not owned by the Company, transmission and distribution losses and well to tank losses. The non-UK emission factors are those published by IEA and specific to each country.

CO2 equivalent factors are used, which ensures we have reported on all of the emission sources required under the Companies Act 2006 Regulations. Consumption considers all Group companies and no adjustments have been made to comparatives for prior periods for subsidiaries newly acquired in the period.

The Group's CO2 emissions and supporting metrics are detailed in the following table:

Year	FY22	FY20
Scope 1 CO2 emissions (tonnes)	38,913	20,987
Scope 2 CO2 emissions (market based) (tonnes)	40,077	68,162
Scope 3 CO2 emissions (tonnes)	13,081	7,550
Total Scope 1, 2 and 3 emissions (tonnes)	92,071	96,699
CO2 emissions (tonnes) / £m turnover	19.2	24.4
CO2 emissions vs turnover Index (2020 = 100)	78.7	100

74.7% of Scope 1 and 2 emissions relate to the UK and UK offshore areas.

The table below shows the Group's energy consumption. Scope 1 consumption relates to the consumption of fuel and consumption from facilities operated by the Group. Scope 2 consumption is based on the amounts of electricity purchased through the period, as well as heat and steam the Group generates for its own use.

Year	FY22	FY20
Scope 1 consumption (kWh)	184,646,729	101,337,897
Scope 2 consumption (kWh)	305,169,539	276,618,984
Total Scope 1 and 2 consumptions (kWh)	489,816,268	377,956,881

The majority of the increase is due to the later part of FY20 being impacted by the Covid-19 pandemic.

The table below shows energy consumption for the UK and UK offshore areas only:

Year	FY22	FY20
Scope 1 consumption (kWh)	156,504,302	80,667,717
Scope 2 consumption (kWh)	224,494,586	195,475,533
Total Scope 1 and 2 consumptions (kWh)	380,998,888	276,143,250

Frasers Group is committed to responsible energy management and sustainability, which it practises throughout the organisation where it is cost effective to do so.

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During the reporting year the Group has implemented the following energy and carbon efficiencies across the organisation, to ensure that energy consumption and associated emissions are reduced:

- Energy consumption for each Retail site in the UK is monitored, to make sure they are operating in an efficient way and to ensure that levels are reducing.
- We continue to upgrade fluorescent lighting to LED. for the Retail sites all opportunities to replace lighting during a refit were taken and the resulting consumption has reduced by c. 52% for those sites that have had a full refit of lighting to the latest LED technology.
- Face-to-face meetings with colleagues and suppliers have reduced through the increased availability of video conferencing thereby reducing the amount of travel and further reducing Frasers Group's carbon footprint.
- We are implementing mini Building Management Systems that are highly flexible based on common industry standards and provide excellent energy savings.
- We are using additional submetering within sites and properties, to improve real-time energy consumption and promote granular in-depth review of facility energy data.
- Heating and ventilations systems are undergoing trials that include retrofits to improve energy efficiency.
- We are implementing voltage optimisation projects that provide cost-effective solutions and deliver optimised supply voltage.

A number of other energy efficiency measures are under consideration for implementation during the next reporting year.

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SECTION 172 STATEMENT

The Board confirms that, during FY22 it has acted in the way it considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s.172(1)(a)-(f) of the Companies Act 2006. This statement sets out the matters considered under each subsection of s.172(1)(a)-(f) and provides cross references to where further information can be found in the Annual report. The areas the Board focused on during the year and the key decisions made are set out on page 65 to 71 and our report on stakeholder engagement during the year is on page 66.

A. The likely consequences of any decision in the long term

When making key strategic decisions, the Board takes into consideration the strategy, purpose, values and culture of the Group. The Board is focused on the sustainability of the Group and mindful of the impact the decisions may have on this objective. for each matter, it also considers the likely consequences of any decision in the long term, identifying stakeholders who may be affected and carefully considering their interests and any potential impact part of the decision-making process may have. During the year, the Board has made decisions based on Board papers, presentations from senior executives, information documents, discussions with external advisors and reports.

Principal Decisions/Steps:

Key appointments to positions of senior leadership within the Group which included:

Preparation for the transition of Michael Murray who was appointed as CEO on 1 May 2022 as part of the Board's long-term succession planning. The Board felt Michael had proved himself to be a valuable asset to the business, as an external consultant in relation to property matters and the elevation of the physical store estate. More recently, in his role of Head of Elevation, he has built up a strong rapport with a number of key brands.

The approval of the appointment of Dave Al-Mudallal and Sean Nevitt as Chief Operating Officer and Chief Commercial Officer respectively, so that more focus can be placed on areas of the business that will add value and contribute to the ongoing Elevation strategy.

The decision to continue the share buyback programme was also key during the financial year to demonstrate that the Board continues to maintain confidence in the performance of the Group.

The Board continued to be acquisitive throughout the year. The acquisition of Studio Retail Limited was of strategic importance to the Group due to its credit offering which is an area that the Group is keen to explore for its other fascias. SRL's expertise in this regard will provide valuable insight for the Group.

B. The interests of the Company's employees

Details of the initiatives and engagement with our colleagues is detailed in the Workers' Representative report, the Our People report and the Directors' report.

Principal Decisions/Steps:

The Non-Executive Workforce Director remains the primary method that we use to ensure that colleagues are listened to and responded to by somebody who fully understands their situation. Cally Price remains the Workers' Representative on the Board and retains full control of the colleague welfare portal.

The Group has also implemented a new e-learning and development programme which includes a new learning platform for colleagues which not only covers regulatory learning, including data protection, but also personal development and wellbeing courses that can be used outside the business.

It has also been decided that a Leadership Academy that provides professional accreditation and fosters home grown talent from within the organisation should be offered. This allows us to invest in our people and retain our talent, which helps with the long-term planning and sustainability of the Group.

C. The need to foster the Company's business relationships with suppliers, customers and others

The Group aims to develop and maintain mutually beneficial business relationships with all our suppliers and government agencies and other stakeholders. Details of the Company's business relationships with suppliers, customers, regulators and lenders are set out in the Corporate Governance Report.

Principal Decisions/Steps:

- Our new loyalty programme has been launched.
- We have increased the available customer service contact channels for our customers to provide greater choice.
- We are focusing on increasing the number of satisfaction surveys to assist with our strategy of improving overall customer satisfaction.
- Reworked operating hours, to be aligned to customer demands and activity.

D. The impact of the Company's operations on the community and the environment

The ESG report on page 33 details the initiatives we have undertaken in sustainability and the community.

Principal Decisions/Steps:

- We have developed and published our ESG policy.
- The Group has signed up to the textiles 2030 initiative to address sustainability issues within the supply chain.
- We have developed extensive metrics and targets around TCFD reporting (see page 40).
- The Group has responded to the SBTi's urgent call for corporate climate action, by committing to align with 1.5°C and net-zero through the Business Ambition for 1.5°C campaign.

As part of our sustainability plans, the Group has launched a pilot – the ReLived Scheme, which is aimed at recycling used clothing so it can be redistributed to the people in the communities that need it the most. We are also supporting the Bumblebee Conservation Trust and have launched a campaign to save the bumblebees.

E. The desirability of the Company maintaining a reputation for high standards of business conduct

At all times we endeavour to adhere to strict Corporate Governance standards. The Board continues to comply with the Corporate Governance Code as well as industry best practice.

Principal Decisions/Steps:

Following recommendations from external consultants, the Board approved the review and elevation of the Group's internal policies and procedures to bring them into line with industry standards and best practice. These new policies and procedures implement greater levels of transparency within the business.

F. The need to act fairly as between members of the Company

All shareholders of the Company hold ordinary shares which attach the same rights and benefits. We ensure that all shareholders have the opportunity to express their concerns to the Board throughout the year, with the existence of our investor relations contact on the Group's website, and endeavour to respond when appropriate. The AGM allows an opportunity for shareholders to ask questions and to discuss issues in more depth.

Principal Decisions/Steps:

The Group recognises that the interests of our institutional investors and other shareholders may not always align with that of our majority shareholder. As a result, certain resolutions at the AGM are required to pass on a majority of independent shareholders vote.

The Group invites and analyses feedback from investors in relation to their votes on resolutions put forward at the AGM as well as internal policies. This feedback is routinely presented to the Board for consideration during its decision making and long-term planning.

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PRINCIPAL RISKS AND UNCERTAINTIES

Our Risk Management Framework

The Board has overall responsibility for the effectiveness of the Group's systems of risk management and internal control. These systems are intended to manage, rather than eliminate, the risk of failing to achieve business objectives, and they provide reasonable but not absolute assurance against the risk of material misstatement or financial loss.

The Audit Committee supports the Board with discharging its responsibilities, under a delegated authority. The Chief Executive Officer has overall accountability for managing risks in the business, and his direct reports are accountable to him for effectively managing those risks within their remits.

The Group's risk management framework comprises a top-down and bottom-up approach to risk identification, evaluation and mitigation. Principal risks are discussed and agreed by executive management through the Compliance & Risk Group and by the Audit Committee on behalf of the Board. The Board and/ or its sub-committees discuss each principal risk at least annually and receive presentations and detailed risk reporting from risk owners on a cyclical basis. Risk owners re-evaluate principal risks in advance of each Compliance & Risk Group discussion. Any changes are reported to the Audit Committee, as part of our Group Risks Profile reporting.

The Compliance & Risk Group provides connectivity between executive management's responsibilities for risk management and internal controls and the oversight roles of the Audit Committee and the Board. It facilitates cross-functional discussion and collaboration across principal risk areas and matters of internal control. It also facilitates horizon scanning, emerging risk discussions, and challenges the appropriateness of internal controls and their effectiveness. The Compliance & Risk Group's activities are reported formally to the Audit Committee. Our Steering Groups also report formally to the Compliance & Risk Group, completing our governance structure.

Our approach to risk management is illustrated below:

RISK MANAGEMENT FRAMEWORK		
Board | Audit Committee | Sub-committees		
Compliance & Risk Group		
Steering Groups		
THREE LINES MODEL		
First line	**Second line**	**Third line**
Management	Compliance & other assurance functions	Internal Audit
RISK	CONTROLS	ASSURANCE

Operational teams and Functional level risks

Risk Identification

We have continued to identify and assess both our principal and functional risks with management which has enabled us to further develop our risk management framework. Horizon scanning and emerging risks form part of our structured compliance and risk group discussions.

Risk Controls and Responses

We have continued to enhance clear definitions relating to controls assessment, probability and impact, to ensure our risks are clearly prioritised in line with our defined risk appetite across each of our principal and functional risks.

Governance and Monitoring

The responsibility for identifying, assessing and managing risks resides with management at a functional and executive level. The Compliance and Risk Group provides reports and detailed evaluation of key principal risks to the Audit Committee. The Audit Committee on behalf of the Board, undertakes an annual effectiveness assessment of the risks and internal controls of the Group.

During the period, the Audit Committee, on behalf of the Board, has: undertaken a full review of the Group risk register and received risk owner presentations, detailed risk reporting and summary update reporting on the Group's principal risks profile, for further discussion and challenge.

Audit and Assurance

We have a number of assurance functions that provide second line monitoring and controls assessment e.g. Health & Safety, Digital risk, Information Security and Retail Support.

Our Group Internal Audit function provides independent assurance that controls are working effectively and reports its findings to management and the Audit Committee as per an agreed annual audit plan.

Principal Risks and Uncertainties

These are defined as our most significant risks that could affect our strategic ambitions, future performance, viability and/or reputation. Principal risks are cascaded to operational teams and central functions for discussion and action on risk mitigations, as part of operational risk management activity. Operational risk management facilitates the elevation of risks to the Compliance & Risk Group, for onward reporting to the Audit Committee.

Board Review

The work of the Audit Committee and the Internal Audit & Risk team has been presented to the Board for discussion. The Board is satisfied that the Group's systems of risk management and internal control (including financial, operational and compliance controls) have operated effectively during the financial period, up to and including the date of this report, and no significant failings of internal control were identified during the period. The Group is committed to continuously improving its risk management framework and methodology, in line with regulatory standards and the Group's Elevation strategy.

Assessment of Principal Risks

We have carried out a robust assessment of our principal and emerging risks in the period and our principal risks profile has been updated to reflect where our risks have changed.

We have continued to respond well to the on-going challenges presented by the Covid-19 pandemic in light of the uncertainty around lockdowns in Europe and new variants during the period. The effects of the pandemic on economies and society at large were more prominent than expected and we remain cautious with a number of well publicised macroeconomic headwinds on the horizon in the form of but not limited to cost increases, supply chain issues and potential squeezes on consumer spending power.

Environmental, social and governance (ESG) issues feature more prominently in our disclosures. Climate and sustainability risks have remained an integral part of our commitment to ESG and our business operations, but have previously been incorporated into our broader disclosures on corporate and social responsibility.

The following risks and mitigations are an extract from our principal risks profile and are not presented in any order of priority. Principal risks are those which we consider pose a threat to our business model, future performance, prospects and/or reputation.

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Reference To Strategy

1 Building excellent relationships with the World's best brands

Elevation in our digital offering

Elevation of our physical stores

4 Enablers : People, Training, Brand, Communication, Systems, Automation, Data

Risk Trends

↑ Increasing

↔ Unchanged

↓ Decreasing

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PRINCIPAL RISKS

Strategy

The Group continues to deliver its Elevation strategy, which focuses on the brands we sell, our digital offering and our physical stores. Our vision is to become the elevated multi-channel platform for sports, premium and luxury brands.

We continue to deliver well against all aspects of our strategy, and the on-going support of our key partners and investors for our strategy has enabled this risk to reduce over the past 12 months.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
↓ 1 4	We fail to deliver our strategy efficiently, effectively and on a timely basis, or we adopt the wrong strategy, which impacts our long-term growth, performance and ambition.	• The Board and senior management set and agree the Group strategy and undertake both regular and detailed reviews. • Our Group is diverse in terms of geography and product and executive management is able to respond to strategic opportunities and challenges with agility, to maximise achievement of our strategic ambitions. • We continue to evaluate strategic brand acquisitions, to provide product and choice in line with our brand strategy and add attractive locations to the store estate. • Effective management of our property portfolio supports our elevated direction. • We monitor our performance, markets and competition on an ongoing basis. • Our strong financial controls, reporting and analysis help to optimise resource allocations, maximise profits and cash flow and support efficient and effective strategic delivery. • We perform ongoing research for insights into consumer trends. • Ongoing internal and external communication of our strategic direction supports understanding, engagement and effective delivery.

Third-Party Brand Relationships, Key Suppliers and Supply Chain Management

Key brands, brand suppliers and major manufacturers are central to our business and Elevation strategy. Our strategic acquisitions and business model aim to bring attractive brands into the Group, to support customer demand and choice.

Our supply chain is international and is subject to stringent management of supply chain logistics and working capital, we continue to navigate through the well-publicised global supply chain issues to ensure the flow of product is in line with our strategic ambition.

We have continued to strengthen our brand and supplier relationships during the pandemic, demonstrating the strength of our business model and strategic performance. This also supports new product availability, in line with our elevation ambitions.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
↔ 1 4	We fail to manage and leverage our supplier and brand partner relationships successfully, to secure the right products for our business at the right price and quality, and to meet or exceed our customers' expectations. Failure to mitigate these risks might impact our elevation targets, performance and long-term growth.	• The Group has a policy of forging close long-term commercial relationships, which are underpinned by our commitment to product, elevation and customer excellence. • The Elevation strategy targets forging stronger relationships with key brand partners, and this continues to be an ongoing priority. • Dedicated relationship partners, procurement and commercial teams support truly integrated supplier engagement. • The Group utilises two leading supply chain companies to procure much of its own-brand products. A Group-owned supply chain entity further diversifies risk. • Our stock levels supported our ability to trade through the Covid-19 pandemic and supply chain delays. We have continued to secure ongoing supplies, due to the depth and breadth of our commercial relationships. • Suppliers sign-up to the Group's Supplier Manual, which enables us to monitor and benchmark supplier performance. • Strong service level agreements are in place, which help to support an effective supply chain network. • Our own-brand investment targets consumer trends and complements third-party brands, supporting consumer choice. • Influencer partnerships and brand collaborations provide opportunities for own-brand growth. • Electronic Data Interface (EDI) capability improves our process efficiency through the commercial cycle and enhances supplier engagement through a dedicated supplier portal.

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Global Macro-economic Conditions, Events (Pandemic) or Political Factors

The current geo-political events and the on-going global pandemic are core aspects of this risk in the period under review. We also monitor global and national political change on an ongoing basis, for impacts on our strategy and supplier networks. These are external events and we respond well to those factors we can control. The strength of our business and our performance enables us to generally absorb the broader indirect economic impacts associated with these risks (including the challenging economic conditions at present, with inflationary pressures and increased energy and cost of living) although we remain cautious at all times.

The current macro-economic pressures and geo-political events occurring in Eastern Europe have clearly increased this risk and we continue to monitor these events and the potential impacts on the Group.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
1 ↑ 4	Failure to anticipate, evaluate or appropriately respond to external events, or broader global/macroeconomic conditions, events (pandemic) or political factors, may risk the achievement of our performance targets, impact our strategic direction or longer-term viability, or result in lost opportunities for growth.	**Pandemic:** • We have continued to implement effective response procedures, with Board oversight and prioritisation. • Our mandated safe working and operating standards prioritise colleague and customer wellbeing. • We deployed new safety requirements quickly, with external validation and ongoing evaluation, review and monitoring. • Investments in our online capability and customer service delivery support our accelerated growth in e-commerce. • Effective supplier and supply chain management optimises working capital and leverages and strengthens our commercial relationships. • Effective management of cash flows and committed facilities supports our liquidity, long-term viability and trading partner support. • We conduct ongoing scenario analysis, with timely reporting to management. • We leverage opportunities for investment, through strong management oversight. **Monitoring of economic and political change:** • We ensure ongoing financial and commercial evaluation of economic and political change, with senior management oversight and Board reporting. • The executive-led Compliance & Risk Group holds emerging risks discussions, with oversight reporting to the Audit Committee. • Immediate online closure of sanctioned countries for deliveries or trade through our web platforms was actioned during the current conflict.

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Treasury, Liquidity and Credit Risks

Short, medium and long-term funding arrangements support our business operations and our ability to meet our financial obligations and deliver our strategic ambitions.

Funding availability remains a principal risk but the overall risk level trended downwards towards the end of the period, based on our trading performance and strategic delivery through the height of the pandemic and the successful refinancing of our Group facility to 2024, however with the acquisition of Studio Retail Group, we remain cautious of our exposure to credit risk in respect to 'Credit customer receivables' and therefore the overall risk remains unchanged.

Interest rate risks arise on net borrowings. Foreign exchange risk arises from international trading, future sales and purchases in foreign currency, loans to non-UK subsidiaries and unhedged options to buy or sell foreign currency. Credit risk arises primarily through our Wholesale and Licensing customers and there is some level of counter-party risk exposure, although we do not consider this to be material.

Risk Trend and Links To Strategy	**Risk**	**Controls and Mitigations**
1 ↔ 4	Failure to appropriately manage our funding and liquidity positions and secure access to funding markets might impact our plans for growth, the ability to manage our trading requirements, meet longer-term liabilities and the ongoing viability of our business.	• Our Board reporting on debt, covenants, funding and cash flow positions includes stress testing and extensive business risk scenario analysis, including Brexit, Covid-19, mandated store closures and related costs. • The Group Treasury function manages liquidity, interest rate and foreign exchange risks. • The Group treasury policy, with Board oversight, outlines delegated authorities for operation, monitoring and reporting. • We have refinanced our Group facility until 2024 with an option to increase the term by an additional two years. • Ongoing monitoring and reporting of going concern and viability are part of our standard suite of internal and external reporting. • Our hedging strategy is reviewed and approved annually as part of our treasury governance, with hedging activity reported to Board. • Investments of surplus cash, borrowings and derivative investments are made under pre-approved investment criteria. • We use forward foreign currency contracts to hedge against highly probable foreign currency trading transactions. • We conduct regular monitoring of customer and counter-party credit risks.

See note 3 to the Financial Statements for further detail on financial risk management.

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Customer

Customer engagement and retention is vital to our Group, whether through our physical stores or online. Continuing to harness customer value and loyalty consistently across the Group is complex as it is underpinned by our product offerings, price and service.

We have enhanced our e-commerce offering and significantly improved our customer experience through our Elevation strategy, as well as our customer service and the underlying platform for our digital business.

We continue to strengthen our elevation through our new concept stores and flagship multi-fascia offerings.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
1 ↔ 4	Failure to anticipate and respond to customer needs or changes in consumer trends and spending, or to drive and deliver customer service excellence, may impact our growth, value, reputation and strategic ambition.	• We conduct ongoing monitoring of customer insights and competitor and market trends. • We review and update our customer policies periodically which enables us to respond to and drive our customer-led strategy. • Continued investment in our customer service offering, systems and communication enables us to understand and improve our customer experience, working across all channels including social media. • We continue to develop and invest in our online offering, in line with customer demand. • Ongoing enhancement of our ESG agendas supports our strategy, in line with our customer focus.

Legal and Regulatory Compliance

The legal and regulatory landscape in which we operate is constantly changing. Our commitment to delivering robustly on our obligations is central to our culture and values.

We have increased our assessment of this risk in the period, based on factors which continue to impact the legal and regulatory landscape in which we operate. We are conservative in our assessments and are confident in our ability to manage these risks effectively. The trend we are reporting recognises anticipated changes through our horizon scanning and emerging risks evaluations, until we have implemented our response plans.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
4 ↑	An action or incident may occur which results in a legal or regulatory breach and which impacts our business financially, commercially or reputationally and/or may result in litigation.	• Our experienced and qualified in-house Legal team provides core services and advice as well as oversight of new and emerging legislative and regulatory requirements. • External advisers provide additional services and training in specialist areas, as required by the business and legal team. • Key legislative and regulatory compliance risk areas are prioritised (including but not limited to), FCA regulation, GDPR/ data protection, health and safety, IP rights, Listing Rules and Trading Standards as an ongoing priority. • Our Code of Conduct supports our ethics, behaviours and culture, and our regulatory policies include, for example, Anti-Bribery & Corruption, Corporate Gifts & Hospitality and Conflicts of Interest. • We review the approach and content of mandatory induction, policies and ongoing training across relevant areas, for all colleagues. • The Legal team is a key contributor and adviser to the Compliance & Risk Group.

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Technology Capability and Infrastructure Renewal

We operate in a competitive and challenging customer-focused market. Our systems need to be built with customer experience at the forefront, supporting an end-to-end supply chain logistics service. Technology is constantly evolving and managing change and transformation in this environment is a key focus.

We have invested heavily in our automation, enhancement of IT platforms and delivery capabilities, which support a modernised online and in-store customer experience, built on resilient infrastructure.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
↔ 1 4	Failure to maximise the use of our existing technology or to renew our infrastructure in a timely and effective way may affect our ability to keep up with the pace of change and deliver our strategic ambition.	• We continue to develop our Group technology strategy, which is aligned to the business strategy. • Our forward programme of infrastructure renewal enables us to operate our business efficiently and support our ability to compete. • Our streamlining and decommissioning programme supports acquisitions and integration activity. • Investments in our online trading capabilities, warehouse management systems and in-store technology enhance the end-to-end customer experience. • Our experienced Technology team, supported by ongoing skills training, helps us to keep abreast of emerging technologies and customer-leading insights. • We develop an ongoing cycle of internal training programmes to support effective use of existing and new technologies across our businesses, as they are introduced. • Strengthening our information security capability has enhanced our transformation programme, our strategic technology delivery and the robustness of our second-line oversight.

Cyber Risks, Data Loss and Data Privacy

Attempts to attack or gain unauthorised access to systems and data are becoming increasingly sophisticated. Our systems are critical to our operations and trading. We have legal and commercial obligations to protect the security and privacy of the data we hold and process.

We combine the continued investment in our digital offering, automation and technological change with the strengthening of our people and in-house capabilities, to deliver on our risk mitigations.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
↔ 4	A cyber-attack may result in data loss and/or denial of service, impacting our business financially through fines and penalties or lost trade, as well as our reputation and our ability to operate. Failure to adequately protect our processes and the data we hold may result in legal or regulatory breach, loss of trust and financial loss.	• We have strategies and policies in place to support our IT security, with continued development and review. • We collaborate closely with our industry leading service partners, who provide core services beyond our in-house capabilities. Capability delivery, security and savings are core drivers. • Protection tools, including encryption, and detection tools are in place to support effective monitoring and reporting, and are reviewed regularly. • We have enhanced our information security capabilities and strengthened our second-line monitoring. • We conduct an annual external review of our cyber infrastructure and penetration testing across the Group. • Strengthening our data protection mandate, enhancing our policies and procedures and ongoing internal training help to mitigate data protection and privacy risks and support delivery of our change and transformation programme. • We have an ongoing programme of security and privacy monitoring across our Group and extended enterprise. • Our in-house Legal team supports second-line monitoring and reporting of legislative compliance. • We have continued to invest in data protection training and communications (and local legislative equivalents in our overseas operations). • We routinely action and retain Data Protection Impact Assessments.

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Business Continuity Management and Incident Response

Our Head Office and Distribution Centre at Shirebrook and our e-commerce activity are critical to our business operations. There is an ongoing and increasing reliance on the availability of technology across our Group. We need the ability to respond to incidents effectively and on a timely basis, to ensure continuity of operations and trade.

We have continued to invest in our warehouse automation and develop appropriate documented contingency strategies allowing this risk to move downwards over the period.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
1 4 ↓	Failure to respond effectively or on a timely basis to operational or IT incidents or events might impact the Group financially through lost revenue or have a reputational impact, based on our capability and communications.	• Our business continuity plans are fully documented and are scheduled for continual review, revision and testing as required. • Our governance structure supports agile incident response, with clear roles, responsibilities and reporting lines. • Annual external review and challenge of our processes supports our commitment to continuous improvement. • Ongoing training supports good practice and knowledge sharing for continuity. • Internal and external communications, marketing and PR capabilities are integral to our incident response plans. • Recovery prioritisation of IT systems and processes forms part of our business impact analysis review. • We have recovery time targets for both critical and normal service functions. • Critical recovery capabilities align to our appetite and controls, supported by appropriate insurance cover.

Group Entities and Extended Enterprise

Our Group is complex and extensive and includes oversight of our third-party and extended enterprise partners and suppliers. We are committed to ensuring we have the right levels of transparency, consistency and monitoring across our Group, to enable effective oversight in line with our values and culture.

We have an appetite for acquisitions as part of our strategic growth agenda. Our integration strategy continues to be developed to support ongoing efficient and effective acquisition engagement and management.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
1 4 ↔	Failure to effectively monitor activities across our Group entities, partners and suppliers, who form part of our extended enterprise, may result in financial, reputational or legal compliance issues.	• Transparency across our Group and extended enterprise and its changes is an ongoing priority. It is subject to regular review and discussion and forms part of our risk management framework and reporting. • Oversight roles and responsibilities across our Group structure support risk-based functional monitoring and assurance. • We maintain strength in our supply chain management and supplier and partner relationships. • Risk and controls reporting across the Group is subject to continuous improvement, including self-assessment processes for confirmation of compliance with key policies, controls and other Group requirements. • Governance and monitoring are in place for new investments, acquisitions and opportunities. • The Group Internal Audit team is developing third-line monitoring to support the broader internal controls framework across the Group.

People, Talent Management and Succession

Our business benefits from strength and depth of knowledge, talent and experience, which has long been pivotal to its success. Retaining and protecting this talent, providing for succession and an ongoing programme of attracting and developing new talent is core to our people plans and objectives.

We have made significant progress in the period in this area and when new initiatives have time to embed, we expect to see this risk trend decrease. However, the current pressures on the national labour market throughout the retail sector has increased our risk over the period.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
↑ 1 4	*Failure to attract, retain or develop talent across our business and* implement effective succession planning might impact our ability to achieve business and strategic objectives and the efficiency of our growth transformation.	• Continued development of strong trainee management and apprenticeships programmes supports our future talent pipeline. • We recruit externally to fill capability gaps necessary for our growth and transformation. • We prioritise internal development and promotion wherever possible and actively encourage cross-functional experience. • A new 'fearless focus' appraisal system has been introduced, with clear expectations for performance, opportunities for development and broader succession planning. • A six pillar People Framework supporting performance and talent recognition is now in place across the Group. • An internal recruitment mandate operates, with improvements in onboarding and applicant tracking. • We have created core principles and a colleague value proposition that share the Group's values and ambitions for our people, with an elevated and re-energised website to attract talent. • A new recognition and bonus structure has been launched, recognising and rewarding people who continually adopt our core principles. • The Workers' Representative is a Board Director, who supports communication channels and gives our people a voice at the highest level in our business. • We have a strong strategy for diversity and inclusion and people support. • We have made significant investment into learning and development, supporting internal progression and overall organisational capability.

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Environmental, Social & Governance (ESG)

Tackling climate change is a global imperative and the resulting increase in regulation is a key focus area for the Group.

Measures which support climate change initiatives and our wider ESG agenda continue to be key components of our strategic direction, supporting sustainability, the broader social agenda and consumer choice.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
↔ 1 4	Failure to maximise our position and value relating to ESG factors might impact our ability to achieve our growth, value, reputation and strategic ambitions.	• We have Board-level engagement and an Executive sponsor of our ESG agenda. • Sustainability continues to be embedded throughout the business and is a continued area of focus for the Group. • Dedicated operational leadership continues to drive project and programme initiatives and engagement through our supply chain. • Appointing our Group Carbon Reduction Manager shows our commitment to tackling climate change. • We have evaluated our risks and opportunities around climate change and our TCFD disclosures provide further details on this. • We have an environmental policy in place, which has been reviewed and approved by the Board. • We have energy efficiency targets, monitoring and measurement, with external specialist support and league tables with reward mechanisms to drive this forward. • We continue to launch ranges and products that drive responsible and sustainable purchasing decisions. • Our community initiatives support the provision of vouchers to schools and organisations to allow purchases of discounted sportswear. • Review and ongoing development of the Group Code of Conduct supports our values and colleague engagement and includes a standardised framework for supplier onboarding. • We are constantly working with our partner brands and suppliers to encourage more sustainable practices.

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Property

The retail landscape continues to see significant changes with a high volume of retail properties vacant due to the high level of retail insolvencies and retailers moving away from bricks and mortar to e-commerce due to the shift in consumer behaviour, which has further increased due to the Covid-19 pandemic.

As a result of the above, both the value and value in use of retail properties has declined.

Risk Trend and Links To Strategy	*Risk*	*Controls and Mitigations*
↔ 4	There is a financial risk to the Group if our commitment to a lease or the value of our freehold properties decline, where high vacancy rates make the area less attractive for our consumers and drive less footfall to our stores.	• For new store leases we actively engage and work with our landlords to support rents that are flexible and linked to store turnover. • We aim to align rent free packages and capital contributions from landlords to reflect the elevated store fit outs. • As retail units become more affordable, we look to move into more prime locations with more footfall and consumer resilience. • We are actively reviewing our lease portfolio and looking to renegotiate with landlords in relation to underperforming stores. • The freehold estate is actively managed by the property team and we will look to dispose of sites which are not aligned with the Group's strategy or where there is a commercial benefit to the wider Group.

The Strategic Report has been approved by the Board and signed on its behalf by:

Chris Wootton

Chief Financial Officer

20 September 2022

VIABILITY STATEMENT

The 2018 UK Corporate Governance Code requires the Board to express its view of the long-term viability of the Group and assess the Company's prospects, capital management and principal risks.

Accordingly, the Board regularly carries out thorough and robust assessments of the risks, including stress testing the Group's resilience to threats to its business model, strategy, future performance and liquidity and the risks identified in the Principal Risks and Uncertainties section of this Report, together with the steps the Group has taken to mitigate them. In addition, the Board regularly reviews the performance and financing position of the Group and its projected funding position and requirements.

The Group continues to face the challenges that the pandemic, Brexit, supply chain issues and changing consumer behaviour are having on the retail industry.

The Board chose to review these over a three-year period to 27 April 2025. This period is covered by the Group's combined term loan and revolving credit facility (on the assumption the extension is granted). Management is satisfied that a three year period is appropriate to review performance, as it best reflects the short-term budgeting and planning process of the Group, the longer-term forecasting and the expected timescales for strategy implementation. The process adopted to prepare the model for assessing the viability of the Group involved input from a number of departments across the business to model a conservative scenario.

The Board has considered all the risks included within our Principal Risks section as they could all have an impact on performance. However, with regards to viability, we have focused on those which are the greatest risk:

Global Macro-economic Conditions, Events (Pandemic) or Political factors

We have:

- reviewed the continuing impact of the pandemic on the Group's sales and margin in relation to both store and online revenue; and
- reviewed the continuing impact on costs due to Brexit.

Third-party Brand Relationships, Key Suppliers and Supply Chain Management

We have:

- tested the business model's resilience to changes in the retail market and responses to variability in sales and margins;
- taken into account further consumer shift from bricks and mortar to online;
- forecast the impact of key suppliers going direct to consumer;
- reviewed the arrangements with key suppliers; and
- forecast and modelled increased costs associated with supply chain issues.

Treasury, Liquidity and Credit Risks

We have:

- reviewed the Group facility and its suitability for the Group's cash flow cycle and liquidity requirements; and
- reviewed the Group's hedging strategy.

Viability has been assessed by performing sensitivity analysis and stress testing of the Group's FY23 budget and forecast for the viability period prepared by management. This comprised a recent review by the Board of a number of scenarios in which the Group's income statement, balance sheet and cash flow forecasts were stress tested to determine how much the Group's trade would need to be affected in order to breach the Group's covenants (being interest cover and net debt to EBITDA ratios). These scenarios, the occurrence of which are deemed to be highly remote, include:

Scenario 1:

The Frasers Group operations as a whole are impacted by a material and unexpected reduction in demand (e.g. future pandemic), we materially fail to manage brand partner relationships resulting in trade being impacted for a period of time (e.g. loss of key suppliers) or there is a significant impact due to the economic downturn globally due to reduced customer confidence resulting in lower spending.

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Assumptions:

- a further decrease in sales of 10%, margin remaining consistent with original budget and direct costs falling in line with sales.

Scenario 2:

Our supply chain continues to be affected across the Group by the impact of Covid-19 and Brexit, with logistics costs significantly increased for both ourselves and our suppliers who pass on the increased costs impacting our margin or there is a significant impact due to the economic downturn globally due to customers being more price sensitive.

Assumptions:

- the gross margin percentage reducing by a further 2% across the Group, with other assumptions remaining consistent with the original budget.

Scenario 3:

- this is a combination of scenarios 1 and 2 above and is seen as the worst-case and highly unlikely.

This scenario testing indicated that the business could withstand a sustained decline in sales and gross margin and, through the use of mitigating actions, remain within its financing facilities and covenants.

On 30 November 2021 the Group refinanced its existing borrowings and entered into a combined term loan and revolving credit facility of £930.0m for a period of three years, with the possibility to extend this by a further two years. This facility increased to £940.0m as at 24 April 2022 and to £980.0m subsequent to the period end.

The Group has consistently created strong operating cash flows from underlying trading and has an appropriate hedging strategy to meet currency risks. There have been no post balance sheet changes to liquidity.

The impact on the projected cash flow as a result of the conservative model has been reviewed, if required management has a number of mitigating actions which could be taken such as putting on hold discretionary spend, liquidating certain assets on the balance sheet, or reductions in labour and marketing costs.

Based on its assessment, the Board has a reasonable expectation that the Group will be able to continue operating and be able to meet its liabilities as they fall due for a period of approximately three years.

The Viability Statement was approved by the Board on 20 September 2022, and signed on its behalf by:

Chris Wootton

Chief Financial Officer

20 September 2022

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GOVERNANCE

CORPORATE GOVERNANCE REPORT

Chair's Introduction

As Chair, my primary role is to ensure that the Board effectively sets and implements the Company's direction and strategy. I am responsible for leading the Board to make decisions that will benefit the Group and ultimately its stakeholders. My role is to ensure that we adhere to high standards of corporate governance that will facilitate the continued sustainability of the Group.

Our Non-Executive Directors have a great depth of experience, remain independent throughout all discussions and are rigorous in challenging the Executives in the best interests of the Group. Our Executive Directors understand the Group's values and behaviours. They work tirelessly to retain and grow shareholder value, engage our workforce and promote the Group's strategy.

The Board and the Committees continue to work effectively and collaboratively to ensure the decisions being made drive the Group forward. I would like to thank Board members for their commitment and diligence.

We have continued our efforts to work on improving our environmental impact and sustainability as well as the difference we make in the communities we serve. Further details are included in our ESG report at page 33.

The Board and Audit Committee have worked with the sustainability team as well as external advisors in relation to TCFD reporting. The Board and Committee's have also worked with the Group to set stretching but achievable targets for the Group during the FY23 financial year. The TCFD report is at page 40.

We have also continued to strengthen our governance as part of our ongoing Elevation strategy. Further information regarding our compliance with the Code can be found in our Corporate Governance Statement at page 65.

David Daly

Non-Executive Chair of the Board

20 September 2022

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Report and Statement sets out how the Company has applied the principles in the 2018 UK Corporate Governance Code during its financial period ended 24 April 2022. A copy of the Code is available at www.frc.org.uk.

Disclosures in relation to DTR 7.2.6 (share capital) and DTR 7.2.8 (diversity) are set out in the Directors' Report on page 95 and in the Nomination Committee Report on page 75.

The Board considers that it complied with the majority of the principles and provisions of the 2018 UK Corporate Governance Code for the period ended 24 April 2022. One area in which the Board was not fully compliant was Code Provision 36 which requires that remuneration schemes should promote long-term shareholdings by Executive Directors that support alignment with long-term shareholder interests and that share awards granted for this purpose should be released for sale on a phased basis and be subject to a total vesting and holding period of five years or more. The Executive Share Scheme approved by 86.6% of shareholders' voting at the 2021 AGM has a total five-year vesting period as suggested by the Code but could permit 50% of share awards to vest after four years if our stretching share price targets (a minimum £12 or £15 as relevant maintained for 30 dealing days) are attained within 4 years of the commencement of the plan.

Board Leadership and Company Purpose

The Board

Board changes during the year were minimal, with one director resignation due to a conflict of interest. Despite this, the Board remains stable and well resourced. We are reviewing the Board's size, composition and skillset on a regular basis to ensure that it continues to be fit for purpose and address areas where we can make the most effective changes.

Business Model

Information on the Group's business model and strategy can be found in the Strategic Report on pages 12 to 16.

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Culture

During the year the Board, and the Remuneration Committee in particular, met regularly with the Group Head of People to assess and monitor the culture of the Group, especially as seen from outside the Group. This led to a social media strategy to raise the reputation and profile of the Group to bring in potential future talent. The Group has also developed a newsletter to provide more regular and consistent messaging to colleagues.

Further information on the Group's culture can be found on page 33.

Stakeholder Engagement

Like most companies, the Group has to balance the needs of multiple stakeholders. Stakeholder engagement is integral to the growth and sustainability of the Group. We aim to ensure that we capture the views of as many stakeholders as possible. Whilst we try to accept commendation where appropriate and address criticisms when necessary, we are mindful that this may not always be possible. We recognise that the most important objective in our approach to stakeholder engagement is to balance stakeholder views against other competing factors and accept that it may not always be possible to achieve a satisfactory outcome for all stakeholders. During the year, the Board has made decisions based on the Board papers, presentations from senior executives and discussions with and reports from external consultants. The principal decisions in relation each of stakeholders is contained in the s.172 statement on page 48.

Employees

Please see the Director's report for details of employee engagement.

Shareholders

The AGM provides shareholders with an avenue to have direct access to the Board and senior leadership. The Group resumed physical AGMs in FY21 but also offered shareholders the ability to submit questions prior to the meeting.

Comments from our shareholders are passed to the Board and relevant committees for consideration and analysis. The Executive Directors are also available for questions at all our result presentations and shareholders' opinions are closely monitored through analyst and broker correspondence. Our larger shareholders also have regular engagement with senior executives and a number have visited our Shirebrook site during the financial year. Shareholders also have access to other key representatives of the Group, by using the investor relations contact on the Group's website.

Customers

The Group continues in its effort to provide an elevated customer experience. Our efforts aim to act upon and improve customer feedback. Customers now have the ability to reach out to us through numerous channels and we have started the roll out of self-service options in selected fascias. There have also been improvements to the online help centre to encourage first-time resolutions for the customers who make contact and we have adopted a flexible-working approach to address customer demand during peak times.

The Group has invested in an Operational Excellence programme which is focused on supporting, developing and empowering the Customer Service teams to provide them with the right tools to meet the highest standards of customer service and satisfaction. We have also invested in increasing our Customer Service capacity by establishing an inhouse contact centre in one of the overseas territories in which we operate. The Group has also made significant investments in our digital capabilities and approach to customer service management which we are confident will yield improved results for FY23.

The acquisition of Studio Retail Group, which had a very strong consumer credit team, has also ensured that we can accelerate our proposition of offering our customers more flexible payment options, by utilising this expertise for the rest of the Group.

Suppliers

We aim to engage with suppliers who have compatible values to those of the Group and who provide value for money and high-quality goods and services. The Group prides itself on fostering long-term relationships with our key brand partners to ensure ongoing continuity of supplies to our customers. This includes, where appropriate, making strategic investments in brand partners such as Mulberry and Hugo Boss.

Our own-brand products continue to be produced and supplied by our two gateway suppliers with whom we have a longstanding relationship.

We are currently undertaking a review of our procurement process and policies, to assess our suppliers to ensure that we can meet our ESG commitments and achieve our TCFD targets. Further information can be found in our ESG report.

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Regulators

The Group makes every endeavour to comply with its legislative and regulatory obligations. We regularly liaise with HMRC, the FRC and the FCA in an open and transparent manner. The Finance team and the Board have established regular communications with tax authorities internationally. Our internal tax team has a dedicated contact at HMRC and we have dedicated contacts at other Government bodies, such as Trading Standards.

Lenders

Alongside attending all Board meetings, the CFO is always available to inform the Board of any updates in relation to financial lenders. With the assistance of the Finance team, the CFO ensures that the Group complies with the terms and conditions in its credit facility agreements. The CFO regularly liaises with the Chair of the Remuneration Committee and the Chair of the Audit Committee, to discuss the Group's financial performance. Updates on the Group's financial performance are provided at every Board meeting.

During the year, the Group entered into a new term loan and revolving credit facility that is valid for three years at a value of £930 million with the option to increase the value up to £1.2 billion. As at the date of the release of this Annual report the Group facility was at a value of £980m. This replaces the previous £913m facility.

Community

Details of our engagement with the community can be found in our ESG report on page 33.

Workforce Concerns

Cally Price remains the voice of workers on the Board and provides a direct link with the workforce and Board. She regularly provides the Board with an update on the workforce and brings any pertinent issues to their attention.

The workforce is able to raise awareness of any issue they face by speaking with their line managers or HR. They can also send an e-mail to the whistleblowing inbox if they have concerns around wrongdoing or they can report issues anonymously through the 'Your Company, Your Voice' hotline, which is monitored by Cally Price. There is also an anonymous whistleblowing e-mail address to voice concerns, which the Company Secretary has access to and is responsible for monitoring. Whistleblowing is an agenda item at each Board meeting so that any concerns can be raised to the Board. In addition, the Chair has regular meetings with the Company Secretary on an informal basis, where any whistleblowing reports can be discussed.

Colleagues also have access to confidential wellbeing advice and support through the Retail Trust.

Director Concerns

During the year, no concerns were raised by the Board, or any current or former directors, regarding the operation of the Board or the management of the Group.

Conflicts of Interest

Details of procedures regarding Directors' conflicts of interest, including the Relationship Agreement with Mike Ashley as the controlling shareholder, can be found in the Directors' Report.

Anouska Kapour was appointed to the Board in September 2021, but subsequently took the decision to resign from the Board in December 2021 due to a conflict of interest. No further conflicts from other Board members became apparent throughout the year.

The Board considered whether Nicola Frampton's appointment as Chief Operations Officer of Domino's Pizza Group created a conflict of interest. It was unanimously agreed that as Domino's operates in a separate sector to the Group, that this was not a conflict. Nicola continues to be able to dedicate enough time to her role as a Non-Executive Director, as shown by her Board and Committee attendance throughout the year.

Corporate Governance Framework

The Group has continued with the elevation of its corporate governance framework. The Group has re-drafted and published numerous policies including our Whistleblowing and Anti-Bribery & Corruption policies to strengthen our current internal controls. This work will continue into the next financial year. The Internal Audit team has drafted an audit timetable for the FY23 financial year, reviewing various different departments to ensure internal controls are appropriate.

Division of Responsibilities

The Chair

The Chair leads the Board, ensuring constructive communications between Board members and that all Directors are able to play a full part in the Board's activities. The Chair sets Board agendas and ensures that Board meetings are effective and that all Directors receive accurate, timely and clear information.

The Chair communicates with shareholders effectively and ensures that the Board understands the views of major investors. The Chair also provides advice and support to both the Executive and Non-executive Board members. The Chair continues to meet the independence criteria set out in provision 10 of the Corporate Governance Code.

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The Chief Executive

The Chief Executive provides leadership to the senior leadership team in the day-to-day management of the Group, with an emphasis on long-term goals, growth, profit, and return on investment. He is instrumental in formulating and implementing the Group's strategy. He is the main point of contact between the senior leadership team and the Board and facilitates effective communication and flow of information with the Non-Executive Directors. Michael Murray became Chief Executive on 1 May 2022. Mike Ashley and Michael Murray worked together for a number of months, to ensure a smooth transition into the role.

The Senior Independent Director

Richard Bottomley, OBE, is the Senior Independent Non-executive Director. He works closely with the Chair and provides support to both him and the other Non-Executive Directors. He is also an alternative point of contact for shareholders and is able to assist when necessary if they have concerns. He is also responsible for ensuring that the annual appraisal of the Chair's performance is completed and is supported by the other Non-Executive Directors in this respect and for overseeing the succession planning for the role of the Chair. Richard is also chair of the Audit Committee and has regular contact with the internal finance team and the external auditor.

Role of the Non-Executive Directors

The Non-Executive Directors have extensive experience from a wide range of sectors. Their role is to understand the Group in its entirety, to constructively challenge strategy and management performance, set executive remuneration and ensure appropriate succession planning is in place. The Non-Executive Directors must also ensure they are satisfied with the accuracy of financial information and that effective risk management and internal control processes are in place.

Independence

There are currently three independent Non-Executive Directors, as well as a Non-executive Chair of the Board, a Non-executive Workforce Director, and three Executive Directors, with the appointment of Michael Murray as CEO on 1 May 2022. All Non-Executive Directors, other than the Non-executive Workforce Director, were considered independent upon appointment. The Non-executive Workforce Director is not considered to be independent as she is employed by the Group.

Delegation of Responsibilities

The Board has three sub-committees, namely the Audit Committee, Remuneration Committee and Nomination Committee. The Committees are governed by their Terms of Reference, which provide details of matters delegated to them. The Terms of Reference are available on the Group's website at frasers.group/financials/corporate-governance and are reviewed annually to ensure they remain fit for purpose. The roles of the Chairman, Chief Executive and Senior Independent Director are clearly defined and set out in writing.

Remuneration Committee

Remuneration policy

Remuneration schemes

Service contracts for senior executives

Key Board Responsibilities

Approving budgets

Setting the Group's values and standards

Approving strategic aims and objectives

Approving acquisitions and disposals

Approving the appointment or removal of Board members

Approving foreign exchange and commodities transactions above a material level

Audit Committee

External audit

Financial reporting

Internal audit

Risk management

Compliance and fraud

Nomination Committee

Composition of the Board

Succession planning

Matters reserved for the Board

There is a formal schedule of matters that require Board approval before any action is taken by the senior leadership team. The matters reserved for the Board could have significant strategic, financial or reputational impact on the Group so are subject to extra scrutiny. The schedule of matters is reviewed annually and updated by the Board when necessary.

Board and Committee Performance

Board, Committee and individual director performance are evaluated annually in line with the requirements of the Corporate Governance Code 2018. The Non-Executive Directors, led by Richard Bottomley, review the performance of the Chair, taking into account the views of Executive Directors. The outcome of the review is relayed to the Chair, with constructive comments to improve his future performance.

During the period, the Chair reviewed the performance of all Non-Executive Directors, to ensure their performance remains effective and that they are committed to and capable of performing the role. The Chair has discussed with each Non-Executive Director how they can improve their knowledge, behaviour and skills, in order to be better equipped for the role. A skills matrix is in the process of being produced to allow objective analysis of where Board performance can be improved. It will also be used as a tool in our succession planning when recruiting new directors. The Board and Nomination Committee had numerous meetings throughout the year to discuss the appointment of Michael Murray as CEO. These meetings reviewed his performance during his property consulting role and as Head of Elevation and identified the skills that he could bring to the Board.

There was a thorough independent external evaluation of the Board and its committees in FY21. The performance of the board and its committees have been discussed in the individual Board appraisals taking into account the recommendations and comments arising from the review in FY21.

Following the appointment of the new CEO in May 2022, the Board is intending to consider again the recommendations of the external review and see whether there are any further steps to take.

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In addition to the evaluation of the Non-Executive Directors, the performance of the Executive Directors was also reviewed by the Chair and performance objectives set. During the period, the Chair held informal meetings with the Non-Executive Directors without the Executive Directors present.

Director Commitment

Prior to accepting Board positions, prospective Directors are informed that following induction, they are required to dedicate between 15 and 20 days per annum to fulfil the role of a Non-executive Director. Non-Executive Directors are aware that scheduled and unscheduled meetings may take place, as well as other events including site visits, shareholder meetings and strategy meetings. The time commitment specified in Non-Executive Directors' letters of appointment has been reviewed by the Nomination Committee and is considered appropriate. Regular training is offered to all Directors and this is further considered during Director evaluations.

The Directors are expected to attend all scheduled Board meetings and are asked to use best endeavours to attend unscheduled meetings. To assist with managing their commitments, the Non-Executive Directors are given prospective annual Board calendars early in the second half of the preceding year. During the year, there were six scheduled and six unscheduled Board meetings.

Appointment Documentation

Details of Executive Directors' service contracts, and of the Chair's and the Non-Executive Directors' appointment letters, are given on page 81.

Copies of service contracts and appointment letters are available for inspection at the Company's registered office during normal business hours and at the Annual General Meeting. None of the Executive Directors hold a directorship of another FTSE 350 company.

Meeting Documentation

A detailed agenda is established for each scheduled meeting and appropriate documentation is provided to Directors in advance. Regular Board meeting agenda items include reports from the Chief Financial Officer, reports on the performance of the business and current trading, and specific proposals where the Board's approval is sought. The Board monitors and questions performance and reviews anticipated results. The Board also receives reports from the Non-Executive Workforce Director, who attends all Board meetings.

During Board meetings, presentations are made on business or strategic issues where appropriate, where the Board considers the Group's strategy at least annually. Minutes of Committee meetings are circulated to all Board members for agreement.

Copies of analysts' reports and brokers' notes are also provided to Directors. The Board also receives presentations from industry experts when necessary.

Board Meeting Attendance

The Board has a formal schedule of regular meetings that is agreed and circulated in advance. Scheduled meetings are used to approve standard regulatory matters and make significant decisions and also provides an opportunity for the Board to exercise its expertise to advise and influence the business. The Board has the capacity to meet on other occasions if decisions need to be taken outside the scheduled meetings.

The Directors' attendance at Board and Committee meetings during the year, and the total number of meetings that they could have attended, are set out in the table below. Attendance was high for all Directors, who attended all meetings unless prevented from doing so by a prior commitment. There was an ongoing need for unscheduled meetings during the year, to discuss numerous decisions and matters outside the scheduled Board meetings.

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	Board Meetings Scheduled	Board Meetings Unscheduled	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
Mike Ashley	6/6	6/9			
David Brayshaw	6/6	8/9	5/5	4/4	3/3
David Daly	6/6	9/9	5/5*	4/4	3/3
Nicola Frampton	5/6	9/9	3/5	4/4	3/3*
Richard Bottomley	6/6	8/9	5/5	1/4*	3/3
Cally Price	6/6	8/9		1/4*	1/3*
Chris Wootton	6/6	9/9	5/5*	1/4*	
Anouska Kapur**	2/6 (attended 2/2 meetings during her tenure)	0/9 (attended 0/1 meetings during her tenure)			

* Not a committee member but attended meeting

** No longer a member of the Board

Company Secretarial Support

All Directors have access to the advice and services of the Company Secretary and may take independent professional advice at the Company's expense, subject to prior notification to the other Non-Executive Directors and the Company Secretary.

The Company Secretary ensures that the Company maintains appropriate insurance cover in respect of its Directors and Officers. He also advises the Board on corporate governance matters.

The Group Position and Prospects

The Board takes responsibility for the preparation of the Annual Report and Accounts for FY22, and is in agreement that taken as a whole, they are fair, balanced and understandable. for the Board's statement on this matter please refer to page 92. We are confident that the Annual Report and Accounts provide sufficient detail and that our shareholders have been provided with the necessary information on the Group's position, performance, business model and strategy. Further details on this can be found in the Strategic Report on page 10. Detailed information on the financial position and performance can also be located in the Group Financial Statements located on pages 113 to 117.

As a result of its findings, the Board has adopted a going concern statement for FY22, and full details of this can be found in the Directors' Report at page 95. The Directors have also assessed the prospects of the Group over a three-year period and the Viability Statement can be found at page 63.

Risk Management

The Board's responsibilities and procedures for managing risk and the supporting systems of internal control are set out in the Principal Risks and Uncertainties section of the Strategic Report. Further information is included in the Audit Committee Report.

Controls in respect of financial reporting and the production of the consolidated financial statements are well established. Group accounting policies are consistently applied and review and reconciliation controls operate effectively. Standard reporting packages are used by all Group entities to ensure consistent and standard information is available for the production of the consolidated financial statements.

The Board has carried out a robust assessment of the Groups' emerging and principal risks in the period and further detail can be found in the Strategic Report and Principal Risk and Uncertainties section as noted above.

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THE BOARD

David Daly

Non-Executive Chair of the Board, Chair of the Nomination Committee

Appointed: 2 October 2017

Committees: Nomination and Remuneration Committees

Previous roles:

David has held a number of positions during a 30-year international career with Nike, where his primary focus was the business of football. He started in a sales role in 1986 later becoming sales director for Nike UK/Ireland. He retired in 2015 as a Senior Director for Nike's Club and Federation business, where he was responsible for global merchandising business for all of Nike's leading football clubs.

Present roles:

David is a Non-Executive Director of Fulham Football Club.

Key skills, experience and contribution:

David has significant knowledge of the sporting goods industry having worked at Nike for 30 years. He has worked in senior roles in sales, marketing, product development and general management, which has given him a thorough understanding of consumer trends and behaviour. He has spent 18 years working outside the UK and this international experience has proven crucial to the Board. David joined the Group as a Board member in October 2017, gaining a much-needed understanding of the business, before being appointed as Chair in October 2018. His focus has been on improving best practices, corporate governance, promoting diversity and driving the Elevation strategy. He ensures the Board functions effectively by facilitating an open and productive debate and providing constructive challenge.

Michael Murray

Chief Executive Officer

Michael Murray is Chief Executive of Frasers Group; he will accelerate the Group's strategy to achieve its vision: *'to serve our customers with the World's best sports, premium and luxury brands.'*

Michael has had a relationship with the Group dating back to 2015 when his consultancy services (through MM Prop Consultancy Limited) commenced.

He was first tasked with rethinking and implementing the elevation of the Group's national and international property portfolio. As part of that strategy, the Group pursued a £1bn investment strategy, reinvigorating the Group's estate, transforming customer in-store experience, and repositioning the Group in the eyes of key stakeholders and brands. This work was to form the bedrock of the Group's future Elevation strategy.

Through the implementation of the property Elevation strategy Michael demonstrated a clear vision for future business growth and also the potential for a full scale re-imagining of the market identity of the Group. This encouraged the Group to completely re-evaluate its intended future consumer offering, ultimately leading to the decision of the Group to rebrand from Sports Direct International plc to Frasers Group Plc.

Building on the success of the property Elevation strategy Michael was tasked by the Group with using his vision to provide non-property elevation services to the Group, encompassing investing in brands, technology, retail environments and 360 digital innovation. Michael's unrivalled vision, and willingness to shake up the industry, allows the Group to continue its uniquely impressive trajectory and to pioneer the business's development.

Michael has been instrumental to the growth and continued success of FLANNELS - the multi-category retailer that has reinvented luxury retail and revived in-store experiences across the UK. Stocking the biggest names in luxury fashion and beauty, FLANNELS has become one of the most exciting players in the industry. During his time working with the Group, Michael has also revolutionised Sports Direct, by evolving the product offering, investing in physical store experiences, and establishing the business' identity as the leading sports destination - championed by an all-new aesthetic and brand mission.

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Mike Ashley

Director

Appointed: 1982 (founder)

Previous roles:

Mike established the business of the Group on leaving school in 1982 and was the sole owner until the Group's listing in March 2007. He was Executive Deputy Chair prior to being appointed Chief Executive in September 2016 before handing over the role to Michael Murray on 1 May 2022.

Key skills, experience and contribution:

Mike was the founder of the Group and has the necessary skills for formulating the vision and commercial strategy of the Group. With over 30 years in the sports retail business with Sports Direct, he is invaluable to the Group. Mike's knowledge and experience in all areas of retailing, buying, warehousing and logistics ensures that he is crucial to the effective and efficient running of operations. With the continuing challenges in the macro-economic environment his decisive leadership has meant the Group has remained resilient and in good health and will be able to take advantage of future opportunities.

Chris Wootton

Chief Financial Officer

Appointed: 12 September 2019

Previous roles:

Chris worked at PwC for the early part of his accounting career in the assurance practice, including work on large corporates and listed entities.

Key skills, experience and contribution:

Chris is a Chartered Accountant and has provided key support in the transition to the new leadership team. He continues to improve the skills, experience and capabilities of the Frasers Group Finance team. Chris is a key driver of the Group's accounting principles, namely being conservative, consistent and simple.

Chris was instrumental in negotiating the recent renewal of the Group's combined term loan and revolving credit facility during the financial year.

Cally Price

Non-Executive Workforce Director and Workers' Representative

Appointed: 1 January 2019

Previous roles:

Cally began her career with Sports Direct as a casual sales assistant in our Aberdare store in 2007.

Present roles: Company's Workers' Representative

Key skills, experience and contribution:

Cally has been with the Group for over 13 years, commencing on the shop floor working as a casual assistant. Cally continues to manage the Cardiff Sports Direct store giving her a unique insight into the challenges of the retail sector from those on the ground.

Richard Bottomley OBE

Senior Independent Non-Executive Director, Chair of the Audit Committee

Appointed: 1 October 2018

Committees: *Audit and Nomination Committees*

Previous roles:

Richard has over 25 years' experience working with listed companies during his time as a senior partner at KPMG, and continues to be a member of the Audit Committee Institute. Until recently Richard was a Non-Executive Director of Newcastle Building Society, where he chaired the Audit Committee.

Present roles:

Richard is a Non-Executive Director of MSL Property Care Services Ltd, Marsden Packaging Limited and Jessgrove Limited.

Key skills, experience and contribution:

Richard has strong experience in corporate governance, corporate finance and strategy. He has been influential in the recruitment and appointment of a Head of Internal Audit, ensuring that risks are properly assessed and mitigated.

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David Brayshaw

Independent Non-Executive Director, Chair of the Remuneration Committee

Appointed: 8 December 2016

Committees: Audit, Nomination and Remuneration Committees

Previous roles:

David is a very experienced senior investment and commercial banker. He has over 30 years' experience with organisations such as Barclays Capital, HSBC, Citigroup and Pilkington plc.

Key skills, experience and contribution:

David graduated from Oxford in 1975 with a Master of Arts in Chemistry. He has spent a long career in the field of corporate financing for a number of major financial institutions and was also the Group Treasurer of Pilkington plc. David spent 15 years of his career at Barclays Capital, advising FTSE 350 companies on all aspects of corporate, syndicated, and capital markets funding, together with interest rate, foreign exchange and balance sheet hedging. He has funded countless public company acquisitions and still remains involved in an advisory role with several corporates and banks in a private capacity. He has a proven track record in the finance and acquisitions sector, providing sound advice in line with the Group's Elevation strategy.

Nicola Frampton

Independent Non-Executive Director

Appointed: 1 October 2018

Committees: Audit and Remuneration Committees

Present roles:

Nicola has spent the majority of her recent career in senior executive management roles and has recently been appointed to a new senior executive role with Domino's Pizza Group, where she is Chief Operations Officer.

Previous roles:

Prior to joining Domino's Pizza Group, Nicola was the Managing Director of William Hill's UK Retail division from April 2010, working closely with William Hill's Board, Executive Committee and operational management. During her time at William Hill, Nicola led a number of successful major innovation and transformation projects. Before switching to an executive management career, Nicola spent the previous ten years working in the professional services industry, most recently as a Director at Deloitte.

Key skills, experience and contribution:

Nicola has extensive experience in risk management, assurance and corporate governance across a wide range of industries, having specialised in these areas of corporate activity at both William Hill and prior to that whilst at Deloitte. The Board also benefits from Nicola's current and previous retail experience running large, non-competing retail businesses. Nicola serves as a Trustee Board member for a number of charities and brings an informed perspective on corporate responsibility to the Board.

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NOMINATION COMMITTEE REPORT

Dear Shareholder

To meet the Group's needs, the Nomination Committee must ensure that the Board remains competent, diverse, well balanced and equipped to deal with any present or future issues which may arise. It is also important that the Nomination Committee both supports and challenges the decisions of the Executive Directors, which includes reviewing the Group's leadership and making recommendations regarding the appointment of new Directors and extending the term of office of existing Directors.

Biographical details of each Committee member are shown in the Board of Directors' profiles on pages 72 to 74.

The Nomination Committee usually meets formally twice a year, although additional meetings take place when appropriate. The Committee formally met three times during FY22, with meetings returning to physical meetings following the end of Covid-19 restrictions. All members of the Nomination Committee are Non-Executive Directors and, with the exception of the Chair, are considered to be independent.

The Responsibilities of the Nomination Committee Include:

- reviewing the leadership needs of the Group, looking at both Directors and senior management;
- reviewing the composition, structure and size of the Board, and recommending adjustments to the Board, having regard to diversity, skills, knowledge and experience;
- reviewing the time the Non-Executive Directors are required to spend discharging their duties;
- identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- considering succession planning for Directors and senior management, taking into account the challenges and opportunities facing the Group and the skills and expertise therefore needed on the Board;
- formally documenting the appointment and re-appointment of Directors;
- identifying potential candidates for senior posts, and making recommendations to the Board; and
- considering the recommendations to shareholders for re-electing the Directors, under the annual re-election provisions of the 2018 UK Corporate Governance Code.

A full list of the Committee's responsibilities is set out in its Terms of Reference which are available on the Group Website: **www.frasers.group.**

What has the Committee Done During the Year?

Board Nominations

- The Committee considered and recommended to the Board the reappointment of Nicola Frampton and Richard Bottomley.
- The Committee considered and recommended the election or re-election of all Directors at the AGM, following consideration of their effectiveness and commitment.

Composition of the Board

The Committee has reviewed the Board's composition and we continue to look to add talented people to the Board, who will bring appropriate skills and experience. The Committee has begun work on preparing a skills matrix that will identify key areas in which Board members have experience in order to identify the areas in which board knowledge could be strengthened. This is being updated to take into account the skills that Michael Murray brings to the Board. The results will be used to influence future Board appointments. The Board continues to have dialogue with external recruitment agents, a number of which specialise in recruiting diverse candidates.

Annual Performance Appraisals

All Board members, both Executive and Non-Executive, went through an annual performance review during FY22 and each Director engaged fully in the process. This included setting objectives for each individual. I led these appraisals, as Chair of the Board and the Nomination Committee. This process will be repeated annually. Richard Bottomley, Chair of the Audit Committee and Senior Independent Non-executive Director, led my performance appraisal and objective setting.

The Directors will take into account any development needs identified in their appraisals and will be challenged on how they have taken action against these objectives during their next annual appraisal.

The results of appraisals will be used to influence Board appointments.

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Diversity and Inclusion

At the period end the Board had two female Directors, representing 29% of the Board. There is currently no representation from ethnic minority backgrounds on the Board. However, the Board is conscious of the targets set by the FCA which apply for the FY23 financial year and its reporting requirements in respect of this.

The Group's objectives in relation to Board diversity and inclusion are:

- To ensure that the Board has an appropriate mix of skills, experience and knowledge, to ensure a variety of perspectives are represented on the Board and enable the Board to effectively oversee and support the Group's growth and management.
- To maintain Board representation from the workforce, which brings the voice of colleagues into the boardroom, supports our strategy of investing in our people and enables the Board to effectively oversee and support the Group's growth and management.
- To increase female representation and ethnic minority representation at both senior management and Board level, in line with the FCA's recommendations.

The Group achieved its Diversity policy objective in respect of gender and age, by having a strong gender balance in senior management and their direct reports, and a varied representation of ages in middle and senior management. When reviewing candidates who may become potential Board members, the Committee has regard to factors including professional experience, skills, education, gender, ethnicity and background, to ensure a variety of perspectives are represented at Board level. As discussed above, we have been working with a recruitment agent specialising in diverse candidates. The Board is conscious that to successfully deliver the strategic goals of the business, our people, including the Board of Directors must reflect the diverse cultures and values of our customer base.

The Committee recognises the advantages of having a diverse team and has therefore reviewed the composition of the senior management team, including their direct reports. A number of senior management roles were held by women at period end, including the Chief Marketing Officer, Head of Sustainability, Head of Consumer Credit, Head of PR and Communications and the UK Group Financial Controller.

The table below shows the gender diversity of our workforce at the period end. Approximately 54% of our workforce is female, including 36% of our senior management (FY21: 35% UK workforce). We aim to ensure that both male and female candidates are provided with equal opportunities to apply for and work in all positions across the Group.

	Female	Male
Directors	29%	71%
Other senior managers and direct reports	36%	64%
Other employees	55%	45%

We were pleased that our most recent Gender Pay Gap Report showed that we have maintained a 0% gender pay gap.

Further details on diversity and inclusion are set out in the Our People section.

David Daly

Chair of the Nomination Committee

20 September 2022

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DIRECTORS' REMUNERATION REPORT

Dear Shareholder,

As the Chair of the Remuneration Committee (the Committee), I am pleased to present our Directors' Remuneration Report for the period ended 24 April 2022. This report is split into three parts: this Annual Statement, a summary of our Directors' Remuneration Policy for FY22-FY25 and the Annual Report on Remuneration.

As a first item, the Remuneration Committee wishes to thank our shareholders for the support which they gave to the resolutions on remuneration matters at our September 2021 AGM. Each of the three AGM resolutions, which were to approve our revised Directors' Remuneration Policy, to approve our Directors' Remuneration Report and to approve the establishment of the Executive Share Scheme ('ESS') was approved by shareholders at levels of voting which indicted strong support from both our full shareholder base and also by our independent shareholders who voted.

Board Changes

As shareholders will have seen, on 1 May 2022 Michael Murray became our new Chief Executive Officer. Details of Michael's pay arrangements as our CEO (and which are consistent with information already provided to shareholders when this appointment was announced in Summer 2021) are set out in this report. On 1 May 2022, Michael was formally granted an award under the ESS, the terms of which had been communicated to shareholders as part of the arrangements for the approval of the ESS at our September 2021 AGM.

Mike Ashley remains on our Board as a director. Mike receives no compensation for this role and he received no compensation in relation to his stepping down as Group CEO. On 20 September 2022 the Group announced that Mike Ashley would not be standing for re-election as a director at this year's Annual General Meeting ("AGM") and that he will therefore step down from the Board upon the conclusion of the AGM.

Actions Taken in FY22 and Impacts on Pay

Notwithstanding the several aspects of positive Company performance in FY22, the Remuneration Committee has not awarded an annual cash bonus for the year to our CFO.

The Committee exercised what it regards as normal commercial judgement in respect of Directors' remuneration throughout the year (and in all cases in line with the Company's Directors' Remuneration Policy).

There were no other exercises of judgement or discretion by the Committee save as detailed in this report.

Operation of Remuneration Policy in FY23

It is the Committee's intention to operate the Remuneration Policy in FY23 consistent with how the policy was operated in FY22.

- our Executive Directors' salaries for FY23 are unchanged (CEO: £1,000,000; CFO £250,000);
- in line with our shareholder approved Directors' Remuneration Policy, our FY23 annual bonus for our Executive Directors will be operated with a maximum pay-out potential of 200% of base salary; and
- there will be no further awards of LTIPs made to the Executive Directors in FY23 (other than implementation of the ESS awards for our CEO which were approved at our FY21 AGM).

Format of the Report and Matters to be Approved at *Our 2022 AGM*

At the FY22 AGM, shareholders will be asked to approve the Directors' Remuneration Report for FY22. This will be the normal annual advisory vote.

I hope that our shareholders remain supportive of our approach to executive pay at Frasers and vote in favour of the resolutions on remuneration matters to be tabled at the FY22 AGM.

David Brayshaw

Chair of the Remuneration Committee

20 September 2022

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Directors' Remuneration Report

This report contains the material required to be set out as the Directors' Remuneration Report for the purposes of Part 4 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, which amended the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the DRR Regulations).

Directors' Remuneration Policy

The Directors' Remuneration Policy was approved by shareholders at the 29 September 2021 AGM. The full Remuneration Policy as approved by shareholders can be found on pages 52 to 57 of the 2021 Annual Report, a copy of which is also available on the Group's corporate website at https://www.frasers.group. for ease of reference, we have set out below the Future Policy Table for Executive Directors, as included in the approved Directors' Remuneration Policy.

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Future Policy Table

The table below describes each of the elements of the remuneration package for the Executive Directors.

Element of Remuneration	Purpose / Link To Strategy	Operation	Maximum	Performance Measures	Changes To Policy Approved At The 2021 AGM
BASE SALARY	Fixed element of the remuneration package, where the balance of fixed and variable remuneration is aligned to the commercial strategy of long-term profitable growth and reflects the Company remuneration philosophy of gearing reward to performance, with a sharing of risk between Executive Directors and shareholders.	Base salaries are normally reviewed annually. Mike Ashley does not currently receive a salary for his role.	Although salaries for Executive Directors (other than Mike Ashley, who does not currently receive a salary) are set at levels below the amounts typically paid by similar-sized companies, the Committee retains discretion to set salaries at levels considered appropriate for the business, considering its size and complexity.	Not applicable.	No change.
BENEFITS	With the exception of a 20% colleague discount on products purchased from the Group's retail stores, which is available to Executive Directors other than Mike Ashley, no additional benefits are generally available to Executive Directors. The same level of discount is available to all colleagues.	The current Executive Directors do not receive any benefits other than the colleague discount, which is not available for Mike Ashley. Benefits may be provided in line with market practice to recruit a new Executive Director taking into account individual circumstances. Such benefits may include relocation expenses.	Although the Remuneration Committee has not set an absolute maximum level of benefits Executive Directors may receive, the Company retains discretion to set benefits at a level which the Remuneration Committee considers appropriate against the market and to support the on-going strategy of the Company.	Not applicable.	No change.
RETIREMENT BENEFITS	Provide post-employment benefits to recruit and retain individuals of the calibre required for the business.	The Executive Directors are entitled to participate in a stakeholder pension scheme, on the same basis as other employees. On request, this benefit may be paid as a salary supplement in lieu of pension contribution, as necessary.	The current maximum employer contribution to the stakeholder pension scheme is 3%. The Committee may increase employer contribution rates to reflect changes in the auto enrolment employer contribution rates.	Not applicable.	No change.
ANNUAL BONUS	Rewards the Executive Directors for performance which supports the Group's strategy and performance in role.	Executive Directors, other than Mike Ashley, may earn a bonus. Any bonus earned in excess of 100% of salary would be deferred into shares for a period of two years, unless the amount to be deferred would be less than £10,000. The Committee also retains a discretion not to operate deferral in an exceptional case and where salary paid in the year was £250,000 or less. Any bonus paid would be *subject to clawback for* a period of three years following its determination, in the event of gross misconduct, material misstatement of the Company's financial statements or corporate failure.	The maximum bonus that an Executive Director may earn shall be 200% of salary in respect of any financial year.	Any bonus opportunity shall be assessed against one or more metrics determined by the Committee and linked to the Company's strategy and/or the performance of the Executive Directors in role, with the weighting between the metrics determined by the Committee, if relevant. Bonuses will be determined between 0% and 100% of the maximum opportunity, based on the Committee's assessment of the applicable metrics. The annual bonus plan is a discretionary arrangement and the Committee retains a standard power to apply its judgement to adjust the outcome of the annual bonus plan for any performance measure (from zero to any cap) should it consider that to be appropriate.	No change.

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Element of Remuneration	Purpose / Link To Strategy	Operation	Maximum	Performance Measures	Changes To Policy Approved At The 2021 AGM
LONG-TERM INCENTIVES	To motivate and incentivise delivery of sustained performance over the long-term, and to promote alignment with shareholders' interests, the Company intends to operate an Executive Share Scheme.	Executive Directors, other than Mike Ashley, may receive awards under the Executive Share Scheme. Awards may be granted as nominal cost options or conditional share awards, which vest to the extent the performance conditions are satisfied over a period of four years. The Committee shall have discretion to reduce the number of shares subject to an award granted under the Executive Share Scheme by an amount equal to the aggregate gross salary received by a participant during the performance period. Clawback and malus provisions apply to awards granted under the Executive Share Scheme. Any amounts received under the Executive Share Scheme may be subject to clawback for a period of three years following the end of the performance period, in the event of gross misconduct, material misstatement of the Company's financial statements, corporate failure or reputational damage. As is normal, the Committee retains power to settle awards in cash in exceptional cases only.	For awards with a £15 share price target, the maximum opportunity for an Executive Director will be an award over 6,711,409 shares. For awards with a £12 share price target, the maximum opportunity for an Executive Director will be an award over up to 600,000 shares.	Awards will vest subject to an absolute share price target of either £12 or £15. The share price must be over the target for any period of 30 consecutive dealing days during the four-year performance period. The Committee may set additional performance conditions on awards under the Executive Share Scheme, as it considers appropriate. For information: there are two underpins applying which relate to satisfactory performance ratings for each participant, and anticipated delivery of our Elevation strategy.	Introduction of the Executive Share Scheme, which is our new long-term incentive plan that will reward our senior executives for achieving sustained performance over the long term.

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Service Contracts and Policy on Payments for Loss of Office

The Company's policy is for Executive Directors to be employed on the terms of service contracts which may be terminated by either the Company or the Executive Director on the giving of not more than 12 months' notice. All Directors are subject to annual re-election.

Executive Directors

Details of the current service contract for each Executive Director are set out below:

	Contract Date	Unexpired Term / Notice Period	Governing Law
Mike Ashley	11/02/2007	12 months*	England & Wales
Michael Murray	20/09/2022	6 months	England & Wales
Chris Wootton	06/03/2017	6 months	England & Wales

*The Company may terminate Mr Ashley's service contract by giving six months' notice if he is unable to perform his duties for over 120 days in any consecutive 12 months.

Non-Executive Directors

The Non-Executive Directors enter into an agreement with the Group for a period of three years, other than the Chair whose agreement continues until terminated in accordance with its terms. The appointments of the Non-Executive Directors may be terminated by either party on one month's written notice and in accordance with the Articles of Association of the Company. Termination would be immediate in certain circumstances (including the bankruptcy of the Non-executive Director).

Non-Executive Directors (other than the Non-executive Workforce Director) do not and are not entitled to participate in any bonus or share scheme. The Non-executive Workforce Director is entitled to participate in employee bonus and share schemes for employees, including all-employee schemes.

The approach to determining Non-Executive Directors' pay is to benchmark ourselves against other companies/ retailers within the FTSE 250 with remuneration ultimately a Board responsibility.

Non-Executive Directors are subject to confidentiality undertakings without limitation in time. Non-Executive Directors are not entitled to receive any compensation on the termination of their appointment.

Details of the Non-Executive Directors' letters of appointment are set out below:

	Position	Date of Letter of Appointment	End Date of Appointment
David Daly	Non-executive Chair of the Board	16 July 2020	1 October 2023
David Brayshaw	Non-executive Director	23 April 2020	7 December 2022
Nicola Frampton	Non-executive Director	1 October 2018	30 September 2024[1]
Richard Bottomley	Non-executive Director	1 October 2018	30 September 2024[1]
Cally Price	Non-executive Workforce Director	6 October 2020	5 October 2022

1. The original three year terms of appointment for Nicola Frampton and Richard Bottomley have been extended for a further three years, subject to continuing annual re-election at the AGM.

Copies of the service contracts of Executive Directors and of the appointment letters of the Chair and Non-Executive Directors are available for inspection at the Company's registered office during normal business hours and at the AGM.

Engagement with Shareholders

The Committee consults major shareholders and representative groups where appropriate concerning remuneration matters. General representations have been received from investors regarding overall FTSE remuneration. The Committee has due regard to the Investment Association principles, and is always happy to receive feedback from shareholders. There have been no changes to the Remuneration Policy or outcomes as a result of shareholder engagement.

Colleague Reward

It is worth reminding shareholders that our UK colleagues (excluding the Executive Directors) who have participated in our share schemes have received, subsequent to any IPO bonus payments, a total value of £250m (FY21: £250m) of awards since their introduction.

In addition to share schemes, the Company operates other bonus and incentive awards for its workforce. By way of recent example, in FY22 the Group paid awards and incentives of approximately £15.0m (FY21: £5.4m). A significant proportion of these other bonus and incentive awards was paid to our casual retail workers.

During FY21, the Company launched the Frasers All-Employee Omnibus Plan (known as 'Fearless 1000') following approval by shareholders at the 2020 AGM. The Fearless 1000 plan is available to all eligible and qualifying Fraser Group employees (except for the Chief Executive, Chief Financial Officer, Chief Commercial Officer and Chief Operating Officer) and is intended to provide a significant one-off reward for employees if a stretching share price growth target is achieved within a five year period measured to October 2025.

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There are two related but distinct parts to the Fearless 1000 plan as follows:

- share awards to those 1,000 eligible and qualifying employees in the business who most demonstrate outstanding service and performance consistent with the Company's values; and
- cash bonuses to eligible and qualifying employees in the Company's Group, to reward them for their loyalty and hard work.

A similar incentive plan is also available for our non-employee Group workers.

The Remuneration Committee remains committed to transparent and simple remuneration for Executive Directors, based upon reward for significant financial and personal performance only. The Committee also remains committed to appropriately rewarding our large and loyal workforce.

Our Workforce-nominated Director, Cally Price engages with colleagues through regular and multi-channel communication mechanisms. This enables colleagues to understand the strategy of the Company, the vital role all colleagues play in contributing to the overall success of the Group and how this is rewarded and to raise any questions directly with a Board member. Cally has been directly involved in the review of retail colleague pay during FY22. The Committee has reviewed the salaries, other remuneration and other employment conditions of senior and middle managers throughout the Group and has taken them into account in considering Directors' salaries. The Committee has considered pay and employment conditions of colleagues (other than the Directors) and has aligned pension contributions and colleague discounts of the Directors with employees.

Whilst the Company has not directly consulted with employees on Directors' remuneration, the views of colleagues can be expressed by the Workforce Director.

Annual Report on Remuneration

This part of the Directors' Remuneration Report sets out the actual payments made by the Company to its Directors with respect to the period ended 24 April 2022 and how our Directors' Remuneration Policy will be applied in the year commencing 25 April 2022.

Base Salary and Fees

Michael Murray's salary will be £1,000,000 per annum, with effect from the start of his employment on 1 May 2022. Chris Wootton's salary will remain at £250,000 per annum (no change from FY22).

Mike Ashley does not receive a salary for his role.

Fees for the Chair and Non-Executive Directors are normally reviewed annually. In respect of fees for FY23, David Daly will receive an annual fee of £200,000 (FY22: £150,000) for his role as Chair. Richard Bottomley will receive £75,000 for his role as Senior Independent Director (FY22: £65,000). David Brayshaw and Nicola Frampton will each receive a fee of £65,000 (no change from FY22) for their roles as Non-Executive Directors. Cally Price will receive a fee of £15,000 (no change from FY22) for her role as Non-executive Workforce Director.

Pension

The contribution rate for Michael Murray and Chris Wootton will be 3% of salary, capped at £50,000 of salary, being the maximum employer contribution rate available under the Company stakeholder pension scheme. No Director participates in a defined benefit scheme (FY21: none).

Mike Ashley is not eligible to receive employer contributions under the Company stakeholder pension scheme.

Annual Bonus Scheme

Michael Murray and Chris Wootton will be eligible to earn a bonus in respect of FY23. Any amount earned shall be determined by reference to one or more performance metrics determined by the Committee and linked to the Company's strategy and/or the Executive Director's performance in role. The Committee will provide appropriate and relevant levels of retrospective disclosure of the assessed criteria applied to the FY23 bonus. Any such bonus shall be of up to 200% of salary, and any bonus earned in excess of 100% of salary may be subject to deferral.

Mike Ashley shall not be eligible to earn a bonus in respect of FY23.

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Long-Term Incentives

Michael Murray and Chris Wootton are both eligible to participate in the new Executive Share Scheme (which was approved by shareholders at the 2021 AGM). Chris Wootton received an award over 600,000 shares in FY22 and Michael Murray received an award over 6,711,409 shares as soon as practical after he joined the Board in FY23.

Awards under the Executive Share Scheme are due to vest after a four-years performance period ending in October 2025, subject to a stretching absolute share price performance target (£15 for the proposed award to Michael Murray and £12 for the award made to Chris Wootton).

In addition to the share price performance measure, awards under the Executive Share Scheme will be granted subject to two underpins requiring:

i. satisfactory performance ratings for the Executive Director during the term of the award; and

ii. anticipated delivery of the Company's Elevation strategy.

Mike Ashley is not eligible to be granted awards under the Executive Share Scheme.

Single Figure Table (Audited)

The aggregate remuneration provided to individuals who have served as Directors in the period ended 24 April 2022 is set out below, along with the aggregate remuneration provided to individuals who have served as Directors during the prior financial year.

Director	Salaries and fees		Other benefits		Bonus		Long-term incentive schemes		Pension[1]		Total		Total fixed remuneration		Total variable remuneration	
	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Executive Directors																
Mike Ashley	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chris Wootton	250	150	-	-	-	100	-	-	1	1	251	251	251	151	-	100
Non-Executive Directors																
David Daly	150	100	-	-	-	-	-	-	-	-	150	100	150	100	-	-
David Brayshaw	65	50	-	-	-	-	-	-	-	-	65	50	65	50	-	-
Nicola Frampton	65	50	-	-	-	-	-	-	1	1	66	51	66	51	-	-
Richard Bottomley	65	50	-	-	-	-	-	-	-	-	65	50	65	50	-	-
Cally Price	15	15	-	-	-	-	-	-	-	-	15	15	15	15	-	-
Anouska Kapur	22	-	-	-	-	-	-	-	-	-	22	-	22	-	-	-
Total	**632**	**415**	-	-	-	**100**	-	-	**2**	**2**	**633**	**517**	**633**	**417**	-	**100**

(1) Pensions are provided via a defined contribution to the Company stakeholder pension scheme (see note 33)

Further Information on the FY22 Annual Bonus (Audited)

Chris Wootton received a bonus of £nil in respect of FY22 (FY21: £100k).

Payments for Loss of Office and Payments to Former Directors (Audited)

No payments for loss of office or payments to former Directors were made in FY22 (FY21: nil).

Statement of Directors' Shareholding and Share Interests (Audited)

The beneficial interests of the Directors who served during the year and of their connected persons, in both cases at the beginning of the financial year, or at the date of appointment if later, and at the end of the financial year, or at the date of resignation if earlier, in the share capital of the Company are shown below:

	Ordinary Shares held at 24 April 2022*	Ordinary Shares held at 25 April 2021*
Mike Ashley	330,000,000	330,000,000
Chris Wootton	-	-
David Daly	31,563	24,205
Nicola Frampton	5,732	5,732
David Brayshaw	31,611	31,611
Richard Bottomley	10,000	10,000
Cally Price	-	-
Anouska Kapur	-	-

*or if earlier the date of resignation

There has been no change to the interests reported above between 24 April 2022 and 20 September 2022 (being the latest possible date for inclusion in the 2022 Annual Report). The Company did not receive any notifications under DTR 5 between 24 April 2022 and 20 September 2022.

As at 24 April 2022 and the reporting date, Michael Murray held an equity derivatives contract which is the economic equivalent of the holding of 6,851,120 Frasers Group Plc ordinary shares.

In addition, Executive Directors hold outstanding scheme interests under the Executive Share Scheme as follows:

Executive Director[1]	Awards held at 26 April 2021	Awards granted during the year[2][3]	Awards lapsed during the year	Awards held at 24 April 2022
Chris Wootton	-	600,000	-	600,000

(1) Mike Ashley is not eligible to participate in the Executive Share Scheme

(2) Awards are granted in the form of a conditional share award

(3) The award to Chris Wootton was granted on 14 October 2021 and has a face value of £3.8m based on a closing share price of 632 pence per share on the date of grant

Awards under the Executive Share Scheme are subject to a stretching share price target measured over a four-year performance period to October 2025. In the case of the award to Chris Wootton, the share price target is £12 per share for 30 consecutive trading days. In addition, each award is subject to underpins relating to:

i. achievement of satisfactory performance ratings for each participant; and

ii. anticipated delivery of the Company's Elevation strategy.

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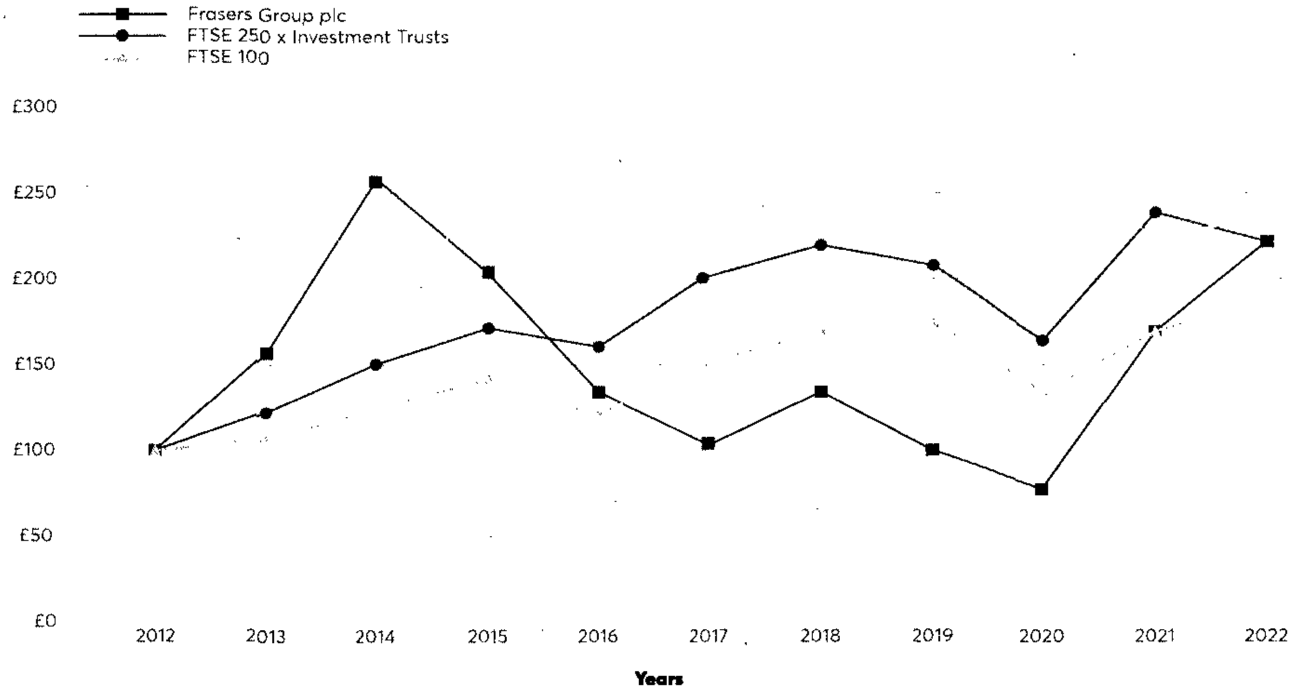
Performance Graph and Table

The following graph shows the Company's performance measured by total shareholder return compared with the performance of the FTSE 100 and FTSE 250 Index (excluding investment trusts).



The Committee considered these as appropriate indices against which to compare the Company's performance. They are widely accepted as national measures and include the companies that investors are likely to consider as alternative investments.

Total Chief Executive Remuneration and Performance-Related Pay

The table below shows details of the total remuneration and performance-related pay for the Company's Chief Executive over the last ten financial years.

	Total remuneration	Long term incentive scheme vesting as a % of maximum opportunity
FY22 - Mike Ashley	Nil	N/A
FY21 - Mike Ashley	Nil	N/A
FY20 - Mike Ashley	Nil	N/A
FY19 - Mike Ashley	Nil	N/A
FY18 - Mike Ashley	Nil	N/A
FY17 - Mike Ashley(1)	Nil	N/A
FY17 - Dave Forsey(2)	£62,500	N/A
FY16 - Dave Forsey	£150,000	N/A
FY15 - Dave Forsey	£150,000(3)	0%(3)
FY14 - Dave Forsey	£150,000	N/A

(1) Mike Ashley was appointed as Chief Executive with effect from 22 September 2016.

(2) Dave Forsey resigned with effect from 22 September 2016. His total remuneration is his remuneration earned in the period from 25 April 2016 until the date his resignation took effect.

(3) The figures for FY15 reflect Dave Forsey's decision on 6 June 2016 to forego an award over 1 million shares which would otherwise have been due to vest on 6 September 2017.

Chief Executive to Employee Pay Ratio

In line with reporting requirements, the Company is required to disclose ratios which compare the total remuneration of the Chief Executive to the remuneration of the 25th, 50th and 75th percentile of the Group's UK employees. The Company has not disclosed these ratios and associated supporting information on the basis that Mike Ashley who was the CEO during FY22 is not remunerated by the Company.

Annual Percentage Change in Remuneration of Directors and Employees

The table below shows the percentage change in remuneration of the Directors and employees of the business between FY21 and FY22 and between FY20 and FY21.

	% Change From FY21 To FY22			% Change From FY20 To FY21		
	Salary or fees	**Benefits**	**Bonus**	**Salary or fees**	**Benefits**	**Bonus**
Employees[1]	23%	31%	1%	(13%)	(21%)	8%
Executive Directors						
Mike Ashley[2]	N/A	N/A	N/A	N/A	N/A	N/A
Chris Wootton	67%	0%	(100%)	70%	0%	100%
Non-Executive Directors						
David Daly	50%	N/A	N/A	0%	(100%)	(100%)
Nicola Frampton	30%	N/A	N/A	0%	0%	N/A
David Brayshaw	30%	N/A	N/A	0%	(100%)	N/A
Richard Bottomley	30%	N/A	N/A	0%	(100%)	N/A
Cally Price	0%	N/A	N/A	50%	N/A	N/A

(1) Employees is been based on total number of employees, the decreased between FY20 and FY21 is due to the impact of Covid-19

(2) Mike Ashley receives no remuneration

Disclosure for all Directors in addition to the CEO has been added this year in line with the new requirements under the EU Shareholder Rights Directive II and over time a five-year comparison will be built up. Frasers Group Plc does not have any employees and therefore a subset of the Group's employees has been used.

The table above shows how the percentage increase/decrease in each Director's salary/fees, taxable benefits and annual incentive plan between 2021 and 2022 compares with the average percentage increase in each of those components of pay for the UK-based employees of the Group as a whole.

Relative Importance of Spend on Pay

The table below sets out the Group's distributions to shareholders by way of dividends and share buybacks, investment (calculated as set out below) and total Group-wide expenditure on pay for all colleagues (as reported in the audited financial statements for FY22 and FY21) and the Company's share price (calculated as at the close of business on the last day of FY22 and FY21). We have included information on both investment in the business in the year and share price performance. These are indicative of actual shareholder value being generated and the continuing steps being taken to position the business for future generation of shareholder value.

	FY22	**FY21**	**Percentage Change**
Distributions to shareholders by way of dividends and share buybacks	£193,200,000	-	100%
Investment*	£504,200,000	£231,200,000	79.1%
Group-wide expenditure on pay for all employees	£532,900,000	£377,100,000	41.3%
Share price (pence)**	690.0	515.5	33.9%

* Comprises of increases in working capital, acquisitions and capital expenditure in the year (see Consolidated Cash Flow Statement and note 33: Cash inflow from operating activities) as the Board believes these to be the most relevant measures of the Group's investment in future growth. FY21 has been restated as per note 3[illegible]

** For these purposes the share price for FY22 and the share price for FY21 are calculated at the close of business on 22 April 2022 and 23 April 2021 respectively, being the last working days prior to the period ends.

Remuneration Committee

During FY22, the Remuneration Committee consisted of David Brayshaw and Nicola Frampton, who are considered independent and the Chair of the Board, David Daly. The purpose of the Committee, as previously outlined, is to assist the Board to ensure that Executive Directors and senior executives receive appropriate levels of pay and benefits.

Attendance at the meetings held during the year is detailed on page 71.

The members of the Committee have no personal financial interest, other than as shareholders, in the matters to be decided, no actual or potential conflicts of interest arising from other Directorships and no day-to-day operational responsibility within the Company.

Advisers to the Committee

Mike Ashley, the Chief Executive, and Chris Wootton, the Chief Financial Officer, have advised or materially assisted the Committee throughout FY22 when requested. Executive Directors are not present during, nor do they take part in, discussions in respect of matters relating directly to their own remuneration.

FIT Remuneration Consultants LLP ('FIT') act as adviser to the Committee. FIT is a founder member of the Remuneration Consultants' Group and adhere to its code of conduct. Fees totalling £75,889 plus VAT have been paid for its services during the year (FY21: £127,184 plus VAT) for the provision of advice to the Committee on various aspects of remuneration including advice on the Remuneration Policy and implementation of incentive schemes. The Committee has reviewed the quality of the advice provided and whether it properly addressed the issues under consideration and is satisfied that the advice received during the year was objective and independent. FIT has no personal connection to the Company or its Directors.

Total Remuneration

The Committee considers that the current remuneration arrangements promote the long-term success of the Company within an appropriate risk framework and are suitably aligned to the Company's objective of delivering long term sustainable growth in total shareholder returns given bonuses are discretionary.

Remuneration Principles

A key priority is to ensure that our Remuneration Policy is aligned with strategy to achieve the long-term success of the Group. The Committee ensures that it complies with the requirements of regulatory and governance bodies including, but not limited to, the UK Corporate Governance Code, whilst meeting stakeholder, shareholder and workforce expectations.

The Remuneration Committee and Board remain committed to a fully transparent and simple Remuneration Policy that is aligned with the interests of all its shareholders. In the operations of the Remuneration Committee, we reiterate our commitment *to the following key principles:*

- **Clarity:** We provide open and transparent disclosures regarding our executive remuneration.
- **Simplicity:** Our Remuneration Policy for our Executive Directors is straightforward and understood by both Directors and shareholders.
- **Predictability:** Most components of Director remuneration are either fixed or subject to individual caps set by reference to base salary. Through the use of a share price measure under the Executive Share Scheme, performance outcomes are predictable and highly aligned to the experience of our shareholders.
- **Proportionality:** Our Executive Director salaries are amongst the lowest in the FTSE 250. Variable pay awards are 'at-risk' and linked to delivery of our strategy and long-term performance, to ensure that poor performance is not rewarded.
- **Risks and behaviours:** We ensure that in our operations we identify and mitigate reputational risks arising from our remuneration arrangements and behavioural risks related to incentive targets.
- **Alignment to culture:** Increases to pay and bonuses are only awarded where the Executive Director demonstrates high-level behaviours and *performance consistent with Company purpose,* values and strategy.

Responsibilities of the Committee

The Committee is responsible for:

- determining the Company's policy on Executive Director's remuneration, including the design of bonus schemes and targets, share schemes when appropriate, together with payments under them;
- determining the level of remuneration of the Chair and each of the Executive Directors;
- setting the remuneration for the first layer of management below the Board level, including the Company Secretary;
- monitoring the remuneration of senior management and making recommendations in that respect;
- agreeing any compensation for loss of office of any Executive Director; and
- ensuring that the Company's Remuneration Policy remains fit for purpose and takes note of any new regulatory requirements.

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What Has the Committee Done During the Year?

- Put in place an Executive Share Scheme for the CEO, CFO, COO ('Chief Operating Officer') and CCO ('Chief Commercial Officer'). This was voted on by shareholders at the 2021 AGM and will reward executives based on a stretching share price target of £12 for all executives apart from the CEO and a share price target of £15 for the CEO.
- Worked with senior leaders in the business to explore long service awards for colleagues with five, ten, and twenty years' service.
- Reviewed the Fearless 1000 share scheme to spread points more evenly around the business. Regional managers now have 1,000 points (the same as senior leaders) as they have a large amount of the workforce reporting to them. The Committee is satisfied that the points distribution in the Fearless 1000 is fairly split between head office, retail and warehouse.
- Worked with HR to introduce exit interviews to establish colleagues' reasons for departure.

The Remuneration Committee meets several times a year, with four formal meetings and a number of ad hoc meetings held in FY22.

During the year, the Committee considered its obligations under the UK Corporate Governance Code and concluded that:

- the Directors' Remuneration Policy supports the Company's strategy (including in the performance measures chosen), considers other external remuneration guidance/benchmarked against other FTSE companies and pay ratios and worked as intended in FY22; and
- taking into consideration Company performance during FY22, remuneration for our Directors remains appropriate.

Shareholder Voting

The following table sets out actual voting in respect of the resolution to approve the Directors' Remuneration Report for the period ended 25 April 2021 at the 2021 AGM and the resolution to approve the Directors' Remuneration Policy at the 2021 AGM.

	Votes for	% for	Votes against	% against	Total votes cast	Votes withheld
Directors' Remuneration Report for the period ended 25 April 2021	391,676,959	86.27	62,315,356	13.73	453,992,315	14,649
Directors' Remuneration Policy	385,510,465	84.92	68,480,849	15.08	453,991,314	15,650

David Brayshaw

Chair of the Remuneration Committee
on Behalf of the Board

20 September 2022

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AUDIT COMMITTEE REPORT

Dear Shareholder

I am pleased to present the report of the Audit Committee (the Committee) for the 52-week period ended 24 April 2022. The report sets out the Committee's work and areas of focus during the year, which has continued to have the shadow of uncertainty cast by Covid-19 and the emergence of new variants along with supply chain risks and well-publicised macroeconomic factors. The Committee has therefore focused on and discussed the Group's performance, and the impacts of, and response to these external factors. Our performance as a business has remained strong in these challenging circumstances. It has been impressive to see the continued strength and depth of experience across all our business teams and their ability to withstand and manage the significant risks that materialised.

We monitored the Group's ongoing viability and going concern positions, reviewing cashflow forecasts and scenario modelling. We have kept the Group risk profile and emerging risks under continued review and had clear oversight of the activities of the executive Compliance & Risk Group. We have also monitored the *Group's response to opportunities and acquisitions, to* ensure we come through the period stronger and on track to meet our strategic targets.

On behalf of the Board, the Committee monitors the Group's financial reporting processes and the integrity of its financial statements and ensures high standards of quality and effectiveness in the external audit process. The Committee also reviews and monitors the effectiveness of the Group's systems of risk management and internal control, governance and compliance.

We have built a strong and productive working relationship with RSM UK Audit LLP ('RSM') since its appointment in 2019 as our External Auditor and we value the integrity, strength and depth of its audit and approach.

We have continued to make strong progress against our continuous improvement assurance agenda across governance, risk and control. We have closely monitored the Government's audit and governance reform agenda and await their response to this.

The Committee values the ongoing work of the Group's Internal Audit and Risk Team, Retail Support Unit and Digital Risk teams and continues to seek assurance that their work remains a strength in our Group.

Taking its responsibilities as a whole, the Committee is satisfied that the going concern basis of accounting is appropriate (see further detail at page 99) and that the Group is viable over its assessment period (see page 63).

I would like to take the opportunity to thank all our colleagues for their valuable commitment, contributions and support towards our Group performance.

Membership

During the year, the Audit Committee comprised three Non-Executive Directors, David Brayshaw, Nicola Frampton and myself as Chair. Biographies of each Committee member are set out in the Directors' profiles on pages 72 to 74 of this Annual Report.

As Chair of the Audit Committee and Senior Independent Non-executive Director, I am satisfied that the Committee's membership includes Directors with recent and relevant financial experience and competence in accounting, risk management and governance, and that the Committee as a whole has competence relevant to the retail sector in which the Group operates.

Meetings

The Committee met five times during the year, as we have extended our agenda to accommodate our assurance requirements. Non-Committee members of the Board and the executive management team attended Committee meetings at my invitation to ensure the Committee is kept informed of important developments in the business and the risk and control environment. Attendance by members of the executive management team also helps to reinforce a strong culture of risk management within the business. Non-Committee members do not participate in Audit Committee decision making.

Our External Auditor attended all Committee meetings during the year. The Committee meets privately with the External Auditor at least annually. In my capacity as Chair, I have regular meetings with the External Auditor prior to each Committee meeting during the audit planning process and as the audit progresses, to address issues early and to avoid any surprises. I am also in continuous contact with the Board Chair, Chief Executive, Chief Financial Officer, External Audit Lead Partner and our Head of Internal Audit & Risk Management, who has an independent reporting line to me.

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The Main Responsibilities of the Audit Committee

The Committee's main responsibilities, as delegated by the Board, remained unchanged during the year and are set out in the Committee's Terms of Reference. These include oversight, assessment and review of:

Financial Statements and Reporting:

- the integrity of the Group's financial reporting as a whole and any formal announcements relating to the Group's financial performance, including any significant judgements contained in them; and
- the Group's assessment of its going concern and longer-term prospects and viability.

External Auditor

- the effectiveness of the external audit process taking into consideration relevant UK professional and regulatory requirements;
- developing and implementing policy on the supply of non-audit services by the External Auditor and approving any such work; and
- reviewing and monitoring the External Auditors' independence and objectivity.

Risk Management and Internal Controls

- the effectiveness of the Group's internal financial controls, risk management and internal control systems, including the monitoring and reviewing the effectiveness of activities of the Internal Audit function, and driving an agenda of continuous improvement;
- identifying and assessing principal and emerging risks and risk exposures; and
- the effectiveness of whistleblowing arrangements.

In addition, the Committee:

- supports the Board in discharging its responsibilities for Corporate Governance Code compliance;
- advises the Board on the outcome of the external audit and whether it considers the Annual Report and Accounts, when taken as a whole, are fair, balanced and understandable and provide information necessary to shareholders to assess the Group's position and performance, business model and strategy;
- makes recommendations to the Board on the appointment, reappointment or removal of the External Auditor;
- approves the External Auditor's fees and terms of engagement;
- maintains strong relationships with the Board, executive management, the External Auditor and Internal Audit, in the execution of their respective responsibilities; and
- reports to the Board on how the Committee has discharged its responsibilities during the year.

Activities During the Period

The Committee focused on a number of significant areas of internal control (including financial, operational and compliance controls). During the period, the Committee:

- reviewed the Group's financial statements and assessed whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements;
- reviewed the detailed scenarios and assumptions behind the going concern basis of accounting and enhanced viability, including the worst case scenario;
- assessed the effectiveness of the external audit process and considered the reappointment of RSM as the External Auditor for FY23;
- monitored the effectiveness of the Group's risk management and internal control systems and received detailed reports and presentations on principal risks management;
- received regular updates on ESG matters, including TCFD requirements, climate-related risks and opportunities;
- reviewed its Terms of Reference; and
- together with the Board, considered the Committee's own effectiveness.

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Risk Management and Internal Controls

Information on our approach to risk management and internal control is set out in the risk section of the Strategic Report and the conclusion of our review is set out on page 51. Our plans for continuous improvement of our risk management and internal control systems remained in place during the year and our Group Internal Audit & Risk Management function has reinforced our progress. The work of our Retail Support Unit is central to the Group's system of internal control. The Unit provides internal assurance on the efficacy of controls over our retail operational procedures and systems.

In the year, the Committee focused on a number of significant areas of internal control, including:

- climate risk and the Group's environmental, social and governance agenda, supporting Taskforce for Climate-related Financial Disclosures reporting. Further details can be found on page 40;
- key legislative and regulatory obligations, including data protection and oversight of Government plans for audit and governance reform - strengthening controls over financial reporting;
- cyber risk and data loss prevention, including strengthening of our information security capability;
- the enhancements made to IT general controls ('ITGC'), including a review of a critical business database's access to ensure that it was proportionate to the needs of the business as well as meeting the robust security standards required of a critical database. The process is now being scaled and aligned across all key systems to ensure access is appropriate;
- updates on the governance policies review and reporting;
- reviewing significant accounting judgements and estimates;
- the valuation of assets and stock and the calculation of associated provisions;
- the effectiveness of hedge accounting and the management of foreign currency exposures;
- property and the systems in place to ensure impairments are recognised on a timely basis;
- reviewing and communicating the Group's Whistleblowing policy, ensuring concerns can be raised via telephone, via email to a dedicated whistleblowing address or directly to the Company Secretary or CFO;
- HR review of control processes for managing starters, movers and leavers;
- business continuity, IT disaster recovery and incident response; and
- the Group's banking arrangements.

Audit Quality

The Committee received comprehensive updates from RSM and the business in response to outlined reform proposals in the current Government consultation: restoring trust in audit and corporate governance.

Building on the three significant reviews in the last couple of years -the Competition and Markets Authority (CMA) Market Study, the Kingman Review and the Brydon Review - the UK audit sector, the audit profession, audit regulation, and the quality of the audit product, have never been under greater scrutiny.

The Committee will continue to oversee the development of plans for compliance readiness in response to the current BEIS consultation and we look forward to Government's decision in due course. The Group has responded to the Government consultation.

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External Auditor

The Committee was pleased to recommend the reappointment of RSM as External Auditor for FY22 following a robust external audit review of FY21. The length of tenure of RSM as external auditors is three years.

RSM has reported to the Committee that, in its professional judgement, it is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff is not impaired. The Audit Committee has assessed the independence of the auditor and concurs with this statement.

The Committee evaluates the effectiveness of the external audit process on an ongoing basis and makes recommendations annually to the Board on the External Auditor's reappointment. The External Auditor is then proposed for reappointment (as applicable) each year at the AGM.

In making its recommendations to the Board, the Committee considers a number of factors relating to the level of service provided by the External Auditor, the quality of its work and its independence. These include:

- the quality and scope of the planning of the external audit, including the External Auditor's assessment of risks and how it intends to evolve the audit plan to respond to changes in the business;
- the quality and timeliness of the External Auditor's reports to the Committee and the Board during the year;
- the level of understanding that the External Auditor has demonstrated in relation to the Group's businesses and the retail sector;
- the objectivity of the External Auditor's view on any deficiencies in internal control which came to its attention during the course of its audit work, and the robustness of challenge and its findings on areas which require management judgement;
- the contents of any external reports or regulatory statements published in respect of the External Auditor; and
- the nature and scope of non-audit services provided by the External Auditor and the level of fees charged for these services.

We have a stringent policy and approval process in place in respect of non-audit services and our view is to keep this type of engagement minimal unless in exceptional but reasonable circumstances, and in line with Group policy. No non-audit services have been provided by the External Auditor in the financial year (other than agreed upon procedures in relation to the interim financial statements).

Opinion on the Annual Report and Accounts

The Board has asked the Committee to advise it on whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

The Committee has reviewed the process for preparing this Annual Report in order to assess whether other information contained in it is consistent with the Group's financial statements for the 52 weeks ended 24 April 2022. This process has included the following key elements:

- reviewing new regulations and reporting requirements with external advisers to identify additional information and disclosures that may be appropriate;
- preparing a detailed timetable and allocation of drafting responsibility to relevant internal teams with review by an appropriate senior manager;
- providing an explanation of the requirement for the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable, to those with drafting responsibility;
- monitoring the integrity of the financial statements and other information provided to shareholders to ensure they represent a clear and accurate assessment of the Group's financial position and performance;
- reviewing significant financial reporting issues and judgements contained in the financial statements;
- review of all sections of the Annual Report by relevant external advisers;
- review by the senior manager working group responsible for the Annual Report process; and
- overall review of the contents of the Annual Report and Financial Statements for the period under review.

The Committee has advised the Board that it considers the Annual Report and Financial Statements for the period ended 24 April 2022, when taken as a whole, to be fair, balanced and understandable and that they provide the necessary information to assess the Group's position, performance, business model and strategy.

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Significant Financial Reporting Issues

The Committee has considered the following areas of significance during the period and held discussions with management and the External Auditor in reviewing these matters. The Committee is satisfied with how each of these matters has been discussed and addressed.

Going concern and viability	The Audit Committee has held extensive talks with management on going concern and viability, and the Committee as a whole has reviewed and challenged management analysis and assumptions used in both these assessments. This includes reviewing cash flow forecasts, sensitivity analysis, finance facilities and future funding plans. We considered areas of ongoing uncertainty in respect of Brexit, supply chain issues, cost of living and the broader economic downturn. The Group has successfully refinanced a combined term loan and revolving credit facility (RCF) which currently totals £980m for a period of three years with the possibility to extend for a further 2 years. On this basis, the Committee is satisfied that the going concern basis of accounting is appropriate and the Group is viable over its assessment period. Further information is included within the Viability Statement and the Directors' Report.
Inventory	The Committee has considered the work performed on inventory valuation and provisioning and has reviewed management's methodology. The Committee is satisfied the approach is consistent with the prior periods and takes account of any related supply chain and macroeconomic risks. The Committee is satisfied with the approach taken on inventory valuation and provisioning for Studio Retail, due to the specific risks associated with inventory within that business.
Impairment of right-of-use assets; property, plant & equipment; freehold property and related property provisions	The Committee reviewed and challenged management's impairment testing, including the key assumptions and methodologies used. The projected cash flows, discount rates and third-party valuations used in the evaluation were considered appropriate, within the context of the changes in consumer behaviour and economic uncertainties.
Forward currency contracts	The Committee reviewed and discussed with management the valuation methodology used and accounting treatment applied to derivative contracts. The Committee also review delegated authorities in place for the execution of such transactions and is satisfied these are appropriate.
Accounting for investments and associates	Investments: the Committee considered management's work on presentation and classification risk, in respect of investment shareholdings in excess of 20%. This work involves management judgement on whether or not the Group has significant influence over these entities. The Committee discussed with management and reviewed its representations in determining significant influence. Associates: the Committee also considered management's work on presentation and classification risk in relation to associates. The Committee has similarly discussed with management and reviewed its representations in determining whether the Group has control over its associates.
Related parties	The Committee has evaluated the appropriateness of related-party disclosures through discussions with management and review of papers outlining the valuation of the loan to Four Holdings Limited and the FY22 payments in respect of MM Prop Consultancy Limited and M.P.M Elevation Limited. The Committee is satisfied that the disclosures, payment and approach are appropriate.
Legal and other provisions and accruals	The Committee has reviewed and discussed with management its judgements and determinations in respect of legal provisioning and accrual for tax-related matters at the period end. Given the inherent levels of uncertainty and estimation in these areas, the Committee has carefully considered and challenged management's conclusions and reviewed independent third-party reports where available. As a result, the Committee is satisfied that the valuation of amounts recognised within legal and other provisions are appropriate.
Impairment allowance on trade receivables (Studio Retail Ltd)	The Committee challenged managements judgements and estimates on provisioning levels. The Committee is satisfied the underlying approach is consistent with Studio Retail's prior periods and has been adequately updated to take into account related supply chain and macroeconomic risks. Furthermore, the committee is satisfied with the approach for the post model economic overlay.
Business combination accounting	The Committee reviewed the work performed by management in respect of the acquisition of Studio Retail Limited, specifically, in relation to the valuation of net assets at the date of acquisition, accounting for the defined benefit pension scheme, fair value of intangibles and the fair value of the credit purchased impaired assets. The Committee is satisfied that the acquisition and presentation of Studio Retail Limited represents a true and fair view and that the date of control, estimates and judgements used by management are appropriate.

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Review of the Committee's Effectiveness

The Committee has improved its governance and annual planning cycle in the year and will continue to build on this in FY23. I monitor and assess the effectiveness of the Committee regularly as Chair and invite input from the External Auditor on this.

Key Objectives for FY23

The Committee's key objectives for FY23 are to:

- oversee the development of plans in response to the Government's reform proposals: restoring trust in audit and corporate governance;
- monitor continuous improvement of the Group's systems of risk management and internal control;
- maintain a strong relationship with our External Auditor and engagement on the delivery of a robust, efficient and effective external audit; and
- strengthen assurance activity across the Group based on the three lines model, (accountability, actions, assurance).

Richard Bottomley

Chair of the Audit Committee and Senior Independent Non-Executive Director

20 September 2022

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DIRECTORS' REPORT

The Directors of Frasers Group Plc present their Annual Report and Accounts for the period ended 24 April 2022. The Group's Corporate Governance Statement is set out on page 65 and forms part of the Directors' Report.

Principal Activities and Business Review

The Chief Executive's Report and Business Review on page 18 provides a detailed review of the Group's current activities and potential future developments, together with matters likely to affect future development, performance and conditions. Principal risks and uncertainties likely to affect the Group are set out on page 50. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are described in the Financial Review on page 28. The Strategic Report on page 10 covers environmental matters, including the impact of the Group's businesses on the environment, the Group's workforce, and on community engagement.

The principal activities of the Group during the period were:

- retailing of sports and leisure clothing, footwear and equipment, premium and luxury apparel;
- retailing through department stores, shops and online;
- wholesale distribution and sale of sports and leisure clothing, footwear and equipment, premium and luxury apparel;
- production of apparel under Group-owned or licensed brands; and
- licensing of Group Brands.

Frasers Group Plc, through various subsidiaries, has established branches in a number of different countries in which the business operates.

Further information on the Group's principal activities is set out at the front of this report and in the Chief Executive's Report and Business Review on page 18.

Results for the Period and Dividends

Revenue for the 52 weeks ended 24 April 2022 was £4,805.3m and profit before tax was £335.6m compared with £3,625.3m and £8.5m in the prior period. The trading results for the period and the Group's financial position as at the end of the year are shown in the attached financial statements and discussed further in the Chief Executive's Report and Business Review and in the Financial Review on pages 18 and 28 respectively.

The Board has decided not to propose a dividend in relation to FY22 (FY21: nil). The Board remains of the opinion that it is in the best interests of the Group and its shareholders to preserve financial flexibility, facilitating future investments and other growth opportunities.

Share Capital and Control

As at 20 September 2022, there are 640,602,369 ordinary shares of 10p in issue and fully paid, of which 163,124,612 were held in treasury. As at the period end there were 151,240,174 ordinary shares held in treasury.

Further information regarding the Group's issued share capital can be found in note 25. Details of our share schemes are also set out in note 25.

There are no specific restrictions on the transfer of shares, which are governed both by the general provisions of the Articles of Association and prevailing legislation.

The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Authority to Issue Shares

The Directors were authorised to allot shares in the capital of the Group up to an aggregate nominal amount of £17,068,843 (being approx. one third of the then issued share capital) for the period expiring at the end of the 2022 AGM.

In line with guidance from the Association of British Insurers, the Company was also granted authority to issue a further third of the issued share capital to a total nominal amount of £34,137,686, in connection with a rights issue.

An authority to allot shares up to a maximum nominal value of £2,560,326 (being approx. 5% of the then issued share capital) as if statutory pre-emption rights did not apply, was also approved. In addition, the Directors were granted a further authority to allot up to a maximum nominal value of £2,560,326 (being approx. 5% of the then issued capital) as if statutory pre-emption rights did not apply when such allotment was for the purposes of financing (or refinancing, if the power is used within six months of the original transaction) a transaction which the Board determined to be an acquisition or other capital investment of a kind contemplated by the Pre-emption Group's Statement of Principles on disapplying pre-emption rights.

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The Group was authorised to make market purchase of ordinary shares of 10p each in the Company of up to a maximum aggregate number of 76,758,587, representing 14.99% of the Company's issued ordinary share capital at the 2021 AGM. The above authority expires at the close of the next AGM of the Company.

Whilst authorities expire at the close of the next AGM of the Company, a contract to allot shares under these authorities may be made prior to the expiry of the authority and concluded in whole or part after the AGM, and at that meeting other authorities will be sought from shareholders.

Share Buybacks

During the period to 24 April 2022 the Company purchased 29,979,999 under the Share buyback programmes that commenced on 4 May 2021, 6 August 2021, 4 October 2021, 13 December 2021 and 1 April 2022. The nominal value of the shares purchased was 10p for a consideration of £193.2m. Up to 20 September 2022 the Company has purchased 11,884,438 additional shares with a nominal value of 10p for consideration of £79.9m. No shares have been disposed of by the Company to this date. The purpose of the Programme is to reduce the share capital of the Company.

Shareholders

No shareholder enjoys any special control rights, and, except as set out below, there are no restrictions in the transfer of shares or of voting rights.

As a controlling shareholder Mike Ashley has entered into a written and legally binding Relationship Agreement with the Company. This agreement ensures that the controlling shareholder complies with the independence provisions set out in Listing Rule 6.5.4. Under the terms of the Agreement, Mike Ashley undertook that, for so long as he is entitled to exercise, or to control the exercise of, 15% or more of the rights to vote at general meetings of the Company, he will: conduct all transactions and relationships with any member of the Group on arm's length terms and on a normal commercial basis; exercise his voting rights or other rights in support of the Company being managed in accordance with the Listing Rules and the principles of good governance set out in the 2018 UK Corporate Governance Code and not exercise any of his voting or other rights and powers to procure any amendment to the Articles of Association of the Company; and other than through his interest in the Company, not have any interest in any business which sells sports apparel and equipment, subject to certain rights, after notification to the Company, to acquire any such interest of less than 20% of the business concerned, and certain other limited exceptions, without receiving the prior approval of the Non-Executive Directors; and not solicit for employment or employ any senior employee of the Company.

The Company has complied with this Agreement's independence provisions during the period and, as far as the Company is aware, the controlling shareholder and his associates have also complied with them.

As at 24 April 2022, the Company had been advised that the following parties had an interest in 3% or more of the issued share capital of the Company pursuant to Rule 5 of the Disclosure Guidance and Transparency Rules ('DTR');

	Number of shares held	Percentage of issued Ordinary share capital with voting rights held	Nature of holding
Mike Ashley [1]	330,000,000	67.0%	Indirect
Phoenix Asset Management Partners Limited [2]	35,727,677	7.0%	Direct
Odey Asset Management LLP [3]	28,694,940	5.3%	Direct

(1) Mike Ashley held the shares through two companies, namely MASH Beta Limited and MASH Holdings Limited, which held 303,507,460 ordinary shares (61.65% of the issued ordinary share capital of the Company) and 26,492,540 ordinary shares (5.35% of the issued ordinary share capital of the Company) respectively.

(2) These figures are as at 26 October 2021 being the last date on which the Company was notified of a change in the percentage of shares.

(3) These figures are as at 14 December 2018 being the last date on which the Company was notified of a change in the percentage of shares.

Between 25 April 2022 and 20 September 2022 (being the latest practicable date prior to the publication of this Report) Mike Ashley's shareholding increased to 69% held via MASH Beta Limited and MASH Holdings Limited, which hold 303,507,460 ordinary shares (63.46% of the issued ordinary share capital of the Company) and 26,492,540 ordinary shares (5.54% of the issued ordinary share capital of the Company) respectively. There have been no other notification of changes in the interest held by the above parties.

ADR Programmes

We are aware of unsponsored American Depository Receipt (ADR) programmes established from time to time in respect of our shares. We have not sponsored or authorised their creation and any questions should be directed to the relevant depository.

Frasers Group has not and does not intend to offer or sell its ordinary shares or other securities (in the form of ADR or otherwise) to the general public in the United States nor has it listed or intend to list its Ordinary Shares or other securities on any national securities exchange in the United States or to encourage the trading of its Ordinary Shares on any over-the-counter market located in the United States. The Group does not make arrangements to permit the voting of ordinary shares held in the form of ADRs and its publication of periodic financial and other information is not intended to facilitate the operation of any unsponsored ADR programme under Rule 12g 3-2(b) of U.S. Securities Exchange Act of 1934, as amended or otherwise.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting of shareholders. The articles were last amended at the 2021 AGM. Subject to applicable laws and the Company's Articles of Association, the Directors may exercise all powers of the Company.

Takeovers

The Directors do not believe that there are any significant contracts that may change in the event of a successful takeover of the Company.

Share Schemes

Details of the Executive share scheme are set out in the Directors' Remuneration Report on page 77. The Fearless 1000 share scheme remains in place and is due to benefit colleagues in 2025, should the parameters of that scheme be met.

Colleague Involvement

The Group currently has approx. 30,000 colleagues in its stores, offices and warehouses.

The workforce is notified of announcements and major changes in the business via Company emails, SLACK, social media and our intranet, as well as information being communicated through line managers. The Company has elected a Workers' Representative, Cally Price, who attends all Board meetings and provides feedback from employees to the Board. The Company also has the 'Your Company, Your Voice' scheme which enables colleagues to raise issues of concern via suggestion boxes. The contributions are read by senior management and the Workers' Representative, who provides the Board with an overview and replies to colleagues as appropriate. A selection of questions received, and answers given by management, are displayed in communal areas for colleagues.

The Group has invested heavily in a new e-learning platform that provides colleagues with access to courses and opportunities to keep up to date with the latest developments of the Group as well as personal development opportunities. Our new Leadership Academy also invests in colleagues who wish to grow within the business and provides them with the opportunity to shape the polices and future direction of the business.

Our retail conferences offer attendees an opportunity to celebrate their successes, receive updates on how the Group's strategy is progressing, and for them to judge how the Group is performing via the 'Confident or Concerned' questionnaire.

Our monthly nominations for 'Frasers Champion' provides colleagues with the opportunity to individually recognise and reward the hard work of their fellow colleagues. Winners of the monthly champion awards win an additional month's salary as well as 10 points under the Fearless 1000 bonus scheme. A total of 98 colleagues were 'Frasers Champions' in the year.

There are various colleague incentives available to our retail colleagues. These incentives include our 5 Star Commission Scheme, Turnover Bonus, PBT Bonus, Stocktake Bonus and other commission schemes. These schemes vary between fascias.

Further information on relationships with our people and the principal decisions taken by the Group during the period having regard to colleague involvement can be found in the Directors' Report on page 97 and page 13 of the Our People section.

Diversity and Equal Opportunities

The Group's recruitment policy is to match the capabilities and talents of each applicant to the appropriate job. Factors such as gender, race, religion or belief, sexual orientation, age, disability or ethnic origin are ignored, and decisions are made with regard to candidates irrespective of these factors. Discrimination in any form is not tolerated within the Group.

Applications for employment by persons with any disability are given full and fair consideration for all vacancies and are assessed in accordance with their particular skills and abilities.

The Group endeavours to meet its responsibilities towards the training and employment of disabled people, and to ensure that training, career development and promotion opportunities are available to all.

The Group makes every effort to provide continuity of employment when our people become disabled. Attempts are made in every circumstance to provide

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employment, whether this involves adapting the current job role and remaining in the same job, or moving to a more appropriate role. Job retraining and job adaptation are just two examples of how the Group works in the interests of its workforce to promote equal opportunities, in order that an individual's employment within the Group may continue. The Group values the knowledge and expertise that our people have gained throughout their time with us, and therefore does not wish to lose valued colleagues.

Further information on our approach to diversity can be found in the Strategic Report on page 34.

Business Relationships

Details of our relationships with business partners are detailed in our S.172 statement, within the Strategic Report.

Research and Development

The Group designs some clothing and footwear for our in-house brands for sale in stores. The Group is currently investing in research that will enable us to produce more sustainable products and processes that will help us meet our ESG targets.

External brands are purchased from third-party suppliers, although we do work with them to agree on the specific pieces which we sell in-store.

Charitable and Political Donations

During the year, the Group made charitable donations of £6.6k (2021: £3k) in the UK. The Group also made donations in kind such as clothing, sleeping bags and sports equipment to various organisations and charities. No political donations were made (2021: nil). Further information on our charitable donations and community initiatives can be found in our ESG report.

Directors

Details of current Directors, dates of appointment, their roles, responsibilities and significant external commitments are set out on page 72. The membership of the Board of Directors has largely remained the same throughout FY22 with the exception that Anouska Kapour who was appointed on 29 September 2021, subsequently resigned on 21 December 2021 due to a conflict that arose during her tenure, and Michael Murray was appointed to the Board on 1 May 2022.

Although the Company's Articles of Association require retirement by rotation of one third of Directors each year, the Group complies with the 2018 UK Corporate Governance Code and at each AGM all of the Directors will retire and stand for reappointment.

Information on service contracts and details of the interests of the Directors and their persons closely associated in the share capital of the Company at 24 April 2022, and at the date of this Report, are shown in the Directors' Remuneration Report on page 77.

Copies of the service contracts of Executive Directors and of the appointment letters of the Chair and Non-Executive Directors are available for inspection at the Company's registered office during normal business hours and at the AGM.

No Director has a directorship in common or other significant links with any other Director.

Director appointments are governed by the Companies Act 2006, the 2018 UK Corporate Governance Code and the Group's Articles of Association.

The Directors confirm that:

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

Directors' Conflicts of Interest

The Board has formal procedures to deal with Directors' conflicts of interest. The appointment letters of Non-Executive Directors state that they agree to consult with the Chair prior to accepting any directorships in publicly quoted companies or any major external appointments. Also, if any Non-executive Director becomes aware of any potential conflict of interest, the Chair and Company Secretary must be notified as soon as possible.

During the period, the Chair and the Company Secretary were made aware of an arising conflict of interest in relation to Anouska Kapur as a Director. As a result of this conflict, Anouska elected to stand down from her role. No other conflicts or additional appointments for other Non-Executive Directors became apparent.

The independence of Non-Executive Directors is reviewed by the Board annually. All Directors complete an annual questionnaire to record any potential conflicts of interest. No conflicts were disclosed for the FY22 questionnaire.

The Company has entered into a Relationship Agreement with Mike Ashley, whose wholly-owned companies, MASH Holdings Limited and MASH Beta Limited, currently hold approx. 5.54% and 61.65% respectively of the issued share capital of the Company (excluding treasury shares) as at 24 April 2022. This agreement is described in the Directors' Report on page 95.

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Directors' Indemnities

The Group has qualifying third-party indemnity provisions within the meaning given to the term by s234 and s235 of the Companies Act 2006 for the Directors. This is in respect of any potential exposure of liability in their capacity as a Director of the Company and of any company within the Group. Such indemnities were in force throughout the financial period and will remain in force.

Sports Direct Employee Benefit Trust

We note that the Trustees of the Sports Direct Employee Benefit Trust have waived their right to receive dividends on the ordinary shares comprised in the trust fund. No dividends were paid by the Company for the period ended 24 April 2022 nor for the period ended 25 April 2021.

Disclosures Required Under UK Listing Rule 9.8.4

The information required by Listing Rule 9.8.4 is set out in the table below:

Applicable sub-paragraph within LR 9.8.4	Disclosure provided
(1) Interest capitalised by the Group	N/A
(2) Publication of unaudited financial information	N/A
(3) Requirement deleted from the Listing Rules	-
(4) Details of long-term incentive schemes only involving a Director	N/A
(5) Waiver of emoluments by a Director	N/A
(6) Waiver of future emoluments by a Director	N/A
(7) Non pro-rata allotments for cash (issuer)	N/A
(8) Non pro-rata allotments for cash (major subsidiaries)	N/A
(9) Parent participation in a placing by a listed subsidiary	N/A
(10) Contracts of significance	N/A
(11) Provision of services by a controlling shareholder	page 81
(12) Shareholder waivers of dividends	page 95
(13) Shareholder waivers of future dividends	N/A
(14) Agreements with controlling shareholders	page 96

Annual General Meeting

Details on the date, time and format of the AGM will follow shortly after the finalisation of this Annual Report and Accounts. Information will be easily accessible on the Group's website.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive's Report and Business Review.

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review. In addition, the financial statements include 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.

The Group is profitable, highly cash generative and has considerable financial resources. The Group is able to operate within its banking facilities and covenants, which run until November 2024 with a two-year option to extend, and is well placed to take advantage of strategic opportunities as they arise. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the continued uncertain economic outlook.

Management has assessed the level of trading and has forecast and projected a conservative base case and also a number of even more conservative scenarios, including taking into account the Group's open positions in relation to Hugo Boss options. These forecasts and projections show that the Group will be able to operate within the level of the current facility and its covenant requirements (being interest cover and net debt to EBITDA ratios). Management also has a number of mitigating actions which could be taken if required such as putting on hold discretionary spend, liquidating certain assets on the balance sheet and paying down the revolving credit facility. See the Viability Statement for further details.

Having thoroughly reviewed the performance of the Group and Parent Company and having made suitable enquiries, the Directors are confident that the Group and Parent Company have adequate resources to remain in operational existence for the foreseeable future, which is at least 12 months from the date of these financial statements. Trading would need to fall significantly below levels observed during the pandemic to require mitigating actions or a relaxation of covenants.

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Furthermore, as per the outlook statement, the Directors are confident of achieving an Adjusted PBT of between £450m to £500m during FY23. On this basis, the Directors continue to adopt the going concern basis for the preparation of the Annual Report and Financial statements.

Accountability and Audit

A statement by the External Auditor can be found on page 102, detailing its reporting responsibilities. The Directors fulfil their responsibilities, and these are set out in the Directors' Responsibilities Statement on page 101.

Auditor

RSM UK Audit LLP will be proposed for reappointment at the AGM. In accordance with s.489(4) of the Companies Act 2006, resolutions to determine remuneration are to be agreed at the AGM.

Post Balance Sheet Events

See note 37 to the Financial Statements.

Future Developments

Future developments are discussed throughout the Strategic Report.

Financial Risk Management

Financial risk management is discussed in note 3 of the financial statements.

By Order of the Board

Robert Palmer

Company Secretary

20 September 2022

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DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Strategic Report and the Directors' Report, the Directors' Remuneration Report, the separate Corporate Governance Statement and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors have elected under company law and are required under the Listing Rules of the Financial Conduct Authority to prepare Group financial statements in accordance with UK-adopted International Accounting Standards. The Directors have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

A. select suitable accounting policies and then apply them consistently;

B. make judgements and accounting estimates that are reasonable and prudent;

C. for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;

D. for the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements;

E. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

Directors' Statement Pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on pages 72 to 74 confirm that, to the best of each person's knowledge:

A. 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 of the Company and the undertakings included in the consolidation taken as a whole; and

B. the Strategic Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Chris Wootton

Chief Financial Officer

20 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRASERS GROUP PLC

Opinion

We have audited the financial statements of Frasers Group Plc (the 'parent company') and its subsidiaries (the 'Group') for the period ended 24 April 2022 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cashflow Statement, the Consolidated Statement of Changes in Equity, the Company Balance Sheet, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 24 April 2022 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our opinion is consistent with our reporting to the Audit Committee.

Summary of Our Audit Approach

Key audit matters	
Group – Recurring risks	• Valuation of inventory. • Impairment of property related assets. • Property, Legal and Other Provisions.
Group – event driven risks	• Impairment of Studio Retail trade receivables. • Accounting for the acquisition of the trade and certain assets of Studio Retail Group.
Materiality	**Group** • Overall materiality: £17.0million. • Performance materiality: £11.0million. ***Parent Company*** • Overall materiality: £5.4million. • Performance materiality: £3.5million.
Scope	Our Group audit procedures covered 83% of revenue, 86% of total assets and 91% of profit before tax.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the Group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Valuation of inventory

Key audit matter description	At 24 April 2022, the Group Consolidated Balance Sheet records inventory of £1,277.6m (2021: £1,096.6m). This amount is net of an inventory provision of £236.7m (2021: £219.8m). As described in note 2 to the financial statements, management use a forward looking inventory provisioning model which calculates a provision by category of inventory based on historical experience, pricing and discounting strategies and management's assessment of risk. There is significant estimation involved in the calculation of inventory provisions to ensure that inventory is held at the lower of cost and net realisable value. This involves consideration of expected future losses on sale of inventory including assessing the likely impacts of macro-economic factors, inventory obsolescence and the additional costs to sell which need to be included in calculating the net realisable value of inventory. Due to the factors explained above, we have identified the valuation of inventory as a key audit matter.

How the matter was addressed in the audit	In respect of inventory valuation we:
	• Assessed the appropriateness of management's inventory provision calculations, including testing the accuracy and completeness of the data used and the mathematical accuracy of the provisioning model.
	• Critically challenged the assumptions made in the inventory provision model in respect of the expected level of discounting and the expected costs of sale, including:
	  ◦ The basis on which expected discounts were calculated and whether calculated discounts were realistic *based on historical experience and the current trading environment.*
	  ◦ The assumptions regarding the expected volume and allocated costs of redistributing (tunnelling) and repricing product.
	  ◦ Whether different assumptions and estimates should be applied for different fascias given the differentiated product mix.
	• Considered management's strategic options for addressing demand in the uncertain retail economic environment resulting from current macro-economic factors, including discounting levels and further development of on-line retail channels.
	
	As a result of our findings from challenging management's model, we independently developed an alternative model that applied historic inventory loss experience to calculate a provision against current out of season and clearance inventory and inventory that would be expected to remain unsold and fall into those categories in future periods. In addition, we recalculated the expected future tunnelling and repricing costs to take account of our assessment of the likely future costs of these activities in relation to products that would have a net realisable value which was below cost.
	
	We then formed an assessment, based on discussions with management and available market data, to reflect the expected impact of current macro-economic factors and expected changes in customer disposable income. This included consideration of forecast future sales performance, expected margin decline, the increased risk of inventory becoming out of season and adjustments considered relevant for specific fascias, where the risk of inventory obsolescence was considered to be higher. Our alternative model allowed us to develop an estimate of the level of provision we considered appropriate and supportable against which we were able to assess management's estimates.

Key observations	Our audit work on inventory valuation, and in particular the development of our own alternative provision model, did not identify any material misstatement in the valuation of inventory.

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Impairment of property related assets

Key audit matter description	As a result of the macro-economic factors, reduction in consumer disposable income and changing patterns of retail consumer behaviour, particularly in relation to physical stores, the Group identified that there were indications of impairment in relation to freehold property interests, right of use assets and related PPE ("property related assets"). As required by IAS 36 (Impairment of Assets) the Group has performed an impairment review of all such assets. As a result of this review, impairments in relation to freehold property (£106.5m), right of use assets (£76.8m) and related PPE (£40.7m) have been made in these financial statements. As described in note 2 to the financial statements, the impairment review involves management judgements and estimates in relation to the value in use of the property related assets (being the net present value of the forecast related cashflows) and, in the case of freehold property, comparison of calculated value in use to internal and external property valuations. The values derived are then compared to the book value of the related assets to determine whether impairment is required. In making this assessment management determined each property or store to be a cash generating unit (CGU). The value in use calculations involve significant assumptions regarding future cashflows, the long term growth rate in like for like sales, an assessment of the propensity for customers to switch to online purchases, pressure on margins and determination of an appropriate discount rate and an assessment of the likely impact of high inflation and reduced consumer disposable income. In the case of freehold property, valuations are dependent on assumptions regarding the ability to relet property, the length of void and rent free periods and future rentals achievable. Accordingly we determined that the valuation of property related assets had a high degree of estimation uncertainty. Due to the factors explained above, we have identified valuation, presentation and disclosure of property related assets as a key audit matter.
How the matter was addressed in the audit	We obtained an understanding of how management performed their impairment testing of property related assets and their approach to valuation. We critically assessed the methodology applied by management with reference to the requirements of IAS 36 and tested the integrity of the value in use calculations and the calculated impairments by CGU. In the case of freehold property, in addition to assessing the value in use calculations, we evaluated the approach to the valuation of freehold interests with input from an independent external retail property valuation expert and critically challenged the underlying assumptions. In particular we challenged the significant assumptions within management's models through:- • Evaluating management's assumptions through consideration of historical and current trading performance and external data points. • Sensitised the assumptions in management's impairment models. • Tested the reconciliation between the cashflows used in the value in use calculations with those used to assess going concern and viability to ensure they were consistent. • Critically challenging whether it was appropriate to exclude properties from the impairment model and assessing whether the reasons for exclusion were supportable – for example where specific properties were under redevelopment. • Challenging whether previous impairments should be reversed. • Comparing the discount rate used with that independently calculated by our internal valuation expert. We assessed whether the disclosures within the financial statements are consistent with IAS 36.
Key observations	Our audit work in respect of the impairment of property related assets concluded that the related balances were not materially misstated and the disclosures management have made are appropriate.

Property, Legal and Other Provisions

Key audit matter description	The Group makes provision for liabilities where it identifies there is a present obligation as a result of a past event and where it is probable that there will be a resultant outflow of resources that can be reliably measured. The Group has a significant provision in relation to legal and regulatory matters and property related provisions. As detailed in note 29 to the financial statements, the Consolidated Balance Sheet includes provisions of £230.2m (FY21: £215.8m) relating to legal and regulatory matters, £161.2m (2021: £144.1m) relating to property provisions which principally comprise provisions for dilapidations on leasehold properties and £41.6m (2021: £nil) relating to the financial services business of Studio Retail. The dilapidation provision requires significant judgements to be made as to future amounts payable based on historical experience, external advice and evolving conditions within the property sector. Additionally, the Group faces a number of legal, tax and other commercial claims and significant judgement is required in determining whether a provision should be recorded and for what amount. As a result of the Group's acquisition of Studio Retail it has recognised a provision of £41.6m in respect of a matter which is subject to a high degree of estimation uncertainty. This is discussed further in the key audit matter dealing with the acquisition of trade and certain assets of Studio Retail Group and in note 29 to the financial statements. Due to the amounts involved and the significant judgements required in quantifying and assessing provisions we have identified existence, accuracy, completeness, presentation and disclosure of property legal and other provisions as a key audit matter.
How the matter was addressed in the audit	Our audit work included the following: • Considering management's assessment in respect of provisions and assessing whether the recognition criteria of IAS 37 – Provisions, Contingent Liabilities and Contingent assets had been met. • Challenging the assumptions made in the dilapidation provision model in respect of the expected level of dilapidations on a store by store basis. As a result of our findings from challenging management's model, we independently developed an alternative model that applied historic dilapidation costs and relevant factors such as geography and property type as well as considering the impacts of likely future changes in the property market. Our alternative model allowed us to develop an estimate of the level of provision we considered appropriate and supportable against which we were able to assess management's estimates. • Challenging provisions and related assumptions with key management outside the finance function, including members of the property and legal teams and obtaining corroborative evidence from third parties in relation to material ongoing legal and tax matters. • Auditing the movement in provisions and checking for completeness through the review of ongoing claims for dilapidations and through circularisation of legal advisors in relation to other claims.
Key observations	Our audit work in respect of Property, legal and other provisions concluded that the related balances were not materially misstated, albeit subject to a high degree of estimation uncertainty as regards the Studio retail provision, and the disclosures management have made are appropriate.

Impairment of Studio Retail trade receivables

Key audit matter description	Frasers Group acquired Studio Retail Limited (SRL) on 24 February 2022. SRL has significant trade receivables as a result of credit facilities which are offered to customers. These are recovered through instalments. These trade receivables make up a significant proportion of Frasers Group's total assets at 24 April 2022. An appropriate allowance for expected credit losses in respect of these trade receivables is required to be derived from estimates and underlying assumptions such as the Probability of Default and the Loss Given Default, taking into consideration forward looking macro-economic assumptions. Changes in the assumptions applied such as the value and frequency of future debt sales in calculating the Loss Given Default, and the estimation of customer repayments and Probability of Default rates, as well as the weighting of the macroeconomic scenarios applied to the impairment model could have a significant impact on the carrying value of these trade receivables. We determined that credit risk is a highly judgemental area due to the use of subjective assumptions and a high degree of estimation uncertainty. The impairment provision relating to the Studio Retail trade receivables required the Directors to make judgements over the ability of customers to make future repayments. Since the recoverability of trade receivables has a high degree of estimation uncertainty, with a potential range of possible outcomes, we consider this to be a key audit matter.-
How the matter was addressed in the audit	Our audit work in relation to the acquired trade receivables within SRL included:- • Reviewing the work of the component auditor in assessing the design and implementation, and testing the operating effectiveness, of the key controls in relation to the impairment and provision model and forming our own assessment based on this review and discussions with management. • Assessing the overall methodology against the requirements of IFRS 9. • Reviewing the work of the component auditor in performing testing on the data within the model and verifying this to underlying source documentation. Utilising experts to assist the audit team in assessing the validity of the model and challenging management's forecasting and weighting of key model drivers (macro-economic variables) and expected future debt sale prices (ultimate recoveries).
Key observations	Based on the work performed, we considered the methodologies and modelled assumptions used to value trade receivables expected credit losses to be reasonable and in line with IFRS 9.

Acquisition of the trade and certain assets (including credit impaired assets) of Studio Retail Group

Key audit matter description	On 24 February 2022, the Group acquired digital retailer, Studio Retail Limited (SRL) and certain other assets of Studio Retail Group plc (in administration) (SRG). The consideration for the transaction, which totalled £28.3m, comprised of cash and the release of SRG from its liabilities to the lending banks under its revolving credit facilities. The Company also agreed to act as guarantor of certain payments in respect of the SRG group pension scheme to the satisfaction of the Trustees. Details of the acquisition are given in note 32 to the financial statements. Judgement is applied by management in assessing the fair value of the assets and liabilities acquired in the business combination, including any intangibles in accordance with IFRS 13: Fair Value Measurement. Management have applied a number of key judgements and estimates in order to account for this acquisition in both the Group and parent company financial statements in accordance with IFRS 3 Business Combinations and FRS 102 Section 19. These include: • Considering whether this constitutes a step acquisition on the basis of the Group's holding in SRG pre administration. • Considering whether the debt purchase is a separate transaction. • Determining the carrying value of net assets in the acquisition balance sheet of SRL, in particular relating to the carrying value of trade receivables. • Determining the fair values assigned to determine the separately identifiable intangibles at the acquisition date. • Determining any other fair value adjustments required at the acquisition date and the quantum of these, including specifically in relation to the purchase of credit impaired assets. • Estimating the provision required at acquisition in relation to the ongoing review of probable remediation actions required in respect of past lending and collection activities and referred to in note 29. Due to the nature of the judgements and estimates involved and in particular the estimation uncertainty relating to the costs of remediation, we have identified business combination and acquisition accounting together with accounting for credit impaired assets as a key audit matter for both the accuracy and valuation assumptions.
How the matter was addressed in the audit	Our audit work in relation to the acquisition accounting included: • Obtaining and reviewing management's acquisition accounting paper in relation to the acquisition of SRL to verify that the treatment of the acquisition entries and any fair value adjustments are appropriate and in accordance with IFRS 3 Business Combinations and FRS 102 Section 19. • Concluding that the conditions for recognising a step acquisition were absent given that the Group's shares in Studio Retail plc became worthless at the date of that company's administration. • Checking accounting entries to purchase and other agreements and bank statements. • Performing testing on the net assets at the acquisition date including on the expected credit loss provisions in respect of SRL's trade receivables. • Critically challenging management's judgements in relation to fair value adjustments and recognition of separately identifiable intangible assets. • Reviewing and challenging management assumptions and estimates applied in accounting for the Purchase of Credit Impaired Assets (trade receivables) in accordance with IFRS 9. • Reviewing and challenging the methodology adopted by management in determining the initial estimate of the provision recognised under IFRS 3 in relation to potential liabilities arising from the review described in note 29 to the financial statements. • Inspecting financial statement disclosures in relation to the acquisition and considering in particular the adequacy of the disclosure and sensitivities applied in relation to the recognition of provision referred to above.
Key observations	We found the approach to accounting for the acquisition, including the judgements made in the recognition and valuation of acquired assets and liabilities to be acceptable. In relation to the provision recognised in connection with the ongoing review of probable remediation actions required in respect of past lending and collection activity and referred to in note 29, we consider the approach adopted by the Group in making a provisional estimate, in accordance with IFRS 3, of the quantum of provision and the associated disclosure to be reasonable but draw attention to the high degree of estimation uncertainty with a potential range of reasonably possible outcomes greater than our materiality for the financial statements as a whole and possibly many multiples of that amount.

There are no key audit matters relating to the parent company.

Changes to Key Audit Matters

In the prior year we reported a key audit matter in respect of the impact of the Covid 19 pandemic and going concern in the light of the uncertainties surrounding the impact of the pandemic on the retail sector. However, due to the UK's recovery from the pandemic and the strong performance of the business in the post pandemic period. We have not deemed going concern to be a key audit matter although it remains an area of focus in the audit.

We also included, in the prior year, a key audit matter regarding the classification of investments where the Group held more than 20% but less than 50% of the voting share capital of the investee but where the Group had rebutted the presumption that significant influence existed. Since the only remaining such investment at the period end was in Mulberry Group plc (36.9%) which has a significant shareholder with a beneficial interest in excess of 55% of voting share capital, we no longer consider our assessment of management's judgements in this area to be a key audit matter.

Our Application of Materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality for the financial statements as follows:

	Group	**Parent company**
Overall materiality	£17.0 million (2021: £11.1million)	£5.4million (2021: £11.0million)
Basis for determining overall materiality	5% of profit before tax (2021: 2.8% of underlying EBITDA)	1% of total assets (capped at an allocation of overall Group materiality)
Rationale for benchmark applied	During the year the Group changed the basis on which market guidance was given to a profit before tax based measure (adjusted profit before tax) rather than the underlying EBITDA measure applied previously on the basis that a measure which included the impact of depreciation, amortisation and IFRS 16 was more appropriate given the Group's increased investment in properties. We applied a lower level of materiality to the audit of components and, in accordance with ISA 320, in relation to certain classes of transactions, account balances and disclosures.	The Parent Company does not trade and therefore total assets is considered to be the most appropriate benchmark.
Performance materiality	£11.0m (2021: £7.2m) We set performance materiality at a level lower than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that, in aggregate, uncorrected and undetected misstatements exceed overall materiality. The factors we considered in determining performance materiality included; our knowledge of the Group, the pressures within the retail sector and the level of misstatements in prior periods.	£3.5m (2021: £7.1m) We set performance materiality at a level lower than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that, in aggregate, uncorrected and undetected misstatements exceed overall materiality. The factors we considered in determining performance materiality included; our knowledge of the Group, the pressures within the retail sector and the level of misstatements in prior periods.
Basis for determining performance materiality	65% of overall materiality (2021; 65% of overall materiality)	65% of overall materiality (2021: 65% of overall materiality)
Reporting of misstatements to the Audit Committee	Misstatements in excess of £0.85million and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £0.56million and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An Overview of the Scope of Our Audit

Our audit approach was based on a thorough understanding of the Group's business and is risk based, and in particular included:

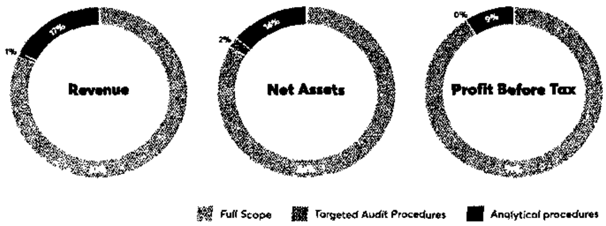
- Evaluation of identified components to assess the significance of each component and to determine the planned audit response based on a measure of materiality. This included significance as a percentage of the Group's revenue, total assets and adjusted profit before tax;
- For those components that were evaluated as significant, or likely to include significant risks, either a full-scope or targeted approach was taken based on their relative materiality to the Group, and our assessment of the audit risk. For significant components requiring a full-scope approach, we evaluated controls over the financial reporting systems identified as part of our risk assessment and addressed critical accounting matters. Substantive testing was performed on significant classes of transactions and balances, and other material balances, determined during the Group scoping exercise;
- Full scope audit procedures have been performed on the financial statements of Frasers Group plc, and on the financial information of the main trading companies within the UK Retail component; (Sportsdirect.com Retail Limited, Wareshop 2 Limited, Sports Direct International Holdings Limited, House of Fraser Limited, The Flannels Group Limited), and on the SDI Property component and GAME Retail Limited.
- In relation to the significant overseas component in Spain and the International component; comprising Austria, Belgium, Ireland and the United States, we engaged RSM member firms to perform full scope component audits. Additionally, RSM member firms attended inventory counts in a number of locations;
- In relation to Studio Retail Limited, component auditors were engaged to perform full scope audit procedures covering the post acquisition period.
- The Group engagement team reviewed the work performed by the component auditors. We determined the level of involvement we needed to have in their audit work at those reporting units to be able to conclude whether sufficient, appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.
- Further specific audit procedures over the Group consolidation and areas of significant judgement including impairment of property related assets, leases, taxation and treasury were performed by the Group engagement team.

The operations that were subject to full-scope audit procedures made up 82% of consolidated revenues, 84% of total assets and 91% of profit before tax.

The operations that were subject to targeted audit procedures made up 1% of consolidated revenues, 2% of total assets and 0% of profit before tax; and

The remaining operations of the Group were subject to analytical procedures over the balance sheet and income statements of the relevant entities with a focus on applicable risks identified above. This made up 17% of consolidated revenues, 14% of total assets and 9% of profit before tax.

The coverage achieved by our audit procedures was:



Full scope audits were performed for 7 components (some of which included a number of legal entities which were combined for group reporting purposes), targeted audit procedures for 7 components and analytical procedures at group level for the remaining components.

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	7	82%	84%	91%
Targeted audit procedures	7	1%	2%	0%
Total	**14**	**83%**	**86%**	**91%**

Analytical procedures at group level were performed for the remaining components.

The Group team visited two component locations in the UK and attended video conference calls and performed remote file reviews for components in Austria, Belgium, Ireland, Spain, the UK and the USA. At these meetings the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

The parent company was subject to a full scope audit for the purposes of the Group and Parent Company financial statements.

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The Impact of Climate Change on the Audit

In planning our audit we have considered the potential impact of the risk arising from climate change on the Group's business and its financial statements.

Further information on the Group's commitments is provided in the Group's Task Force for Climate-Related Financial Disclosures ("TCFD") disclosures on page 40.

As part of our audit we have performed a risk assessment, including making enquiries of management, reading board minutes and applying our knowledge of the Group and the sector within which it operates, to understand the extent of the potential impact of climate change on the Group's financial statements. Taking account of the nature of the business and the extent of the headroom in impairment testing. We have not assessed climate related risk to be significant to our audit. There was no impact on our key audit matters.

We have read the Group's TCFD and considered consistency with the financial statements and our audit knowledge.

We have not been engaged to provide assurance over the accuracy of the climate risk disclosures set out on pages 40 to 45 in the Annual Report.

Conclusions Relating to Going Concern

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

Our evaluation of the Directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:-

- Obtaining an understanding of management's going concern models, discussing key assumptions with management and assessing whether those assumptions were consistent with those applied elsewhere, such as in relation to inventory valuation and the assessment of property related provisions.
- Checking the mathematical accuracy of management's cashflow models, and agreeing opening balances to 24 April 2022 actual figures.
- Checking management's covenant compliance calculations to determine whether there is a risk of breach and assessed whether the assumptions in management's base model appeared realistic, achievable and consistent with other internal and external evidence.
- Comparing forecast sales with recent historical information to consider the accuracy of forecasting.
- Considering post year end sales patterns to assess whether they were consistent with those assumed in the base model.
- Critically assessing and testing management's sensitivity analysis and performing our own analysis based on further sensitising of the models to take account of reasonably possible scenarios that could arise from the risks identified.
- Challenging management regarding their identification of discretionary spend that could be reduced should mitigating actions become necessary.
- Reviewing agreements and correspondence relating to the availability of financing arrangements.
- Evaluating the Group's disclosures on going concern against the requirements of IAS 1.

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

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Other Information

The other information comprises the information included in the annual report on pages 1 to 101 other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are Required to Report by Exception

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in:

- the Strategic Report or the Directors' Report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

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

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

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 99;
- Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why this period is appropriate set out on page 63;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 99;
- Directors' statement on fair, balanced and understandable set out on page 92;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 50;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 71; and,
- The section describing the work of the audit committee set out on page 89.

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Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 101, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The Extent to which the Audit was Considered Capable of Detecting Irregularities, Including Fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the Group and parent company operates in and how the Group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- applied analytical review procedures to identify unusual or unexpected relationships.
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the control environment.

As the Group is regulated, our assessment of risks involved gaining an understanding of the effectiveness of the control environment including the controls established to mitigate the risks of fraud and the procedures for complying with regulatory requirements.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by component auditors were considered in our audit approach. We remained alert to any indications of fraud throughout the audit.

As a result of these procedures, we considered the opportunities and incentives that may exist within the Group for fraud and identified the greatest potential for fraud in those areas in which management is required to exercise significant judgement. In common with all audits under ISAs (UK) we also performed specific procedures to respond to the risk of management override and the risk of fraudulent revenue recognition.

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These procedures included :-

- testing the appropriateness of journal entries and other adjustments based on risk criteria and comparing the identified entries to supporting documentation.
- assessing whether the judgements made in making accounting estimates were indicative of potential bias.
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- testing the operating effectiveness of the manual controls in relation to the completeness, accuracy, and existence of cash sales.
- investigating transactions posted to nominal ledger codes outside of the normal revenue cycle identified through the use of data analytics tools.

The Group is subject to laws and regulations which directly affect the material amounts and disclosures in the financial statements. The most significant laws and regulations were determined to be as follows:-United Kingdom adopted International Accounting Standards and FRS 102, the UK Companies Act, Financial Conduct Authority regulations, including the Listing Rules and tax legislation.

In addition, the Group is subject to other laws and regulations which do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid material penalties. We identified the following areas as those most likely to have such an effect: competition and anti-bribery laws, data protection, employment, environmental and health and safety regulations.

In response to the above, audit procedures performed by the audit engagement team included:

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims.
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and correspondence with HMRC.

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

Other Matters Which We Are Required to Address

Following the recommendation of the audit committee, we were appointed by the Audit Committee and the Board on 18 November 2019 to audit the financial statements for the year ending 26 April 2020 and subsequent financial periods.

The period of total uninterrupted consecutive appointments is 3 years covering the years ending 26 April 2020 to 24 April 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company and we remain independent of the Group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of Our Report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Other Matter

In due course, as required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements will form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Mark Harwood (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street
London
EC4A 4AB

Date: 20 September 2022.

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CONSOLIDATED INCOME STATEMENT

For the 52 weeks ended 24 April 2022

	Note	Continuing operations 52 weeks ended 24 April 2022 (£'m)	Discontinued operations 52 weeks ended 24 April 2022 (£'m)	Total 52 weeks ended 24 April 2022 (£'m)	Continuing operations 52 weeks ended 25 April 2021 (£'m)	Discontinued operations 52 weeks ended 25 April 2021 (£'m)	Total 52 weeks ended 25 April 2021 (£'m)
Revenue		4,672.9	114.2	**4,787.1**	3,507.3	118.0	**3,625.3**
Credit account interest		18.2	-	**18.2**	-	-	-
Total revenue (including credit account interest)	4	**4,691.1**	**114.2**	**4,805.3**	**3,507.3**	**118.0**	**3,625.3**
Cost of sales		(2,647.2)	(56.1)	**(2,703.3)**	(2,023.4)	(71.1)	**(2,094.5)**
Impairment losses on credit customer receivables	4	(13.3)	-	**(13.3)**	-	-	-
Gross Profit		**2,030.6**	**58.1**	**2,088.7**	**1,483.9**	**46.9**	**1,530.8**
Selling, distribution and administrative expenses		(1,557.3)	(31.5)	**(1,588.8)**	(1,281.6)	(37.4)	**(1,319.0)**
Other operating income	5	45.4	2.6	**48.0**	33.3	3.5	**36.8**
Property related impairments	17, 18	(227.0)	-	**(227.0)**	(317.0)	-	**(317.0)**
Exceptional items	6	(1.3)	-	**(1.3)**	(1.6)	-	**(1.6)**
Profit on sale of properties	7	10.8	-	**10.8**	9.7	-	**9.7**
Operating Profit/(Loss)	**4,8**	**301.2**	**29.2**	**330.4**	**(73.3)**	**13.0**	**(60.3)**
Investment income	10	43.8	-	**43.8**	103.7	-	**103.7**
Investment costs	11	(19.7)	-	**(19.7)**	(7.7)	-	**(7.7)**
Finance income	12	30.3	-	**30.3**	9.0	-	**9.0**
Finance costs	13	(48.9)	(0.3)	**(49.2)**	(32.9)	(3.3)	**(36.2)**
Profit/(loss) before taxation		**306.7**	**28.9**	**335.6**	**(1.2)**	**9.7**	**8.5**
Taxation	14	(75.5)	(3.2)	**(78.7)**	(85.4)	(1.1)	**(86.5)**
Profit/(loss) for the period	**4**	**231.2**	**25.7**	**256.9**	**(86.6)**	**8.6**	**(78.0)**
ATTRIBUTABLE TO:							
Equity holders of the Group		224.1	25.7	**249.8**	(91.6)	8.6	**(83.0)**
Non-controlling interests		7.1	-	**7.1**	5.0	-	**5.0**
Profit/(loss) for the period	**4**	**231.2**	**25.7**	**256.9**	**(86.6)**	**8.6**	**(78.0)**
		Pence per share	**Pence per share**	**Pence per share**	**Pence per share**	**Pence per share**	**Pence per share**
Basic earnings per share	15	47.5	5.4	**52.9**	(18.2)	1.7	**(16.5)**
Diluted earnings per share	15	47.5	5.4	**52.9**	(18.2)	1.7	**(16.5)**

Discontinued operations relate to the Group's US retail businesses which were disposed of post year-end (see note 16).

The accompanying accounting policies and notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 24 April 2022

	Note	52 weeks ended 24 April 2022 (£'m)	52 weeks ended 25 April 2021 (£'m)
Profit/(loss) for the period	**4**	**256.9**	**(78.0)**
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Fair value movement on long-term financial assets	21	(8.1)	77.3
Remeasurements of defined benefit pension scheme	38	(26.8)	-
Deferred tax on remeasurements of defined benefit pension scheme	28	6.7	-
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Exchange differences on translation of foreign operations	26	6.8	(49.1)
Fair value movement on hedged contracts - recognised in the period	26,30	52.1	0.4
Fair value movement on hedged contracts - reclassified and reported in sales	26,30	-	(2.8)
Fair value movement on hedged contracts - reclassified and reported in inventory/cost of sales	26,30	7.5	(17.1)
Fair value movement on hedged contracts - taxation taken to reserves	26,30	(15.8)	3.0
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**22.4**	**11.7**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**279.3**	**(66.3)**
ATTRIBUTABLE TO:			
Equity holders of the Group		272.2	(71.3)
Non-controlling interest		7.1	5.0
		279.3	**(66.3)**

The accompanying accounting policies and notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET

At 24 April 2022

	Note	52 weeks ended 24 April 2022 (£'m)	52 weeks ended 25 April 2021 (£'m)
ASSETS - NON CURRENT			
Property, plant and equipment	17	1,011.0	1,164.9
Investment properties	18	89.2	14.1
Intangible assets	19	120.6	120.5
Long-term financial assets	21	206.6	263.3
Retirement benefit surplus	38	2.2	-
Deferred tax assets	28	100.8	66.8
		1,530.4	**1,629.6**
ASSETS - CURRENT			
Inventories	22	1,277.6	1,096.6
Trade and other receivables	23	841.4	546.5
Derivative financial assets	30	116.5	55.4
Cash and cash equivalents	24	336.8	457.0
		2,572.3	**2,155.5**
Assets in disposal groups classified as held for sale	**16**	**40.0**	-
TOTAL ASSETS		**4,142.7**	**3,785.1**
EQUITY			
Share capital	25	64.1	64.1
Share premium		874.3	874.3
Treasury shares reserve	26	(488.9)	(295.7)
Permanent contribution to capital	26	0.1	0.1
Capital redemption reserve	26	8.0	8.0
Foreign currency translation reserve	26	35.6	28.8
Reverse combination reserve	26	(987.3)	(987.3)
Own share reserve	26	(66.8)	(66.7)
Hedging reserve	26	55.3	11.5
Share based payment reserve		14.1	1.3
Retained earnings		1,778.1	1,554.5
Issued capital and reserves attributable to owners of the parent		**1,286.6**	**1,192.9**
Non-controlling interests		22.0	18.1
TOTAL EQUITY		**1,308.6**	**1,211.0**
LIABILITIES - NON CURRENT			
Lease liability	27	503.6	534.2
Borrowings	27	827.9	705.9
Retirement benefit obligations		1.6	1.9
Deferred tax liabilities	28	40.4	27.0
Provisions	29	433.0	361.2
		1,806.5	**1,630.2**
LIABILITIES - CURRENT			
Derivative financial liability	30	107.2	19.2
Trade and other payables	31	729.8	646.3
Lease liability	27	117.0	188.5
Current tax liabilities		50.9	89.9
		1,004.9	**943.9**
Liabilities in disposal groups classified as held for sale	**16**	**22.7**	-
TOTAL LIABILITIES		**2,834.1**	**2,574.1**
TOTAL EQUITY AND LIABILITIES		**4,142.7**	**3,785.1**

The accompanying accounting policies and notes form part of these Financial Statements. The Financial Statements were approved by the Board on 20 September 2022 and were signed on its behalf by:

Chris Wootton

Chief Financial Officer

Company number: 06035106

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CONSOLIDATED CASH FLOW STATEMENT

For the 52 weeks ended 24 April 2022

	Note	52 weeks ended 24 April 2022 (£'m)	52 weeks ended 25 April 2021 (£'m)
Cash inflows from operating activities	**33**	**628.9**	**578.3**
Income taxes paid		(121.0)	(59.3)
Net cash inflows from operating activities		**507.9**	**519.0**
Proceeds on disposal of property, plant and equipment and investment property		32.0	20.6
Proceeds from sale and leaseback transactions		9.5	-
Proceeds on disposal of intangibles assets		-	7.5
Proceeds on disposal of listed investments[1]	21	238.4	7.0
Proceeds in relation to equity derivatives[1]		117.4	48.1
Disposal of subsidiary undertaking		1.0	-
Purchase of subsidiaries, net of cash acquired	32	(0.2)	(39.4)
Purchase of property, plant and equipment and investment property	17, 18	(323.2)	(219.4)
Purchase of intangible assets	19	-	(1.0)
Purchase of listed investments	21	(198.4)	(113.3)
Investment income received		1.0	0.5
Finance income received		6.3	9.0
Net cash outflows from investing activities		**(116.2)**	**(280.4)**
Lease payments		(176.2)	(78.0)
Finance costs paid		(32.8)	(31.6)
Borrowings drawn down	27	1,374.4	1,128.1
Borrowings repaid	27	(1,484.4)	(1,323.6)
Proceeds from sale and leaseback transactions		1.5	-
Dividends paid to non-controlling interests		(1.3)	(0.9)
Purchase of own shares		(193.2)	(4.3)
Net cash outflows from financing activities		**(512.0)**	**(310.3)**
Net decrease in cash and cash equivalents including overdrafts		**(120.3)**	**(71.7)**
Exchange movement on cash balances		0.1	(5.3)
Cash and cash equivalents including overdrafts at beginning of period		**457.0**	**534.0**
Cash and cash equivalents including overdrafts at the period end	**24**	**336.8**	**457.0**

(1) Proceeds in relation to equity derivatives in both the current and prior periods have been shown separately from proceeds on disposal of listed investments. This has no impact on net cash outflows from investing activities or net cash.

The accompanying accounting policies and notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 52 weeks ended 24 April 2022

	Share capital (£'m)	Share premium[1] (£'m)	Treasury shares (£'m)	Share scheme reserve (£'m)	Foreign currency translation (£'m)	Own share reserve (£'m)	Retained earnings (£'m)	Other[2] (£'m)	Total attributable to owners of parent (£'m)	Non-controlling interests (£'m)	Total (£'m)
At 27 April 2020	**64.1**	**874.3**	**(295.7)**	**-**	**77.9**	**(67.0)**	**1,564.9**	**(951.2)**	**1,267.3**	**13.0**	**1,280.3**
Acquisitions	-	-	-	-	-	-	-	-	-	1.0	1.0
Share scheme	-	-	-	1.3	-	0.3	(4.7)	-	(3.1)		(3.1)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(0.9)	(0.9)
Transactions with owners in their capacity as owners	**-**	**-**	**-**	**1.3**	**-**	**0.3**	**(4.7)**	**-**	**(3.1)**	**0.1**	**(3.0)**
(Loss)/profit for the financial period	-	-	-	-	-	-	(83.0)	-	(83.0)	5.0	(78.0)
Other comprehensive income											
Cashflow hedges - recognised in the period	-	-	-	-	-	-	-	0.4	0.4	-	0.4
Cashflow hedges - reclassified and reported in sales	-	-	-	-	-	-	-	(2.8)	(2.8)	-	(2.8)
Cashflow hedges - reclassified and reported in inventory/cost of sales	-	-	-	-	-	-	-	(17.1)	(17.1)	-	(17.1)
Cashflow hedges - taxation	-	-	-	-	-	-	-	3.0	3.0	-	3.0
Fair value adjustment in respect of long-term financial assets - recognised	-	-	-	-	-	-	77.3	-	77.3	-	77.3
Translation differences - Group	-	-	-	-	(49.1)	-	-	-	(49.1)	-	(49.1)
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**(49.1)**	**-**	**(5.7)**	**(16.5)**	**(71.3)**	**5.0**	**(66.3)**
At 25 April 2021	**64.1**	**874.3**	**(295.7)**	**1.3**	**28.8**	**(66.7)**	**1,554.5**	**(967.7)**	**1,192.9**	**18.1**	**1,211.0**
Acquisitions	-	-	-	-	-	-	1.9	-	1.9	(1.9)	-
Share scheme	-	-	-	12.8	-	(0.1)	0.1	-	12.8	-	12.8
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1.3)	(1.3)
Transactions with owners in their capacity as owners	**-**	**-**	**-**	**12.8**	**-**	**(0.1)**	**2.0**	**-**	**14.7**	**(3.2)**	**11.5**
Profit for the financial period	-	-	-	-	-	-	249.8	-	249.8	7.1	256.9
Other comprehensive income											
Purchase of own shares	-	-	(193.2)	-	-	-	-	-	(193.2)	-	(193.2)
Cashflow hedges - recognised in the period	-	-	-	-	-	-	-	52.1	52.1	-	52.1
Cashflow hedges - reclassified and reported in inventory/cost of sales	-	-	-	-	-	-	-	7.5	7.5	-	7.5
Cashflow hedges - taxation	-	-	-	-	-	-	-	(15.8)	(15.8)	-	(15.8)
Fair value adjustment in respect of long-term financial assets - recognised	-	-	-	-	-	-	(8.1)	-	(8.1)	-	(8.1)
Remeasurements of defined benefit pension scheme	-	-	-	-	-	-	(26.8)	-	(26.8)	-	(26.8)
Deferred tax on remeasurements of defined benefit pension scheme	-	-	-	-	-	-	6.7	-	6.7	-	6.7
Translation differences - Group	-	-	-	-	6.8	-	-	-	6.8	-	6.8
Total comprehensive income for the period	**-**	**-**	**(193.2)**	**-**	**6.8**	**-**	**221.6**	**43.8**	**79.0**	**7.1**	**86.1**
At 24 April 2022	**64.1**	**874.3**	**(488.9)**	**14.1**	**35.6**	**(66.8)**	**1,778.1**	**(923.9)**	**1,286.6**	**22.0**	**1,308.6**

(1) The share premium account is used to record the excess proceeds over nominal value on the issue of shares.

(2) Other reserves comprises permanent contribution to capital, capital redemption reserve, reverse combination reserve and the hedging reserve. All movements in the period related to the hedging reserve (note 20).

The accompanying accounting policies and notes form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 24 April 2022

1. ACCOUNTING POLICIES

Frasers Group Plc (Company number: 06035106) is a company incorporated and domiciled in the United Kingdom, its shares are listed on the London Stock Exchange. The registered office is Unit A, Brook Park East, Shirebrook, NG20 8RY. The principal activities and structure of the Group can be found in the Directors' Report and the 'Our Business' section.

Basis of Preparation

The consolidated Financial Statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted by the UK Endorsement Board. This change in the basis of preparation is required by UK company law for financial reporting as a result of the UK's exit from the European Union on 31 January 2020 and the cessation of the transition period on 31 December 2020. This change does not constitute a change in accounting policy, rather a change in framework which is required to group the use of IFRS in company law. There is no impact on the recognition, measurement or disclosure between the two frameworks in the period reported. The consolidated Financial Statements have been prepared under the historical cost convention, as modified to include fair valuation of certain financial assets and derivative financial instruments.

The accounting policies set out below have been applied consistently to all periods in these Financial Statements and have been applied consistently by all Group entities. Certain subsidiaries have been consolidated based on a calendar year-end date of 30 April 2022.

The numbers presented in the Financial Statements have been rounded to the nearest million.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive's Report and Business Review.

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review. In addition, the financial statements include 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.

The Group is profitable, highly cash generative and has considerable financial resources. The Group is able to operate within its banking facilities and covenants, which run until November 2024 with a two year option to extend, and is well placed to take advantage of strategic opportunities as they arise. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the continued uncertain economic outlook.

Management have assessed the level of trading and have forecast and projected a conservative base case and also a number of even more conservative scenarios, including taking into account the Group's open positions in relation to Hugo Boss options. These forecasts and projections show that the Group will be able to operate within the level of the current facility and its covenant requirements (being interest cover and net debt to EBITDA ratios). Management also has a number of mitigating actions which could be taken if required such as putting on hold discretionary spend, liquidate certain assets on the Balance Sheet and pay down the Revolving Credit Facility. See the Viability Statement for further details.

Having thoroughly reviewed the performance of the Group and Parent Company and having made suitable enquiries, the Directors are confident that the Group and Parent Company have adequate resources to remain in operational existence for the foreseeable future which is at least 12 months from the date of these financial statements. Trading would need to fall significantly below levels observed during the pandemic to require mitigating actions or a relaxation of covenants. Furthermore, as per the outlook statement the Directors are confident of achieving an Adjusted PBT for FY23 of between £450m to £500m during FY23. On this basis, the Directors continue to adopt the going concern basis for the preparation of the Annual Report and financial statements which is a period of at least 12 months from the date of approval of these financial statements.

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Basis of Consolidation

The consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) each year. Control is achieved when the Company:

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

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

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

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

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

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

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

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

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Business Combinations

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

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

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For business combinations achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition date fair value and recognises the resulting gain or loss, if any, in the Income Statement as appropriate.

Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these Financial Statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate is recognised initially in the consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group

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accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated Financial Statements only to the extent of interests in the associate that are not related to the Group.

Revenue Recognition

Revenue with customers is measured based on the five-step model under IFRS 15: 'Revenue from Contracts with Customers':

1. identify the contract with the customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to separate performance obligations in the contract; and
5. recognise revenues when (or as) each performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received, or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Customers have a right of return within a specified period and this gives rise to variable consideration under IFRS 15. The right of return asset is recognised within inventory, with the refund liability due to customers on return of their goods recognised within trade and other payables.

In the case of goods sold through retail stores, revenue is recognised when we have satisfied the performance obligation of transferring the goods to the customer at the point of sale, less provision for returns. Accumulated experience is used to estimate and provide for such returns at the time of the sale. Retail sales are usually in cash, by debit card or by credit card.

In the case of goods sold on the internet where the customer has opted for delivery, revenue is recognised when we have satisfied the performance obligation of transferring the goods to the customer, which is at the point of delivery to the customer. Transactions are settled by credit card or debit card. Provisions are made for internet credit notes based on the expected level of returns using the expected value method, which in turn is based upon the historical rate of returns. In the case of internet click and collect orders which are collected in store, the performance obligation is deemed to have been satisfied when the goods are dispatched from the warehouse.

In the case of goods sold to other businesses via wholesale channels, revenue is recognised when we have satisfied the performance obligation of transferring the goods to the customer upon delivery. Payment terms are generally 30-60 days with no right of return.

In the case of income generated from trademarks and licences, revenue is recognised based either on a fixed fee basis or based on sales with specified minimum guarantee amounts in accordance with the relevant agreements. If the sales-based royalty is not expected to clearly exceed the minimum guarantee threshold, revenue is recognised over the rights period measured on the basis of the fixed guaranteed consideration. Revenue above the minimum guarantee threshold is recognised as earned based on the contractual royalty rate applied to the sales.

Revenue from Gym membership fees is stated exclusive of value added tax and comprises monthly membership fees, non-refundable joining fees and longer term membership fees recognised during the period.

Membership income is recognised and spread over the period to which it relates, being the period of the Group's performance obligations, with any subscriptions in advance of the period to which they relate being recognised as contract liabilities. Joining fee income is recognised over time, on a straight-line basis over the expected duration of the membership. Gym retail income is recognised at the point of sale. Other revenue includes various ancillary revenue streams, which are recognised in the period to which they relate. Total revenue from gyms recognised in FY22 is £47.4m (FY21: £14.0m) and is recognised in the UK Retail segment.

In the case of revenue from third party commission on concession sales within the House of Fraser department stores this is recognised when goods are sold to the customer. As we act as the agent this is stated at the value of the commission that the Group receives on the transaction rather than the gross revenue from the sale of the concessionaires' goods.

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The Group operates loyalty programmes which allow members to accumulate points on purchases and receive exclusive offers and benefits. The fair value of the points awarded to customers is determined relative to the total transaction price and accounted for as a separate identifiable component of a sales transaction. Revenue is deferred to match the estimated value of earned loyalty points. Deferred revenue is adjusted for the value of points that are not expected to be redeemed by customers based on historical redemption rates. When the points are redeemed and the Group fulfils its obligations pursuant to the programmes, the revenue that was deferred is recognised. In the UK points awarded expire following a period of 12 months of inactivity, in Spain they are valid until the end of the following calendar year.

Revenue from gift cards and vouchers is recognised when the cards or vouchers are redeemed by the customer, breakage is recognised when the likelihood of the card or voucher being redeemed is remote or has *expired. for gift cards monies received represent* deferred revenue prior to the redemption.

Credit account interest revenue related to interest charged on trade receivables in Studio Retail Limited is determined using the effective interest method. Credit account interest revenue is calculated on the gross carrying amount of the financial asset unless the financial asset is impaired, in which case the interest revenue is calculated on the amortised cost, after allowance for expected credit losses. Credit account interest revenue is recognised over time.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Grants that are receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the Income Statement at their fair value in the period in which they become receivable.

The Group has received Government support in the current and prior period relating to business rates relief and in the prior period relating to the Coronavirus Job Retention Scheme (CJRS) as a result of the Covid-19 pandemic. The amount received by the Group (including the UK) in the period in regard to the CJRS (or equivalent where received in non-UK territories) was £nil (FY21: approx. £80.0m). The amount of business rates relief received by the Group in the period (or equivalent where received in non-UK territories) was approx. £38.2m (FY21: £97.5m). Government grants that compensate the Group for expenses incurred are recognised in profit or loss as a deduction against the related expense over the periods necessary to match them with the related costs. The amounts quoted have been recognised in Selling, distribution and administrative expenses in the period.

Exceptional Items

The Group presents exceptional items on the face of the Income Statement. These are significant items of income and expense which, because of their size, nature and infrequency of the events giving rise to them, merit separate presentation to allow shareholders to better understand the elements of financial performance in the year, so as to facilitate comparison with prior periods and assess trends in financial performance more readily.

Finance Income

Finance income is reported on an accruals basis using the effective interest method.

Taxation

Tax expense comprises of current and deferred tax. Tax is recognised in the Income Statement, except to the extent it relates to items recognised in other comprehensive income or directly in equity. The income tax expense or credit for the period is the tax payable on the current periods taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused losses.

Deferred taxation is calculated using the 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 the initial recognition of goodwill or 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 on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets. 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 liabilities are provided in full.

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

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Deferred tax assets are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same tax authority.

Changes in current and deferred tax assets or liabilities are recognised as a component of tax expense in the Income Statement, except where they relate to items that are recorded in other comprehensive income or charged or credited directly to equity in which case the related deferred tax is also charged to other comprehensive income or credited directly to equity. Deferred tax assets and liabilities are not discounted.

Goodwill

Goodwill arising on consolidation is recognised as an asset and reviewed for impairment at least annually or when a change in circumstances or situation indicates that the goodwill has suffered an impairment loss. The need for impairment is tested by comparing the recoverable amount of the cash-generating unit (CGU) to which the goodwill balance has been allocated, which is the higher of fair value less costs to sell and value in use, to the carrying value of the goodwill balance. Any impairment is recognised immediately in the Income Statement. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of a business include the amount of goodwill relating to that business.

When the non-controlling interest of an existing subsidiary is acquired the carrying value of the non-controlling interests in the Balance Sheet is eliminated. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid is recognised directly in equity.

Other Intangible Assets

Brands, trademarks, licences and customer related intangibles that are internally generated are not recorded on the Balance Sheet. Acquired brands, trademarks, licences and customer related intangibles are initially carried on the Balance Sheet at cost. The fair value of brands, trademarks, licences and customer related intangibles that are acquired by virtue of a business combination is determined at the date of acquisition and is subsequently assessed as being the deemed cost to the Group.

Expenditure on advertising and promotional activities is recognised as an expense as incurred.

Amortisation is provided on brands, trademarks, licences and customer related intangibles with a definite life on a straight line basis over their useful economic lives of between 1 to 15 years and is accounted for within the selling, distribution and administrative expenses category within the Income Statement.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less depreciation less any recognised impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of these items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the costs can be measured reliably.

All other costs, including repairs and maintenance costs and labour costs are charged to the Income Statement in the period in which they are incurred.

Depreciation is provided on all property, plant and equipment other than freehold land and is calculated on a straight-line basis, whichever is deemed by the Directors to be more appropriate, to allocate cost less assessed residual value, other than assets in the course of construction, over the estimated useful lives, as follows:

- Freehold buildings - 15 years - straight line
- Leasehold improvements – 5 years or over the term of the lease, whichever is shortest - straight line
- Plant and equipment – between 5 to 10 years - straight line

A full year of depreciation is charged on all additions in property, plant and equipment in the period. The assets' useful lives and residual values are reviewed and, if appropriate, adjusted at each balance sheet date. The gain or loss arising on disposal or scrapping of an asset is determined as the difference between the sales proceeds, net of selling costs, and the carrying amount of the asset and is recognised in the Income Statement.

Property, plant and equipment where the carrying amount is recovered principally through a sales transaction and where a sale is considered to be highly probable are stated at the lower of carrying value and fair value less costs to sell.

Investment Properties

Investment properties, which are defined as property held for rental income or capital appreciation, are initially measured at cost being purchase price and directly attributable expenditure. Where the intention is to hold property as owner occupied, this is recognised as property, plant and equipment.

Subsequently investment properties are held at cost less accumulated depreciation and impairment losses. Investment properties are depreciated between 15 years straight line, other than the land element which is not depreciated.

Fair values of the investment properties are disclosed.

Impairment of Assets Other Than Goodwill

At each balance sheet date, the Directors review the carrying amounts of the Group's tangible and intangible assets, other than goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset in its current condition is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. With respect to property, plant and equipment, each store is considered to be a CGU and reviewed for impairment whereby changes in circumstances indicate that the recoverable amount is lower than the carrying value.

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

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease to the original historic cost and then as an expense.

Impairment losses recognised for CGU's to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) excluding goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior periods. A reversal of an impairment loss is recognised in the Income Statement immediately.

Assets Held for Sale

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the results are presented separately in the consolidated financial statements and the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes the purchase price of the manufactured products, materials, direct labour and transport costs. Cost is calculated using the weighted average cost method. Net realisable value is based on the estimated selling price less all estimated selling costs.

The Group receives trade discounts and rebates from suppliers based upon the volume of orders placed in a given time window. Typical discounts and rebates received by the Group include early settlement discounts, volume rebates on inventory purchases, supplier rebates based on faulty goods, and marketing support. Where there is sufficient certainty that a discount or rebate will be received in the future that relates to historic purchases this is reflected in the cost of inventories. Where the receipt of rebates is uncertain, the cost of inventories is held at full cost price until the rebate is received. Recognised rebates are released to the Income Statement to the extent that the stock has been sold.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial Assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within *finance costs or finance income, except for impairment* of trade receivables and amounts due from related parties which are presented within selling distribution and administrative expenses. Impairment losses in respect of credit customer receivables are disclosed separately on the face of the Income Statement.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income or realising cash flows from the sale of assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model and how those risks are managed;
- How managers of the business are compensated; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows; and
- terms that may adjust the contractual coupon rate.

Subsequent Measurement of Financial Assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

On initial application of IFRS 9 the Group made the irrevocable election to account for long term financial assets at fair value through other comprehensive income (FVOCI) given these are not held for trading purposes. The election has been made on an instrument-by-instrument basis, only qualifying dividend income is recognised in profit and loss, changes in fair value are recognised within OCI and never reclassified to profit and loss, even if the asset is impaired, sold or otherwise derecognised.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements include trade receivables, other receivables, amounts due from related parties, loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Other receivables and amounts due from related parties

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- financial assets where the credit risk has increased to a point at which it is considered credit impaired ('Stage 3')

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second and third categories.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables

The Group makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Credit customer receivables

12-month ECLs are used for Stage 1 performing assets and a lifetime ECL is used for stages 2 and 3. An asset will move from Stage 1 to Stage 2 when there is evidence of significant increase in credit risk since the asset originated and into Stage 3 when it is credit impaired. Should the credit risk improve so that the assessment of credit risk at the reporting date is considered not to be significant any longer, assets return to an earlier stage in the ECL model.

A financial asset is considered to have experienced a significant increase in credit risk since initial recognition where there has been a significant increase in the remaining lifetime probability of default of the asset. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, has been placed on an arrangement to pay less than the standard required minimum payment (except where a payment holiday was granted in response to Covid-19) or has had interest suspended.

In line with IFRS 9, a financial asset is considered to be in default when it is more than 90 days past due and/or when the borrower is unlikely to pay its obligations in full.

Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which the minimum payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment including forward looking information.

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The key assumptions in the ECL calculations are:

- Probability of Default ("PD") - an estimate of the likelihood of default over 12 months and the expected lifetime of the debt;
- Exposure at Default ("EAD") - an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by the contract or otherwise and accrued interest from missed payments; and
- Loss Given Default ("LGD") - an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, discounted at the original effective interest rate. The key areas of estimation are around the value that the Group will recover in respect of the defaulted debt and the timing of such recoveries.

The Group incorporates forward-looking information into its measurement of ECLs. This is achieved by developing four potential economic scenarios and modelling ECLs for each scenario. The outputs from each scenario are combined; using the estimated likelihood of each scenario occurring to derive a probability weighted ECL.

Management judgement is required in setting assumptions around probabilities of default and the weighting of economic scenarios in particular which have a material impact on the results indicated by the ECL model.

Acquired loans that meet the Group's definition of default (i.e., those that are more than 90 days past due and/or when the borrower is unlikely to pay its obligations in full) at acquisition are treated as purchased or originated credit-impaired ("POCI") assets. These assets attract a lifetime ECL allowance over the full term of the loan, even when these loans no longer meet the definition of default post acquisition. The Group does not originate credit-impaired loans.

Loss allowances for financial assets are deducted from the gross carrying amount of the asset. Impairment losses related to Studio Retail's trade receivables are separately disclosed in the consolidated income statement.

Financial Liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings and lease liabilities, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, fair value changes in currency derivative instruments that are reported in profit or loss are included within finance costs or finance income. Fair value changes in equity derivative financial instruments are recognised in investment income or investment costs.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Written option contracts do not qualify for hedge accounting and fair value movements are recognised directly in the Income Statement.

For the reporting periods under review, the Group has designated certain forward currency contracts as hedging instruments in cash flow hedge relationships. These arrangements have been entered into to mitigate foreign currency exchange risk arising from certain highly probable sales and purchases transactions denominated in foreign currencies.

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All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the Balance Sheet.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions or when the relationship no longer meets the criteria for hedge accounting, hedge accounting is discontinued and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Group provides for its legal responsibility for dilapidation costs following advice from chartered surveyors and previous experience of exit costs. The estimated cost of fulfilling the leasehold dilapidations obligations is discounted to present value and analysed between non-capital and capital components. The capital element is depreciated over the life of the asset. The non-capital element is taken to the Income Statement in the first year of the lease where the cost it represents is of no lasting benefit to the Group or its landlord. 'Wear and tear' costs are expensed to the Income Statement. Provisions for onerous lease contracts are recognised when the Group believes the unavoidable costs of meeting the lease obligations exceed the economic benefits expected to be received under the lease. Legal provisions (including settlements and court fees) are recognised based on advice from the Group's lawyers when it is probable that there will be an outflow of resources and a reliable estimate can be made.

Other provisions include management's best estimate of restructuring, employment related costs and other claims.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments such as revenue linked property leases are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain that the option will be exercised; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at the effective rate on the balance outstanding and are reduced for lease payments made.

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Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives (payments made by a lessor to a lessee associated with a lease, or the reimbursement or assumption by a lessor of costs of a lessee) received or impairment, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset, providing it meets the Group's property, plant and equipment capitalisation policy.

When an indication of impairment is identified, right-of-use assets are tested for impairment in accordance with IAS 36 by comparing the recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. The right-of-use assets are presented within property, plant and equipment in the consolidated Balance Sheet.

Subsequent to initial measurement, right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at a revised discount rate. The carrying value of lease liabilities is revised using the original discount rate when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Sale and leaseback

On entering into a sale and leaseback transaction the Group determines whether the transfer of the assets qualifies as a sale (satisfying a performance obligation in IFRS 15 'Revenue from Contracts with Customers'). Where the transfer is a sale and providing the transaction is on market terms then the previous carrying amount of the underlying asset is split between:

- a right-of-use asset arising from the leaseback (being the proportion of the previous carrying amount of the asset that relates to the rights retained), and
- the rights in the underlying asset retained by the buyer-lessor at the end of the leaseback.

The Group recognises a portion of the total gain or loss on the sale. The amount recognised is calculated by splitting the total gain or loss into:

- an unrecognised amount relating to the rights retained by the seller-lessee, and
- a recognised amount relating to the buyer-lessor's rights in the underlying asset at the end of the leaseback.

The leaseback itself is then accounted for under IFRS 16.

Rental income from operating leases where the Group acts as a lessor is recognised on a straight-line basis over the term of the relevant lease.

Treasury Shares

The purchase price of the Group's own shares that it acquires is recognised as 'Treasury shares' within equity. When shares are transferred out of treasury the difference between the market value and the average purchase price of shares sold out of treasury is transferred to retained earnings.

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Employee Benefit Trust

An Employee Benefit Trust has been established for the purposes of satisfying certain share-based awards. The Group has 'de-facto' control over the special purpose entity. This Trust is fully consolidated within the accounts. The cost of shares acquired by the Sports Direct Employee Benefit Trust is recognised within 'Own Share reserve' in equity.

Share-Based Payments

The Group issues equity-settled share-based payments to certain Directors and employees. These are measured at fair value at the date of grant, which is expensed to the consolidated Income Statement on a straight-line basis over the vesting period, with the corresponding credit going to equity.

Non-market vesting conditions are not taken into account in determining grant date fair value. Instead, they are taken into account by adjusting the number of equity instruments to vest. At the end of each reporting period the Group revises its estimates of the number of options that are expected to vest based on the non market vesting and service conditions. Any revisions, if any, are recognised in profit and loss with an adjustment to equity.

Fair value is calculated using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and the expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the scheme. The expected staff numbers used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

For cash-settled share-based payment transactions, the Group measures the services received and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the Income Statement for the period.

The credit for the share based payment charge does not equal the charge per the Income Statement as it excludes amounts recognised in the Balance Sheet in relation to the expected national insurance contributions for the shares.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of any direct issue costs.

Foreign Currencies

The presentational currency of the Group is sterling. The functional currency of the Company is also sterling. Foreign currency transactions are translated into sterling using the exchange rates prevailing on the dates of the transactions. Exchange differences of the Company arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Income Statement for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the Income Statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. for such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items that are held at valuation are translated at the foreign exchange rate at the date of the valuation.

On consolidation, the assets and liabilities of foreign operations which have a functional currency other than sterling are translated into sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of these subsidiary undertakings are translated at average rates applicable in the period. All resulting exchange differences are recognised in other comprehensive income and documented in a separate component of equity.

When a foreign operation is sold, the cumulative exchange differences that have been recognised as a separate component of equity are reclassified from equity to the Income Statement when the disposal is recognised.

In order to mitigate its exposure to certain foreign exchange risks, the Group enters into forward and option contracts (see Chief Executive's Report and Business Review and the cash flow hedging accounting policy).

Dividends

Dividends are recognised as a liability in the Group's Financial Statements and as a deduction from equity in the period in which the dividends are declared. Where such dividends are proposed subject to the approval of shareholders, the dividends are regarded as declared once shareholder approval has been obtained and they are no longer at the discretion of the Company.

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Materiality

In preparing the Financial Statements, the Board considers both quantitative and qualitative factors in forming its judgements, and related disclosures, and are mindful of the need to best serve the interests of its stakeholders and to avoid unnecessary clutter borne of the disclosure of immaterial items.

In making this assessment the Board considers the nature of each item, as well as its size, in assessing whether any disclosure omissions or misstatements could influence the decisions of users of the Financial Statements.

Post-employment obligations

For defined benefit plans, obligations are measured at discounted present value (using the projected unit credit method) and plan assets are recorded at fair value. The operating and financing costs of such plans are recognised separately in the Group Income Statement and actuarial gains and losses are recognised in the Group statement of comprehensive income/(loss).

Payments to defined contribution schemes are recognised as an expense when they fall due.

Share buybacks

Share buybacks are undertaken from time to time. Shares purchased are typically held in as Treasury shares at the total consideration paid or payable. The Group also uses contingent share purchase contracts and irrevocable closed period buyback programmes; the obligation to purchase shares is recognised in full at the inception of the contract, even when that obligation is conditional on the share price. Any subsequent reduction in the obligation caused by the expiry or termination of a contract is credited back to equity at that time. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Group's own equity instruments.

New Accounting Standards, Interpretations and Amendments Adopted By The Group

The Group has not early adopted any new accounting standard, interpretation or amendment that has been issued but is not effective. The Group has applied for the first time the following new standards:

- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.
- COVID-19 related rent concessions beyond 30 June 2021 – amendment to IFRS 16.
- Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets) – Agenda Paper 2.
- Amendments to IFRS 3, IAS 37, Annual improvements cycle 2018-2020.

By adopting the above, there has been no material impact on the Financial Statements.

International Financial Reporting Standards ("Standards") in Issue but not Yet Effective

At the date of authorisation of these consolidated Financial Statements, there are no standards in issue from the International Accounting Standards Board ("IASB") or International Financial Reporting Interpretations Committee ("IFRIC") which are effective for annual accounting periods beginning on or after 25 April 2022 that will have a material impact on these Financial Statements.

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Climate Change

We have considered the potential impact of climate change in preparing these financial statements. Tackling climate change is a global imperative, measures which support climate change initiatives and our wider ESG agenda continue to be key components of our strategic direction, supporting sustainability, the broader social agenda and consumer choice. The risks associated with climate change have been deemed to be arising in the medium to long term, however we are working to mitigate these risks as detailed within the TCFD section of this annual report.

We have considered climate change as part of our cash flow projections within going concern, impairment assessments and viability, and the impact of climate change is not deemed to have a significant impact on these assessments currently and therefore they are not deemed to be a key source of estimation uncertainty. The Group will continue to monitor the impacts of climate change over the coming years.

The critical accounting estimates and judgements made by the Group regarding the future or other key sources of estimation, uncertainty and judgement that may have a significant risk of giving rise to a material adjustment to the carrying values of assets and liabilities within the next financial period are:

Critical Accounting Judgements

Determining Related Party Relationships

Management determines whether a related party relationship exists by assessing the nature of the relationship by reference to the requirements of IAS 24, Related Party Disclosures. This is in order to determine whether significant influence exists as a result of control, shared directors or parent companies, or close family relationships. The level at which one party may be expected to influence the other is also considered for transactions involving close family relationships.

Control and Significant Influence Over Certain Entities

Under IAS 28 Investments in Associates and Joint Ventures if an entity holds 20% or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can clearly demonstrate that this is not the case. During the period the Group has held greater than 20% of the voting rights of Studio Retail Group Plc (Studio Retail Limited and certain assets of Studio Retail Group Plc were acquired out of administration during the period) and Mulberry Group Plc, whereby management consider that the Group does not have significant influence over these entities for combinations of the following reasons:

- The Group does not have any representation on the board of directors of the investee other than a Frasers Group representative having an observer role on the board of Studio Retail Group Plc before it was acquired. Management have reviewed the terms of the observer arrangement for the period before acquisition and have concluded that this did not give them the right to participate in or influence the financial or operating decisions of Studio Retail Group Plc. Studio Retail Group Plc could terminate this arrangement at any time, and could determine which parts of the Board meetings the representative could be present at and what information they were given access to. It should be noted the Frasers Group representative did not attend any board meetings in full or part during the reporting period;
- There is no participation in decision making and strategic processes, including participation in decisions about dividends or other distributions;
- There have been no material transactions between the entity and these investee companies;
- There has been no interchange of managerial personnel;
- No non-public essential technical management information is provided to the investee

In assessing the level of control that management have over certain entities, management will consider the various aspects that allow management to influence decision making. This includes the level of share ownership, board membership, the level of investment and funding and the ability of the Group to influence operational and strategic decisions and effect its returns through the exercise of such influence. If management were to consider that the Group does have significant influence over these entities then the equity method of accounting would be used and the percentage shareholding multiplied by the results of the investee in the period would be recognised in profit or loss.

The Group holds 49% of the share capital of Four (Holdings) Limited which is accounted for as an associate using the equity method. The Group does not have any representation on the board of directors and no participation in decision making about relevant activities such as establishing operating and capital decisions, including budgets, appointing or remunerating key management personnel or service providers and terminating their services or employment. However, in prior periods the Group has provided Four (Holdings) Limited with a significant loan. At the reporting date, the amount owed by Four (Holdings) Limited for this loan totalled £60.0m (£21.6m net of amounts recognised in respect of loss allowance). The Group is satisfied that the existence of these transactions provides evidence that the entity has significant influence over the investee but in the absence of any other rights, in isolation it is insufficient to meet the control criteria of IFRS 10, as the *Group does not have power over Four (Holdings) Limited.*

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Cash Flow Hedging

The Group uses a range of forward and option contracts that are entered into at the same time, they are in contemplation with one another and have the same counterparty. A judgement is made in determining whether there is an economic need or substantive business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction. Management are of the view that there is a substantive distinct business purpose for entering into the options and a strategy for managing the options independently of the forward contracts. The forward and options contracts are therefore not viewed as one instrument and hedge accounting for the forwards is permitted.

Under IFRS 9 in order to achieve cash flow hedge accounting, forecast transactions (primarily Euro denominated sales and USD denominated purchases) must be considered to be highly probable. The hedge must be expected to be highly effective in achieving offsetting changes in cash flows attributable to the hedged risk. The forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss. Management have reviewed the detailed forecasts and growth assumptions within them and are satisfied that forecasts in which the cash flow hedge accounting has been based meet the criteria per IFRS 9 as being highly probable forecast transactions. Should the forecast levels not pass the highly probable test, any cumulative fair value gains and losses in relation to either the entire or the ineffective portion of the hedged instrument would be recognised in the Consolidated Income Statement.

Management considers various factors when determining whether a forecast transaction is highly probable. These factors include detailed sales and purchase forecasts by channel, geographical area and seasonality, conditions in target markets and the impact of expansion in new areas. Management also consider any change in alternative customer sales channels that could impact on the hedged transaction.

If the forecast transactions were determined to be not highly probable and all hedge accounting was discontinued, amounts in the Hedging reserve of up to £55.3m (FY21: £11.5m) would be shown in Finance Income.

Recognition of Defined Benefit Pension Surplus

At 24 April 2022, the Group section of the Findel Group Pension Fund (of which Studio Retail Limited is the sponsoring employer) showed a surplus of £2.2m. This surplus has been recognised in the Group's consolidated balance sheet. In recognising the surplus, management exercised judgement as to whether Studio Retail Limited (as sponsoring employer) has an unconditional right to benefit from any pension surplus at some point in the future (through refunds of surplus or reductions in future contributions), in accordance with the requirements of IFRIC 14. Management concluded that this was the case.

Key Estimates

Provision for Obsolete, Slow Moving or Defective Inventories

The Directors have applied their knowledge and experience of the retail industry in determining the level and rates of provisioning required in calculating the appropriate inventory carrying values. Specific estimates and judgements applied in relation to assessing the level of inventory provisions required are considered in relation to the following areas:

A. Continuity inventory

B. Seasonal inventory lines – specifically seasons that have now finished

C. Third party versus own brand inventory

D. Ageing of inventory

E. Sports Retail or Premium Lifestyle

F. Local economic conditions

G. Divisional specific factors

H. *Increased cost of inventory and lower margins with* the devaluation of the Pound

I. Over-stock and out of season inventory as a result of macro-economic factors

Provision estimates are forward looking and are formed using a combination of factors including historical experience, management's knowledge of the industry, group discounting, sales pricing protocols and the overall assessment made by management of the risks in relation to inventory. Management use a number of internally generated reports to monitor and continually re-assess the adequacy and accuracy of the inventory provision. The additional cost of repricing inventory and handling charges in relation to relocating inventory (tunnelling) are considered in arriving at the appropriate percentage provision. The assessment involves significant estimation uncertainty, therefore in order to check that the assumptions applied remain valid, *management produces a range of outcomes and the* provision is set within this range.

Key assumptions used to create the estimates are:

- Discounting – Based on historical experience and managements anticipated future discounting including the continuing impact of the pandemic, Brexit, global supply chain challenges and macro-economic factors
- Tunnelling – Cost of handling stock for reworking and repacking
- Repricing – Labour cost associated with repricing units of stock
- Shrinkage – Stock lost through damage and theft

Total Group inventory provision at 24 April 2022 is 15.2% (FY21: 16.6%) of gross inventory. A 1% change in the provision as a percentage of gross inventory would impact profit before tax by approx. £15.5m (FY21: £13.2m). Management do not consider it appropriate to disclose sensitivities for key assumptions in isolation as in practice changes in one assumption would lead to an offset in another.

Property Related Provisions

Property related estimates and judgements are continually evaluated and are based on historical experience, external advice and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Dilapidations

The Group provides for its legal responsibility for dilapidation costs following advice from chartered surveyors and previous experience of exit costs (including strip out costs and professional fees). Management use a reference estimate of £100,000 (FY21: £100,000) for large leasehold stores, £50,000 (FY21: £50,000) for smaller leasehold stores (£25,000 per store for Game UK and Game Spain stores) and $/€50,000 (FY21: $/€50,000) for non-UK stores. Management do not consider these costs to be capital in nature and therefore dilapidations are not capitalised, except for in relation to the sale and leaseback of Shirebrook for which a material dilapidations provision was capitalised in FY20.

A 10% increase in dilapidation cost per store would result in an approx. £8.5m (FY21: £8.0m) reduction in profit before tax.

Other Provisions

Provisions are made for items where the Group has identified a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Legal and regulatory provisions relate to management's best estimates of provisions required for legal and regulatory claims and ongoing non-UK tax enquiries. Other provisions relate to management's best estimates of provisions required for restructuring, employment and commercial. Where applicable these are inclusive of any estimated penalties, interest and legal costs.

In relation to the non-UK tax enquiries management have made a judgement to consider all claims collectively, applying the following key estimates to the gross amounts (excluding re-imbursement assets):

- 10% penalty (FY21: 10%). A 5% increase to 15% would result in approx. £6.5m increase in the provision (FY21: approx. £6.5m increase).
- 3% interest on the liability (FY21: 3%). A 1% increase to 4% would result in approx. £14m increase in the provision (FY21: approx. £11.5m increase).

Management are satisfied that the judgement to consider all claims collectively is the only reasonable approach because they are all dependant on the outcome of a court ruling on the interpretation of the non-UK tax enquiries. Management are satisfied that with regard to timing, a reasonable range of outcomes are all greater than one year and so are satisfied with including the provisions as non-current.

Detailed disclosures and sensitivities with regards to financial services related provisions can be found in note 29.

Other Receivables and Amounts Owed by Related Parties

Other receivables and amounts owed by related parties are stated net of provision for any impairment. Management have applied estimates in assessing the recoverability of working capital and loan advances made to investee companies. Matters considered include the relevant financial strength of the underlying investee company to repay the loans, the repayment period and underlying terms of the monies advanced, forecast performance of the underlying borrower, and where relevant, the Group's intentions for the companies to which monies have been advanced. Management have applied a weighted probability to certain potential repayment scenarios, with the strongest weighting given to expected default after two years.

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Impairment of Assets

A. IFRS 16 right-of-use assets and associated plant and equipment

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option. The Group will assess the likelihood of extending lease contracts beyond the break date by taking into account current economic and market conditions, current trading performance, forecast profitability and the level of capital investment in the property.

IFRS 16 states that the lease payments shall be discounted using the lessee's incremental borrowing rate where the rate implicit in the lease cannot be readily determined. Accordingly, all lease payments have been discounted using the incremental borrowing rate (IBR). The IBR has been determined by using a synthetic credit rating for the Group which is used to obtain market data on debt instruments for companies with the same credit rating, this is split by currency to represent each of the geographical areas the Group operates within and adjusted for the lease term.

The weighted average discount rates based on incremental borrowing rates used throughout the period across the Group's lease portfolio are shown below. The discount rate for each lease is dependent on lease start date, term and location.

Lease Term	UK	Europe	Rest of World
Up to 5 years	1.4% - 2.6%	0.8% - 1.0%	1.5% - 2.9%
Greater than 5 years and up to 10 years	2.2% - 3.2%	1.2% - 1.9%	2.4% - 4.1%
Greater than 10 years and up to 20 years	2.5% - 3.4%	1.4% - 2.2%	2.9% - 4.3%
Greater than 20 years	2.8% - 3.5%	1.7% - 2.5%	3.5% - 4.6%

The right of use assets are assessed for impairment at each reporting period in line with IAS 36 to review whether the carrying amount exceeds its recoverable amount. For impairment testing purposes the Group has determined that each store is a separate CGU. The recoverable amount is calculated based on the Group's latest forecast cash flows which are then extrapolated to cover the period to the break date of the lease taking into account historic performance and knowledge of the current market, together with the Group's views on future profitability of each CGU.

The key assumptions in the calculations are the sales growth rates, gross margin rates, changes in the operating cost base and the pre-tax discount rate derived from the Group's weighted average cost of capital using the capital asset pricing model, the inputs of which include a risk-free rate, equity risk premium and a risk adjustment (Beta). Given the number of assumptions used, the assessment involves significant estimation uncertainty.

Impairments in the period have been recognised for the amount of £115.9m (FY21: £174.9m) due to the ongoing challenges in the retail sector on the forecast cash flows of the CGU, including supply chain issues and the anticipated cost of living squeeze on customers. This is broken down as follows:

- £76.8m (FY21: £168.2m) against the right-of-use asset (£50.7m UK Sports Retail segment, £9.5m Premium Lifestyle segment, £15.6m European Retail segment, and £1.0m Rest of the World Retail segment); and
- £39.1m (FY21: £6.7m) against plant and equipment (£28.7m UK Sports Retail segment, £10.4m Premium Lifestyle segment).

The key assumptions, which are equally applicable to each CGU, in the cash flow projections used to support the carrying amount of the right of use asset are consistent with the cashflow projections for the Freehold land and Buildings impairment assessment.

In line with IAS 36 Impairment of Assets, management have considered whether any amounts should be recognised for the reversal of prior period impairment losses with £nil (FY21: £nil) being recognised in the period.

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A sensitivity analysis has been performed in respect of sales, margin and the new store exemption as these are considered to be the most sensitive of the key assumptions:

Forecast:	Impact of change in assumption:	Impairment increase / (decrease) (£'m)
Sales decline year 1	10% improvement to 0%	(21.8)
Sales decline year 1	10% reduction to 20%	17.9
Existing gross margin year 1 > 40%	100bps - improvement	(4.2)
Existing gross margin year 1 > 40%	100bps - reduction	2.7
New store exemption [1]	Change from 1 to 2 years	(27.2)
Operating costs increase year 1	Change from 6% to 10%	3.9

(1) Stores which have been open for less than one year are not reviewed for impairment

B. Freehold land and buildings, long-term leasehold, investment property and associated plant and equipment

Freehold land and buildings and long-term leasehold assets are assessed at each reporting period for whether there is any indication of impairment in line with IAS 36.

An asset is impaired when the carrying amount exceeds its recoverable amount. IAS 36 defines recoverable amount as the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use, the Group has determined that each store is a separate CGU.

Impairments in the period have been recognised in the amount of £111.1m (FY21: £117.9m) due to the ongoing challenges in the retail sector on the forecast cash flows of the CGU. This is broken down as follows:

- £106.5m (FY21: £84.4m) against freehold land and buildings (£19.8m UK Sports Retail segment, £83.4m Premium Lifestyle segment, £2.1m European Retail segment, and £1.2m Rest of World Retail segment);
- £2.0m (FY21: £3.9m) against long-term leasehold (£2.0m UK Sports Retail segment);
- £1.6m (FY21: £29.0m) plant and equipment (£1.2m UK Sports Retail segment, £0.2m Premium Lifestyle segment, £0.2m European Retail segment); and
- £1.0m (FY21: £0.6m) investment property (all UK Sports Retail segment).

In line with IAS 36 Impairment of Assets, management have considered whether any amounts should be recognised for the reversal of prior period impairment losses with £nil (FY21: £nil) being recognised in the period.

Value In Use (VIU)

The value in use is calculated based on a five year cash flow projections. These are formulated by using the Group's forecast cash flows of each individual CGU, taking into account historic performance of the CGU, and then adjusting for the Group's current views on future profitability of each CGU. The key assumptions in the calculations are the sales growth rates, gross margin rates, changes in the operating cost base and the pre-tax discount rate derived from the Group's weighted average cost of capital using the capital asset pricing model, the inputs of which include a risk-free rate, equity risk premium and a risk adjustment (Beta). Given the number of assumptions used, the assessment involves significant estimation uncertainty.

The key assumptions, which are equally applicable to each CGU, in the cash flow projections used to support the carrying amount of the freehold land and buildings were as follows:

Key assumptions	Year 1	Year 2	Year 3	Year 4	Year 5
Sales decline	-10%	-5%	-4%	-3%	-2%
Existing gross margin > 40%	-200bps	-175bps	-150bps	-125bps	-100bps
Operating costs increase per annum	6%	3%	3%	3%	3%
Discount rate	7.5%	7.5%	7.5%	7.5%	7.5%

Terminal growth rate of 2%

A sensitivity analysis has been performed in respect of sales and margin as these are considered to be the most sensitive of the key assumptions.

Forecast:	Impact of:	Impairment increase / (decrease) (£'m)
Sales year 1	10% improvement to 0%	(16.8)
Sales year 1	10% reduction to 20%	25.5
Existing gross margin year 1 > 40%	100bps - improvement	(5.2)
Existing gross margin year 1 > 40%	100bps - reduction	6.7
Operating costs increase year 1	Change from 6% to 10%	9.1

Fair value less costs of disposal

For those CGUs where the value in use is less than the carrying value of the asset, the fair value less costs of disposal has been determined using both external and internal market valuations. This fair value is deemed to fall in to Level 3 of the fair value hierarchy as per IFRS 13. The property portfolio consists of vacant, Frasers Group occupied and third party tenanted units, one property can include all three types. The following valuation methodology has been adopted for each:

Scenario	Valuation methodology	Key assumptions
Vacant units	Estimated Rental Value (ERV) and suitable reversionary yield applied to reflect the market to generate a net capital value. A deduction to the capital value generated is then made based on the void period with applicable rates payable for the unit and rent-free incentive.	Void period and rent free band – two bands applied depending on circumstances: • 1 year void, 2 years rent free; or • 2 years void, 3 years rent free. Yield bands – ranging from 5.5% - 14.0%
Frasers Group occupied	Will be assumed the unit is vacant given there is no legally binding inter-company agreement in place. Therefore, a void and rent free incentive period assumed, the cost amount then deducted from the capital value generated by the ERV and reversionary yield. Although we consider the commercial reality is that fair value less costs to sell will be higher than vacant possession this very conservative assumption is in line with both technical accounting rules and that of our management experts.	Void period and rent free band – two bands applied depending on circumstances: • 1 year void, 2 years rent free; or • 2 years void, 3 years rent free. Yield bands – ranging from 5.5% - 14.0%
Third party tenanted	An ERV is applied using a percentage band on the passing rent. An appropriate reversionary yield is applied reflecting the risk of tenant and renewal to generate a capital value. This will also provide a net initial yield based off the current passing rent.	ERV is applied reflecting the market for the applicable unit. An appropriate reversionary yield is applied reflecting the risk of tenant and renewal to generate a capital value. This will also provide a net initial yield based off the current passing rent.

A 10% increase in the market valuation amounts used in the impairment calculations would result in a decrease in impairment of £5.0m (FY21: £7.5m).

The total recoverable amount of the assets that were impaired at the period end was £105.9m (FY21: £170.0m), with £47.3m (FY21: £87.0m) of this being based on their fair value less costs of disposal and £58.6m (FY21: £83.0m) being based on their value in use.

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Credit Customer Receivables

Studio Retail Limited's credit customer receivables are recognised on balance sheet at amortised cost (i.e. net of provision for expected credit loss). At 24 April 2022, trade receivables with a gross value of £372.7m were recorded on the balance sheet, less a provision for impairment of £138.5m.

Fair value considerations

Management has concluded that the fair value of trade receivables acquired broadly equated to their book value and therefore that the difference on a go-forward basis will not be material given that the nature of the loan product offered (a revolving credit account) means that the portfolio has a relatively short life (i.e. loans with customers are repaid and replaced with fresh loans under the revolving account). As a result of this, management has concluded that it is appropriate to recognise the trade receivables portfolio at the gross book value less associated expected credit losses (calculated by Studio Retail Limited) at acquisition, and to apply the accounting policies for expected credit loss that were in place at the point of the acquisition in the Studio business on a go-forward basis.

Expected credit loss

An appropriate allowance for expected credit loss in respect of trade receivables is derived from estimates and underlying assumptions such as the Probability of Default and the Loss Given Default, taking into consideration forward looking macro-economic assumptions. The assessment involves significant estimation uncertainty. Changes in the assumptions applied such as the value and frequency of future debt sales in calculating the Loss Given Default, and the estimation of customer repayments and Probability of Default rates, as well as the weighting of the macro-economic scenarios applied to the impairment model could have a significant impact on the carrying value of trade receivables. These assumptions are continually assessed for relevance and adjusted appropriately. Revisions to estimates are recognised prospectively. Sensitivity analysis is given in note 23.

Post model adjustment

The impairment model was not designed to take into account changes to customer payment and default performance arising as a result of the current cost of living crisis where levels of price inflation greatly exceed income growth, as the existing model uses unemployment rates as the principal determinant in considering forward looking macro-economic assumptions.

It is our expectation that SRL's customer base has seen and will continue to see a significant reduction in real earnings as a result of the current cost of living crisis, and that this will adversely impact payment and arrears performance. It is also management's view that these anticipated impacts are not adequately reflected in the output of the impairment model. Judgement has therefore been exercised in applying a post model adjustment of £40.0m to the output of the impairment model in arriving at the provision. This adjustment was included in the credit customer receivables provision on acquisition of SRL and has been retained at period end as this reflects management's best estimate based on the information available to them. The post model adjustment was formulated based on an assessment of the anticipated length of the cost of living crisis, anticipated changes to default behaviour over that time horizon, and credit bureau data assessing the level of customer indebtedness.

The purpose of the post model adjustment is to ensure that the probability weighted macroeconomic scenarios adequately reflect the risks to customer payment and default performance described above.

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In arriving at the £40.0m estimate, a number of macro-economic scenarios were modelled based on the considerations noted above and a probability weighting was applied to each scenario as follows:

Scenario	**Qualitative explanation**	**Probability weighting applied**
Upside	Although real incomes are under pressure, households spend freely on hospitality, holidays and entertainment, given the savings they've accumulated over the last 2 years, throughout the pandemic. Those that were struggling before high inflation are likely experiencing financial difficulty. The expectation is that the cost-of-living crisis is shorter under this scenario at between 12 and 18 months.	20%
Baseline	The cost-of-living crisis intensifies with real incomes expected to be much lower in 2022 than they were in 2021. The continued war in Ukraine puts prolonged pressure on global markets keeping inflation high, with the expectation inflation will continue to rise throughout 2022. The longevity of the cost-of-living crisis is assumed to last over 2 years.	60%
Downside	The economy underperforms and the UK goes into a recession. The Bank of England continue to try to address inflationary pressures with regular increases in base rate, pushing more households into financial difficulty. Higher costs in Manufacturing and other sectors most exposed to the conflict in Ukraine see a wave of insolvencies and subsequently an increase in unemployment. The impact is expected to last up to 3 years.	10%
Stress	The conflict in Ukraine escalates and economic sanctions damage western economies. With continued labour shortages and problems in supply-chains, this perfect storm of shock sees inflation rise sharply. As well as the impact on real incomes, the rise in inflation unsettles markets and leads to a crash in asset values. Whilst not explicitly modelled this scenario would also cover another emerging Covid-19 variant, more resistant to vaccines leading to a severe outcome and further lockdowns. The impact is expected to last over 3 years.	10%

We note that the unprecedented level of uncertainty around the cost of living and the UK economy as a whole, and the impact this will have on Studio's customer base, will continue cause challenges in assessing bad debt on a forward-looking basis.

£9.1m of the trade receivables acquired were categorised as Stage 3 by Studio and would likely meet the Group's definition of purchased credit-impaired ("POCI"). On the basis of materiality, and that the loans would attract a lifetime ECL allowance whether categorised as Stage 3 or POCI, we have chosen to continue to apply Studio's classification and measurement of these loans as Stage 3 in the consolidated financial statements.

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3. FINANCIAL RISK MANAGEMENT

The Group's current activities result in the following financial risks and set out below are management's responses to those risks in order to minimise any resulting adverse effects on the Group's financial performance.

Foreign Exchange Risk

The Group is exposed to foreign exchange risk principally via:

A. Transactional exposure from the cost of future purchases of goods for resale, where those purchases are denominated in a currency other than the functional currency of the purchasing company. Transactional exposures that could significantly impact the income statement are hedged. These exposures are hedged via forward foreign currency contracts which are designated as cash flow hedges. The notional and fair value of these contracts is shown in note 30;

B. Transactional exposure from the sale of goods, where those sales are denominated in a currency other than the functional currency of the selling company. Transactional exposures that could significantly impact the income statement are hedged. These exposures are hedged via forward foreign currency contracts which are designated as cash flow hedges. The notional and fair value of these contracts is shown in note 30;

C. Loans to non-UK subsidiaries. These are hedged via foreign currency transactions and borrowings in matching currencies, which are not formally designated as hedges, as gains and losses on hedges and hedged loans will naturally offset; and

D. The Group uses currency options, swaps and spots for more flexibility against cash flows that are less than highly probable and therefore do not qualify for hedge accounting under IFRS 9 Financial Instruments. Exposures in respect of written options to sell Euros or buy USD are explained in the Financial Review. These are not hedged and movements in fair value could significantly impact the Income Statement in future periods. See note 30.

Interest Rate Risk

The Group has net borrowings, which are principally at floating interest rates linked to bank base rates or SONIA. The Group uses interest rate financial instruments to hedge its exposure to interest rate movements using interest rate swaps although hedge accounting is not applied. The Group regularly monitors and reacts accordingly to any exposure to fluctuations in interest rates and the impact on its monetary assets and liabilities.

Credit Risk

The Directors have a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

At each balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating and investment criteria approved by the Board.

Liquidity Risk

The Group has sufficient liquid resources to manage the operating requirements of the business and it does this through utilisation of its revolving credit facilities together with equity and retained profits thereby achieving continuity of funding and short-term flexibility, while keeping interest to a minimum.

Management regularly review forecasts to ensure there is adequate headroom on the facilities and to ensure the Group is operating within its financial covenants.

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Price Risk

The Group is exposed to price risk in respect of its long term financial assets (in relation to listed company shares).

The price risk relates to volatility in the market, and how other comprehensive income and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If the quoted stock price for these securities increased or decreased, other comprehensive income and equity would have changed. The listed securities are classified as long term investments at fair value through other comprehensive income so there would be no effect on profit or loss.

The investments in listed equity securities (long-term financial assets) are considered medium to long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments.

Capital Management

A description of the Group's objectives, policies and processes for managing capital are included in note 30.

4. SEGMENTAL ANALYSIS

Management has determined to present its segmental disclosures consistently with the presentation in the 2021 Annual Report. Management considers operationally that the UK Retail divisions (UK Sports Retail and Premium Lifestyle) are run as one business unit in terms of allocating resources, inventory management and assessing performance. Under IFRS 8 we have not at this reporting date met the required criteria with enough certainty to aggregate these operating segments. We will continually keep this under review at subsequent reporting dates. We continue to monitor the impacts of Covid-19, Brexit, and the continued uncertainties this has brought relating to the political and economic environments, and market and currency volatility in the countries we operate in. European countries have been identified as operating segments and have been aggregated into a single operating segment as permitted under IFRS 8. The decision to aggregate these segments was based on the fact that they each have similar economic characteristics, similar long-term financial performance expectations, and are similar in each of the following respects:

- The nature of the products;
- The type or class of customer for the products; and
- The methods used to distribute the products.

In accordance with paragraph 12 of IFRS 8 the Group's operating segments have been aggregated into the following reportable segments:

1. UK Retail:
   i. *UK Sports Retail - includes core sports retail* store operations in the UK, plus all the Group's sports retail online business (excluding Bob's Stores, Eastern Mountain Sports, Malaysia and Baltics), the gyms, the Group's Shirebrook campus operations, freehold property owning companies excluding Premium Lifestyle fascia properties, GAME UK stores and online operations, Studio Retail Limited (from acquisition on 24 February 2022) and retail store operations in Northern Ireland.
   ii. Premium Lifestyle – includes the results of the premium and luxury retail businesses Flannels, Cruise, van mildert, Jack Wills, House of Fraser and Sofa.com along with related websites, and freehold property owning companies where trading is purely from Premium Lifestyle fascias.
2. European Retail - includes all the Group's sports retail stores, management and operations in Europe including the Group's European Distribution Centres in Belgium and Austria, European freehold property owning companies, as well as GAME Spain stores and Baltics online.
3. Rest of World Retail – includes the results of US based retail activities, Asia based retail activities along with their e-commerce offerings.
4. *Wholesale & Licensing – includes the results of* the Group's portfolio of internationally recognised brands such as Everlast, Karrimor, Lonsdale and Slazenger.

It is management's current intention to run the Group as four operating segments being UK Retail (including UK Sports Retail and Premium Lifestyle), European Retail, Rest of World Retail and Wholesale & Licensing. Management is satisfied that the UK Sports Retail and Premium Lifestyle will meet the criteria permitted under IFRS 8 to aggregate as one segment in due course.

The FY21 numbers have been re-categorised due to changes in the reporting segments, with freehold property owning companies where trading is purely from Premium Lifestyle fascias being moved from UK Sports Retail to Premium Lifestyle. Adjustments for IFRS 16, which were previously reported as a reconciling item, have been included within Operating profit before foreign exchange, exceptional items and property and other related impairments to be consistent with the presentation adopted for FY22.

Segmental information for the 52 weeks **ended 24 April 2022:**

	UK Sports	Premium Lifestyle	UK Retail Total	European Retail	Rest of World Retail	Total Retail	Wholesale & Licensing	Eliminations	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Sales to external customers	2,640.1	1,056.6	**3,696.7**	790.2	150.3	**4,637.2**	168.1	-	**4,805.3**
Sales to other segments	-	-	-	-	-	-	80.1	(80.1)	-
Revenue	**2,640.1**	**1,056.6**	**3,696.7**	**790.2**	**150.3**	**4,637.2**	**248.2**	**(80.1)**	**4,805.3**
Gross profit	1,136.8	474.8	**1,611.6**	337.3	76.7	**2,025.6**	63.1	-	**2,088.7**
Operating profit before foreign exchange, exceptional items and property and other related impairments	**289.4**	**124.0**	**413.4**	**109.8**	**34.4**	**557.6**	**6.9**	-	**564.5**
Exceptional items	(1.3)	-	**(1.3)**	-	-	**(1.3)**	-	-	**(1.3)**
Property and other related impairments	(103.4)	(103.5)	**(206.9)**	(17.9)	(2.2)	**(227.0)**	-	-	**(227.0)**
Realised foreign exchange loss	(1.1)	(0.1)	**(1.2)**	(2.9)	(0.8)	**(4.9)**	(0.9)	-	**(5.8)**
Operating profit	**183.6**	**20.4**	**204.0**	**89.0**	**31.4**	**324.4**	**6.0**	-	**330.4**
Investment income	43.8	-	**43.8**	-	-	**43.8**	-	-	**43.8**
Investment costs	(19.7)	-	**(19.7)**	-	-	**(19.7)**	-	-	**(19.7)**
Finance income [1]	36.8	-	**36.8**	1.0	1.0	**38.8**	-	(8.5)	**30.3**
Finance costs [1]	(42.8)	(10.0)	**(52.8)**	(4.4)	(0.5)	**(57.7)**	-	8.5	**(49.2)**
Profit before taxation	**201.7**	**10.4**	**212.1**	**85.6**	**31.9**	**329.6**	**6.0**	-	**335.6**
Taxation									**(78.7)**
Profit for the period									**256.9**

(1) Includes inter-company related finance income in UK Sports Retail and the equivalent finance cost in Premium Lifestyle that eliminates on consolidation

Following the acquisition of Studio Retail Limited, sales to external customers includes credit account interest of £18.2m, and gross profit includes impairment losses on credit customer receivables of £13.3m, both of which are recognised in the UK Sports segment. The gain on bargain purchase arising from the acquisition of Studio Retail Limited of £4.8m (see note 32) has been recognised in gross profit in the UK Sports segment.

Other segment items included in the income statement for the 52 weeks **ended 24 April 2022:**

	UK Sports	Premium Lifestyle	UK Retail Total	European Retail	Rest of World Retail	Total Retail	Wholesale & Licensing	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Property, plant & equipment depreciation	122.2	22.9	**145.1**	20.2	2.4	**167.7**	1.3	**169.0**
Property, plant & equipment impairment	51.7	94.0	**145.7**	2.3	1.2	**149.2**	-	**149.2**
IFRS 16 ROU depreciation	47.8	6.4	**54.2**	19.9	3.1	**77.2**	0.4	**77.6**
IFRS 16 ROU impairment	50.7	9.5	**60.2**	15.6	1.0	**76.8**	-	**76.8**
Investment property depreciation	5.9	-	**5.9**	-	-	**5.9**	-	**5.9**
Investment property impairment	1.0	-	**1.0**	-	-	**1.0**	-	**1.0**
IFRS 16 disposal and modification/remeasurement of lease liabilities	14.2	3.9	**18.1**	9.2	1.0	**28.3**	-	**28.3**
Intangible amortisation	1.0	-	**1.0**	-	-	**1.0**	6.5	**7.5**
Intangible impairment	1.3	-	**1.3**	-	-	**1.3**	4.4	**5.7**

Information regarding segment assets and liabilities as at 24 April 2022 and capital expenditure for the 52 weeks then ended:

	UK Sports	Premium Lifestyle	UK Retail Total	European Retail	Rest of World Retail	Total Retail	Wholesale & Licensing	Eliminations	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Total assets	4,161.9	1,002.1	**5,164.0**	485.5	84.4	**5,733.9**	349.7	(1,940.9)	**4,142.7**
Total liabilities	(2,908.9)	(1,098.9)	**(4,007.8)**	(681.4)	7.6	**(4,681.6)**	(93.4)	1,940.9	**(2,834.1)**
Tangible asset additions	228.1	63.6	**291.7**	29.4	1.3	**322.4**	0.8	-	**323.2**
Right of use asset additions	27.8	25.0	**52.8**	43.0	4.7	**100.5**	0.4	-	**100.9**
Intangible assets acquired	7.0	-	**7.0**	-	-	**7.0**	-	-	**7.0**

Segmental information for the 52 weeks **ended 25 April 2021**[(1)]:

	UK Sports	Premium Lifestyle	UK Retail Total	European Retail	Rest of World Retail	Total Retail	Wholesale & Licensing	Eliminations	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Sales to external customers	1,968.5	735.6	**2,704.1**	615.2	152.7	**3,472.0**	153.3	-	**3,625.3**
Sales to other segments	-	-	-	-	-	-	95.4	(95.4)	-
Revenue	**1,968.5**	**735.6**	**2,704.1**	**615.2**	**152.7**	**3,472.0**	**248.7**	**(95.4)**	**3,625.3**
Gross profit	829.3	330.3	**1,159.6**	239.7	64.0	**1,463.3**	67.5	-	**1,530.8**
Operating profit before foreign exchange, exceptional items and property and other related impairments	**191.0**	**34.3**	**225.3**	**20.5**	**18.6**	**264.4**	**20.2**	-	**284.6**
Exceptional items	3.1	(1.6)	**1.5**	(3.1)	-	**(1.6)**	-	-	**(1.6)**
Realised foreign exchange (loss) / gain	(20.2)	(0.2)	**(20.4)**	0.8	(1.4)	**(21.0)**	(5.3)	-	**(26.3)**
Property and other related impairments	(201.9)	(40.9)	**(242.8)**	(71.6)	(2.6)	**(317.0)**	-	-	**(317.0)**
Operating (loss)/profit	**(28.0)**	**(8.4)**	**(36.4)**	**(53.4)**	**14.6**	**(75.2)**	**14.9**	-	**(60.3)**
Investment income	103.7	-	**103.7**	-	-	**103.7**	-	-	**103.7**
Investment costs	(7.7)	-	**(7.7)**	-	-	**(7.7)**	-	-	**(7.7)**
Finance income	6.5	-	**6.5**	2.5	-	**9.0**	-	-	**9.0**
Finance costs	(28.1)	(1.2)	**(29.3)**	(2.7)	(3.8)	**(35.8)**	(0.4)	-	**(36.2)**
Profit before taxation	**46.4**	**(9.6)**	**36.8**	**(53.6)**	**10.8**	**(6.0)**	**14.5**	-	**8.5**
Taxation									**(86.5)**
Loss for the period									**(78.0)**

(1) The FY21 numbers have been re-categorised due to changes in the reporting segments, with freehold property owning companies where trading is purely from Premium Lifestyle fascias being moved from UK Sports Retail to Premium Lifestyle.

Inter-segment sales are priced at cost plus a 10% mark-up.

Other segment items included in the income statement for the 52 weeks **ended 25 April 2021**[(1)]:

	UK Sports	Premium Lifestyle	UK Retail Total	European Retail	Rest of World Retail	Total Retail	Wholesale & Licensing	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Property, plant & equipment depreciation	131.9	42.3	**174.2**	35.3	5.7	**215.2**	1.2	**216.4**
Property, plant & equipment impairment	87.2	20.4	**107.6**	40.6	-	**148.2**	-	**148.2**
IFRS 16 ROU depreciation	51.5	6.4	**57.9**	21.9	2.3	**82.1**	-	**82.1**
IFRS 16 ROU impairment	114.1	20.5	**134.6**	31.0	2.6	**168.2**	-	**168.2**
Investment property depreciation	1.9	-	**1.9**	-	-	**1.9**	-	**1.9**
Investment property impairment	0.6	-	**0.6**	-	-	**0.6**	-	**0.6**
IFRS 16 disposal and modification/remeasurement of lease liabilities	(20.0)	(5.6)	**(25.6)**	(1.4)	(0.7)	**(27.7)**	-	**(27.7)**
Intangible amortisation	-	-	-	0.5	-	**0.5**	6.6	**7.1**
Intangible impairment	3.7	2.3	**6.0**	3.1	-	**9.1**	-	**9.1**

(1) The FY21 numbers have been re-categorised due to changes in the reporting segments, with freehold property owning companies where trading is purely from Premium Lifestyle fascias being moved from UK Sports Retail to Premium Lifestyle.

Information regarding segment assets and liabilities as at 25 April 2021[1] and capital expenditure for the 52 weeks then ended:

	UK Sports	Premium Lifestyle	UK Retail Total	European Retail	Rest of World Retail	Total Retail	Wholesale & Licensing	Eliminations	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Total assets	3,305.9	668.0	**3,973.9**	670.8	158.6	**4,803.3**	344.7	(1,362.9)	**3,785.1**
Total liabilities	(2,357.8)	(499.6)	**(2,857.4)**	(857.0)	(95.1)	**(3,809.5)**	(127.5)	1,362.9	**(2,574.1)**
Tangible asset additions	163.4	33.1	**196.5**	17.4	3.0	**216.9**	2.5	-	**219.4**
Right of use asset additions	77.5	14.1	**91.6**	24.3	2.4	**118.3**	0.5	-	**118.8**
Intangible asset additions/acquired	3.7	2.3	**6.0**	-	-	**6.0**	1.0	-	**7.0**

(1) The FY21 numbers have been re-categorised due to changes in the reporting segments, with freehold property owning companies where trading is purely from Premium Lifestyle fascias being moved from UK Sports Retail to Premium Lifestyle.

Geographic Information

Segmental information for the 52 weeks **ended 24 April 2022:**

	UK	Europe	USA	Asia	Eliminations	Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Segmental revenue from external customers	3,714.8	823.0	223.0	44.5	-	**4,805.3**
Total capital expenditure	291.7	29.4	0.9	1.2	-	**323.2**
Non-current segment assets*	962.2	130.3	126.0	4.5	-	**1,223.0**
Total segmental assets	5,486.8	381.3	176.3	39.2	(1,940.9)	**4,142.7**

*Excludes deferred tax and financial instruments.

Segmental information for the 52 weeks **ended 25 April 2021:**

	UK	Europe	USA	Asia	Eliminations	Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Segmental revenue from external customers	2,721.7	646.2	213.7	43.7	-	**3,625.3**
Total capital expenditure	196.5	17.4	3.2	2.3	-	**219.4**
Non-current segment assets*	1,052.3	114.9	127.7	4.6	-	**1,299.5**
Total segmental assets	4,264.7	589.2	256.2	37.9	(1,362.9)	**3,785.1**

*Excludes deferred tax and financial instruments.

Material non-current segmental assets – **by a non-UK country:**

	USA	Belgium	Austria	Estonia	Ireland	Spain
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
FY22	126.0	58.4	19.5	0.7	13.3	33.4
FY21	127.7	46.8	22.4	-	12.9	39.9

Material segmental revenue from external customers – **by a non-UK country:**

	USA	Belgium	Austria	Estonia	Ireland	Spain
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
FY22	223.0	113.3	38.3	118.5	172.6	229.4
FY21	213.7	93.1	42.1	96.7	95.4	208.1

Note the Group has no individual customer which accounts for more than 10% of revenue in the current or prior period.

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The following tables reconciles the Profit Before Tax to the Adjusted PBT as it is one of the main measures used by the Chief Operating Decision Maker when reviewing the performance of the segment:

Reconciliation of Reported PBT to Adjusted PBT for the 52 week period **ended 24 April 2022:**

	UK Sports	Premium Lifestyle	UK Retail Total	European Retail	Rest of World Retail	Total Retail	Wholesale & Licensing	Group Total
	(£'m)	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**
Reported PBT	**201.6**	**10.4**	**212.0**	**85.7**	**31.9**	**329.6**	**6.0**	**335.6**
Exceptional Items	1.3	-	**1.3**	-	-	**1.3**	-	**1.3**
Fair value adjustments to derivative financial instruments	(7.6)	-	**(7.6)**	-	-	**(7.6)**	-	**(7.6)**
Fair value (gains)/losses and profit on disposal of equity derivatives	(9.9)	-	**(9.9)**	-	-	**(9.9)**	-	**(9.9)**
Realised FX loss	1.1	0.1	**1.2**	2.9	0.8	**4.9**	0.9	**5.8**
Share scheme	10.4	-	**10.4**	-	-	**10.4**	4.2	**14.6**
Adjusted PBT	**196.9**	**10.5**	**207.4**	**88.6**	**32.7**	**328.7**	**11.1**	**339.8**

Reconciliation of Reported PBT to Adjusted PBT for the 52 week period **ended 25 April 2021[1]:**

	UK Sports	Premium Lifestyle	UK Retail Total	European Retail	Rest of World Retail	Total Retail	Wholesale & Licensing	Group Total
	(£'m)	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**
Reported PBT	**46.4**	**(9.6)**	**36.8**	**(53.6)**	**10.8**	**(6.0)**	**14.5**	**8.5**
Exceptional items	(3.1)	1.6	**(1.5)**	3.1	-	**1.6**	-	**1.6**
Fair value adjustment to derivative financial instruments	4.6	-	**4.6**	-	-	**4.6**	-	**4.6**
Fair value (gains)/losses and profit on disposal of equity derivatives	(82.2)	-	**(82.2)**	-	-	**(82.2)**	-	**(82.2)**
Realised FX loss / (gain)	20.2	0.2	**20.4**	(0.8)	1.4	**21.0**	5.3	**26.3**
Share scheme	1.3	-	**1.3**	-	-	**1.3**	-	**1.3**
Adjusted PBT	**(12.8)**	**(7.8)**	**(20.6)**	**(51.3)**	**12.2**	**(59.7)**	**19.8**	**(39.9)**

1 The FY21 numbers have been recategorised due to changes in the reporting segments with freehold property owning companies whose trading is purely from Premium Lifestyle fascias being moved from UK Sports Retail to Premium Lifestyle

5. OTHER OPERATING INCOME

	52 weeks ended 24 April 2022	52 weeks ended 25 April 2021
	(£m)	**(£m)**
Rent receivable	27.3	16.1
Other	20.7	20.7
	48.0	**36.8**

Other operating income relates to charges for aircraft, lease surrender premiums, ad hoc income and sundry charges to third parties.

6. EXCEPTIONAL ITEMS

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Impairments	(1.3)	(9.1)
Profit on disposal of intangible assets	-	7.5
	(1.3)	**(1.6)**

The impairment in both the current and prior period relates to goodwill, whereby the discounted present value of future cash flows do not support the full value of the assets. The profit on disposal of intangible assets in the prior period relates to the sale of certain IP relating to the BELONG business.

7. PROFIT ON SALE OF PROPERTIES

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Profit on sale of properties	10.8	9.7

The profit on the sale of properties in the current period includes gains on the sale of UK properties (*FY21: European properties*).

8. OPERATING PROFIT/(LOSS) FOR THE PERIOD

Operating profit/(loss) for the period is stated after charging/(crediting):

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Foreign exchange loss	5.8	26.3
Depreciation and amortisation of non-current assets:		
- Depreciation of property, plant & equipment (incl. right-of-use asset)	246.6	298.5
- Impairment of property, plant & equipment (incl. right-of-use asset)	226.0	316.4
- Depreciation of investment properties	5.9	1.9
- Impairment of investment properties	1.0	0.6
- Amortisation of intangible assets	7.5	7.1
- Impairment of intangible assets	5.7	9.1
IFRS 16 leases:		
Profit on disposal and modification/ remeasurement of lease liabilities	(28.3)	(27.7)
Variable lease payments	14.0	25.5
Short term and low value lease expenses	25.0	31.6

Services Provided by the Group's Auditor

The remuneration of the auditors, RSM UK Audit LLP, and associated firms, was as detailed below:

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
AUDIT SERVICES		
Audit of the Group and company - recurring	1.8	1.5
Audit of the Group and company - non-recurring	-	0.1
Audit of subsidiary companies	1.0	0.8
	2.8	**2.4**

There were no non-audit services provided by RSM UK Audit LLP and associated firms in either the current or prior period.

9. PAYROLL COSTS

The average monthly number of employees, including Executive Directors, employed by the Group during the period was:

	52 weeks ended 24 April 2022	52 weeks ended 25 April 2021
Retail stores	23,971	22,122
Distribution, administration and other	6,382	4,374
	30,353	**26,496**

The increase in employees is mainly due to acquisitions and the ongoing organic growth of the business.

The aggregate payroll costs of the employees, including Executive Directors, net of amounts received from Government grants, were as follows:

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Wages and salaries	491.5	342.2
Social security costs	34.9	29.3
Pension costs	6.5	5.6
	532.9	**377.1**

Aggregate emoluments of the Directors of the Company are summarised below:

	52 weeks ended 24 April 2022	52 weeks ended 25 April 2021
Aggregate emoluments	0.6	0.5

Further details of Directors' remuneration are given in the Directors' Remuneration Report. Details of key management remuneration are given in note 35.

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10. INVESTMENT INCOME

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Profit on disposal of equity derivatives	23.2	27.4
Premium received on equity derivatives	13.2	13.3
Fair value gain on equity derivatives	6.4	62.5
Dividend income	1.0	0.5
	43.8	**103.7**

The profit on disposal of equity derivatives mainly relates to Hugo Boss contracts for difference. The fair value gain on equity derivatives mainly relates to Hugo Boss options. The premium received on equity derivatives mainly relates to Hugo Boss options.

11. INVESTMENT COSTS

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Fair value loss on equity derivatives	19.7	7.7
	19.7	**7.7**

The fair value loss on equity derivatives in the current period mainly relates to Hugo Boss contracts for difference.

12. FINANCE INCOME

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Bank interest receivable	4.5	3.5
Interest on retirement benefit obligations	0.1	-
Other finance income	1.7	5.5
Fair value adjustment to derivatives	24.0	-
	30.3	**9.0**

The fair value adjustment to derivatives largely relates to movement in the fair value of interest rate swaps.

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13. FINANCE COSTS

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Interest on bank loans and overdrafts	13.6	11.1
Other interest	7.0	8.6
Interest on retirement benefit obligations	-	0.1
IFRS 16 lease interest	12.2	11.8
Fair value adjustment to derivatives	16.4	4.6
	49.2	**36.2**

The fair value adjustment to derivatives relates to differences between the fair value of forward foreign currency contracts and written options that were not designated for hedge accounting from one period end to the next.

14. TAXATION

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Current tax	86.2	83.2
Adjustment in respect to prior periods	(5.7)	13.6
Total current tax	**80.5**	**96.8**
Deferred tax	(8.5)	(10.1)
Adjustment in respect of prior periods	6.7	(0.2)
Total deferred tax (see note 28)	**(1.8)**	**(10.3)**
	78.7	**86.5**
Profit before taxation	335.6	8.5
Taxation at the standard rate of tax in the UK of 19% (2021: 19%)	63.8	1.6
Non-taxable income	(14.4)	(3.9)
Expenses not deductible for tax purposes	62.4	77.0
Other tax adjustments	(15.6)	(1.6)
Adjustments in respect of prior periods - current tax	(5.7)	13.6
Adjustments in respect of prior periods - deferred tax	6.7	(0.2)
Changes in deferred tax rate	(18.5)	-
	78.7	**86.5**

Non-taxable income largely relates to differences between capital allowances and depreciation which are not timing differences on which deferred tax is provided. Expenses not deductible for tax purposes largely relates to non-qualifying depreciation and impairments not qualifying for tax allowances.

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15. EARNINGS PER SHARE FROM TOTAL AND CONTINUING OPERATIONS ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year.

For diluted earnings per share, the weighted average number of shares, 471,975,282 (FY21: 501,955,281), is adjusted to assume conversion of all dilutive potential ordinary shares under the Group's share schemes, being nil (FY21: 88,605), to give the diluted weighted average number of shares of 471,975,282 (FY21: 502,043,886). In FY21, as there was a loss for the period, the effect of potentially dilutive ordinary shares was anti-dilutive, and therefore the weighted average number of shares for the Diluted EPS calculation was kept the same as for the Basic EPS calculation. There is therefore no difference between the Basic and Diluted EPS calculations for both periods.

Basic and Diluted Earnings Per Share

	52 weeks ended 24 April 2022	52 weeks ended 24 April 2022	52 weeks ended 24 April 2022	52 weeks ended 25 April 2021	52 weeks ended 25 April 2021	52 weeks ended 25 April 2021
	Basic and diluted, continuing operations	Basic and diluted, discontinued operations	Basic and diluted, total	Basic and diluted, continuing operations	Basic and diluted, discontinued operations	Basic and diluted, total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Profit for the period	224.1	25.7	249.8	(91.6)	8.6	(83.0)
	Number in thousands	Number in thousands	Number in thousands	Number in thousands	Number in thousands	Number in thousands
Weighted average number of shares	471,975	471,975	471,975	501,955	501,955	501,955
	Pence per share	Pence per share	Pence per share	Pence per share	Pence per share	Pence per share
Earnings per share	47.5	5.4	52.9	(18.2)	1.7	(16.5)

Adjusted Earnings Per Share

The adjusted earnings per share reflects the underlying performance of the business compared with the prior period and is calculated by dividing adjusted earnings by the weighted average number of shares for the period. Adjusted earnings is used by management as a measure of profitability within the Group. Adjusted earnings is defined as profit/(loss) for the period attributable to equity holders of the parent for each financial period but excluding the post-tax effect of certain non-trading items. Tax has been calculated with reference to the effective rate of tax for the Group.

The Directors believe that the adjusted earnings and adjusted earnings per share measures provide additional useful information for shareholders on the underlying performance of the business and are consistent with how business performance is measured internally. Adjusted earnings is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies.

	52 weeks ended 24 April 2022	52 weeks ended 24 April 2022	52 weeks ended 25 April 2021	52 weeks ended 25 April 2021
	Basic	Diluted	Basic	Diluted
	(£'m)	(£'m)	(£'m)	(£'m)
Profit / (loss) for the period	**249.8**	**249.8**	**(83.0)**	**(83.0)**
Pre-tax adjustments to profit / (loss) for the period for the following items:				
Exceptional items	1.3	1.3	1.6	1.6
Fair value adjustment to derivatives included within Finance (income) / costs	(7.6)	(7.6)	4.6	4.6
Fair value gains and profit on disposal of equity derivatives	(9.9)	(9.9)	(82.2)	(82.2)
Realised foreign exchange loss	5.8	5.8	26.3	26.3
Share scheme	14.6	14.6	1.3	1.3
Tax adjustments on the above items	0.3	0.3	(5.9)	(5.9)
Adjusted profit / (loss) for the period	**254.3**	**254.3**	**(137.3)**	**(137.3)**
	Number in thousands	Number in thousands	Number in thousands	Number in thousands
Weighted average number of shares	471,975	471,975	501,955	501,955
	Pence per share	Pence per share	Pence per share	Pence per share
Adjusted Earnings per share	53.9	53.9	(27.3)	(27.3)

16. DISCONTINUED OPERATIONS

Subsequent to the period end, on 24 May 2022, the Group disposed of its US retail businesses trading as Bobs Stores and Eastern Mountain Sports for cash consideration of $70.0m (approx. £56.1m). The disposal took place through sale of 100% of the share capital of Roberts 50 USA LLC and its subsidiaries to GoDigital Media Group. These businesses are reported as part of the Rest of World operating segment.

As per IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, this disposal group has been classified as held for sale and as a discontinued operation. A profit on disposal of approx. £30.0m will be recognised in FY23.

The following major classes of assets and liabilities relating to the disposal group have been classified as held for sale in the consolidation balance sheet as at
24 April 2022:

	24 April 2022 (£'m)
Inventories	37.7
Trade and other receivables	2.3
Assets held for sale	**40.0**
Trade and other payables	10.6
Provisions	3.2
Lease liabilities	8.9
Liabilities held for sale	**22.7**

The Cash Flow Statement includes the following amounts relating to this discontinued operation:

	52 weeks ended 24 April 2022 (£'m)	52 weeks ended 25 April 2021 (£'m)
Operating activities	4.2	6.9
Financing activities	(6.1)	(9.9)
Net cash outflow from discontinued operations	**(1.9)**	**(3.0)**

17. PROPERTY, PLANT AND EQUIPMENT

	Right of use asset (£'m)	Freehold land and Buildings (£'m)	Long-term Leasehold (£'m)	Short-term leasehold improvements (£'m)	Plant and Equipment (£'m)	Total (£'m)
COST						
At 26 April 2020	**524.4**	**918.9**	**70.6**	**131.6**	**772.6**	**2,418.1**
Acquisitions	2.1	0.5	-	-	29.0	31.6
Additions	118.8	84.3	4.3	2.0	128.8	338.2
Eliminated on disposals	(48.1)	(16.5)	(0.7)	(6.0)	(57.4)	(128.7)
Reclassifications / Remeasurements[1]	76.4	(79.4)	79.2	0.1	8.7	85.0
Exchange differences	(4.5)	(2.4)	(0.1)	(0.3)	(2.9)	(10.2)
At 25 April 2021	**669.1**	**905.4**	**153.3**	**127.4**	**878.8**	**2,734.0**
Acquisitions (see note 32)	5.6	7.0	-	-	6.9	19.5
Additions	100.9	79.3	4.1	2.5	195.3	382.1
Eliminated on disposals	(75.9)	(42.0)	(1.2)	(4.7)	(82.0)	(205.8)
Reclassifications / Remeasurements[2]	(5.4)	(43.4)	-	-	(0.2)	(49.0)
Exchange differences	(7.7)	(2.3)	(0.5)	(0.1)	(3.0)	(13.6)
At 24 April 2022	**686.6**	**904.0**	**155.7**	**125.1**	**995.8**	**2,867.2**
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 26 April 2020	**(218.7)**	**(153.3)**	**(16.7)**	**(113.9)**	**(567.9)**	**(1,070.5)**
Charge for the period	(82.1)	(74.5)	(11.6)	(11.5)	(118.8)	(298.5)
Impairment	(168.2)	(84.4)	(3.9)	(0.1)	(59.8)	(316.4)
Eliminated on disposals	47.5	11.2	0.3	6.7	54.4	120.1
Reclassifications / Remeasurements[1]	-	18.1	(17.9)	-	(8.8)	(8.6)
Exchange differences	2.1	0.2	0.1	0.1	2.3	4.8
At 25 April 2021	**(419.4)**	**(282.7)**	**(49.7)**	**(118.7)**	**(698.6)**	**(1,569.1)**
Charge for the period	(77.6)	(47.9)	(12.4)	(3.6)	(105.1)	(246.6)
Impairment	(76.8)	(106.5)	(2.0)	-	(40.7)	(226.0)
Eliminated on disposals	75.9	15.7	1.1	1.8	79.1	173.6
Reclassifications / Remeasurements[2]	-	0.6	(0.1)	(1.1)	4.0	3.4
Exchange differences	6.0	0.3	0.1	0.2	1.9	8.5
At 24 April 2022	**(491.9)**	**(420.5)**	**(63.0)**	**(121.4)**	**(759.4)**	**(1,856.2)**
NET BOOK VALUE						
At 24 April 2022	**194.7**	**483.5**	**92.7**	**3.7**	**236.4**	**1,011.0**
At 25 April 2021	**249.7**	**622.7**	**103.6**	**8.7**	**180.2**	**1,164.9**
At 26 April 2020	**305.7**	**765.6**	**53.9**	**17.7**	**204.7**	**1,347.6**

(1) In FY21 a number of properties were identified that were previously classified within Freehold Land and Buildings but management believe it to be more appropriate to classify within Long-term Leasehold. These have therefore been adjusted in the prior period as reclassifications.

(2) During the period assets were identified that were previously classified within Property, Plant and Equipment but management believe it to be more appropriate to classify within Investment Properties. These have therefore been adjusted in the period as reclassifications.

Note 2 provides further detail on the property related impairments (relating to ROU assets and freehold land and buildings).

Leases

The Group only has property leases within the scope of IFRS 16, including retail stores, offices and warehouses. Leases are largely for a period between 1 – 15 years typically with break clauses. It is management's intention to continue to enter into turnover linked leases in the future.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns. The carrying amount and movements in the period can be seen in the table above.

Lease liabilities are presented separately within the Consolidated Balance Sheet. The maturity analysis of lease liabilities is shown in note 30(f). Interest expense on the lease liability is presented as a component of finance costs as per note 13. Cash payments for the principal portion and the interest portion of the lease liability are presented in the Consolidated Cash Flow Statement with further details given in note 27.

The Group is party to a number of leases that are classed as short term leases and with variable lease payments. These are typically property leases on turnover based rents. Note 8 discloses variable lease payments and short term and low value lease expenses incurred in the period. Cash flows in the period relating to variable lease payments, short term lease payments, and leases for low value assets were approx. £33m (FY21: approx. £24m). It is expected that future cash flows will not be materially different to the FY22 cash flows.

Leases to which the Group is committed but have not yet commenced at period end are not considered to be material.

18. INVESTMENT PROPERTIES

	Total (£'m)
COST	
At 26 April 2020	**45.8**
Eliminated on disposals	(7.6)
At 25 April 2021	**38.2**
Additions	42.0
Reclassifications [1]	43.4
At 24 April 2022	**123.6**
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
At 26 April 2020	**(26.9)**
Charge for the period	(1.9)
Impairment	(0.6)
Eliminated on disposals	5.3
At 25 April 2021	**(24.1)**
Charge for the period	(5.9)
Impairment	(1.0)
Reclassifications [1]	(3.4)
At 24 April 2022	**(34.4)**
NET BOOK VALUE	
At 24 April 2022	**89.2**
At 25 April 2021	**14.1**
At 26 April 2020	**18.9**

(1) During the period assets were identified that were previously classified within Property, Plant and Equipment but management believe it to be more appropriate to classify within Investment Properties. These have therefore been adjusted in the period as reclassifications.

The fair values of the Group's investment properties as at 24 April 2022 and 25 April 2021 were estimated as being materially in line with carrying values. The valuations were calculated by the Group's internal property team who are appropriately qualified chartered surveyors and follow the applicable valuation methodology of the Royal Institute of Chartered Surveyors. Note 2 provides further detail on the property related impairments.

19. INTANGIBLE ASSETS

	Goodwill (£'m)	Trademarks and licenses (£'m)	Brands (£'m)	Customer related (£'m)	Total (£'m)
COST					
At 26 April 2020	**173.4**	**94.0**	**90.4**	**-**	**357.8**
Acquisitions	6.0	-	-	-	6.0
Additions	-	1.0	-	-	1.0
Disposals	-	(3.3)	-	-	(3.3)
Exchange adjustments	(8.7)	(1.0)	(9.8)	-	(19.5)
At 25 April 2021	**170.7**	**90.7**	**80.6**	**-**	**342.0**
Acquisitions	1.3	-	-	5.7	7.0
Exchange adjustments	4.8	0.4	6.4	-	11.6
At 24 April 2022	**176.8**	**91.1**	**87.0**	**5.7**	**360.6**
AMORTISATION AND IMPAIRMENT					
At 26 April 2020	**(119.3)**	**(89.1)**	**(6.0)**	**-**	**(214.4)**
Amortisation charge	(0.3)	(1.3)	(5.5)	-	(7.1)
Impairment	(9.1)	-	-	-	(9.1)
Disposals	-	3.3	-	-	3.3
Exchange adjustments	4.7	0.4	0.7	-	5.8
At 25 April 2021	**(124.0)**	**(86.7)**	**(10.8)**	**-**	**(221.5)**
Amortisation charge	-	(0.5)	(6.0)	(1.0)	(7.5)
Impairment	(5.7)	-	-	-	(5.7)
Exchange adjustments	(2.7)	(0.1)	(2.5)	-	(5.3)
At 24 April 2022	**(132.4)**	**(87.3)**	**(19.3)**	**(1.0)**	**(240.0)**
At 24 April 2022	**44.4**	**3.8**	**67.7**	**4.7**	**120.6**
At 25 April 2021	**46.7**	**4.0**	**69.8**	**-**	**120.5**
At 26 April 2020	**54.1**	**4.9**	**84.4**	**-**	**143.4**

Amortisation is charged to selling, distribution and administrative expenses in the consolidated Income Statement.

The majority of the net book value of intangible assets relates to the £86.5m purchase of Everlast in 2007.

The carrying value of goodwill and brands that are considered to have an indefinite life are allocated to the Group's operating segments before aggregation. With the exception of Everlast, none of the individual cash-generating units (CGUs) are considered material to goodwill or indefinite life intangibles. The carrying value of goodwill and brands allocated to the Group's CGUs (as aggregated except in the case of Everlast) is shown below:

	24 April 2022		25 April 2021	
	Goodwill (£'m)	Brands (£'m)	Goodwill (£'m)	Brands (£'m)
Wholesale & Licensing (excl. Everlast)	9.9	-	14.3	-
Everlast	34.5	67.7	32.4	69.8
	44.4	**67.7**	**46.7**	**69.8**

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The Group tests the carrying amount of goodwill and assets with an indefinite life annually for impairment or more frequently if there are indications that their carrying value might be impaired. The carrying amounts of other intangible assets are reviewed for impairment if there is an indication of impairment.

Impairment is calculated by comparing the carrying amounts to the value in use derived from discounted cash flow projections for each CGU to which the intangible assets are allocated. A CGU is deemed to be an individual fascia or brand and these have been grouped together into similar classes for the purpose of formulating operating segments as reported in note 4. The total recoverable amount of all CGUs in relation to the above intangible assets was £228.1m of which £128.3m related to Everlast. The recoverable amount relating to Everlast is based on a value in use calculation that includes expected cash flows from new commercial negotiations. Based on management's forecasts if these new commercial negotiations are unsuccessful there could be a need for a full impairment review of Everlast's intangible assets. Due to the ongoing challenges with the retail sector, part of the Wholesale & Licensing goodwill was impaired in the period with an impairment charge of £4.4m (FY21: £3.1m) being recognised where the discounted present value of future cash flows did not support the full value of the asset.

Value in use calculations are based on five-year management forecasts with a terminal growth rate applied thereafter, representing management's estimate of the long-term growth rate of the sector served by the CGUs.

Total impairments of £5.7m (FY21: £9.1m) have been recognised in relation to goodwill on loss making companies and are individually immaterial to each CGU that has been written down. These impairments include an element of the Wholesale & Licensing goodwill and the goodwill from acquisitions in the period. The impairment of goodwill from acquisitions in the period of £1.3m has been recognised in Exceptional Items, see note 6.

The Everlast brand is amortised over a 15 year period within the selling, distribution and administrative expenses category within the income statement. The amount charged to the income statement in the period is £6.0m (FY21: £5.5m), the future amortisation charge is expected to be approximately £6.0m per annum for the remaining 12 year amortisation period (FY21: 13 year).

The key assumptions, which are equally applicable to each CGU, in the cash flow projections used to support the carrying amount of goodwill were as follows:

As at 24 April 2022	Wholesale & Licensing (excl. Everlast)	Everlast
Terminal sales growth	2.0%	2.0%
5 year forecast growth [1]	(4.4%)	(0.6%)
Discount rate	7.5%	13.5%

As at 25 April 2021	European Retail	Wholesale & Licensing (excl. Everlast)	Everlast
Terminal sales growth	2.0%	2.0%	2.0%
5 year forecast growth [1]	(3.5%)	(5.3%)	(1.6%)
Gross margin	30% - 40%	-	-
Discount rate	6.3%	6.3%	12.1%

(1) The 5 year growth rates are based on the average growth over 5 years

Historically the same pre-tax discount rate was used in European Retail and Wholesale & Licensing (excl. Everlast) as these CGU's were considered to have similar risk profiles. A specific discount rate is used for Everlast as this business operates in a different market and has different characteristics.

The key assumptions are based on market data and management's historical experience and future plans for each CGU.

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Sensitivity Analysis

A reasonably possible change in any key assumption would not cause the carrying value of the Everlast or Wholesale & Licensing (excluding Everlast) CGU to exceed its recoverable amount, the table below shows the amount of headroom and the revised assumption required in order to eliminate the headroom in full.

	Wholesale & Licensing (excl. Everlast)	Everlast
Recoverable amount of CGU (£'m)	99.8	128.3
Current headroom (£'m)	89.9	13.7
Revised 5-year forecast growth rate %	(6.0%)	0.1%
Revised terminal growth rate %	< (1000%)	(0.1%)
Revised discount rate %	89.0%	14.9%

20. INVESTMENTS IN ASSOCIATED UNDERTAKINGS

The Group uses the equity method of accounting for associates and joint ventures in accordance with IAS 28. The following table shows the aggregate movement in the Group's investment in associates and joint ventures:

	Associates (£'m)
At 25 April 2021 and 24 April 2022	-

The Group currently holds a 49.0% share of Four (Holdings) Limited (FY21: 49.0%), the carrying amount of this investment is £nil (FY21: £nil). Detailed disclosures have not been presented as the results are immaterial. The Group is owed £62.4m from the group of companies headed by Four (Holdings) Limited (£24.0m net of amounts recognised in respect of loss allowance) (FY21: £64.9m, £26.5m net of loss allowance), see note 23 for further details. The group of companies headed by Four (Holdings) Limited made a profit of £11.5m in the period (FY21: profit of £8.1m).

21. LONG-TERM FINANCIAL ASSETS

The Group is not looking to make gains through increases in market prices of its long-term financial assets, therefore on initial application of IFRS 9 the Group made the irrevocable election to account for long term financial assets at fair value through other comprehensive income (FVOCI). The election has been made on an instrument-by-instrument basis, only qualifying dividend income is recognised in profit and loss, changes in fair value are recognised within OCI and never reclassified to profit and loss, even if the asset is impaired, sold or otherwise derecognised. The majority of long-term financial assets are recognised in the UK Sports segment.

The fair value of the long-term financial assets is based on bid quoted market prices at the balance sheet date or where market prices are not available, at management's estimate of fair value.

The following table shows the aggregate movement in the Group's financial assets during the period:

	24 April 2022 (£m)	25 April 2021 (£m)
At beginning of period	263.3	83.8
Additions	198.4	113.3
Disposals	(238.4)	(7.0)
Amounts recognised through other comprehensive income	(8.1)	77.3
Exchange differences	(8.6)	(4.1)
	206.6	**263.3**

Included within long-term financial assets at the period ended 24 April 2022 are the following direct interests held by the Group:

- 36.9% (FY21: 36.8%) interest in Mulberry Group plc
- 28.9% (FY21: 35.6%) interest in Studio Retail Group plc
- 2.2% (FY21: 5.1%) interest in Hugo Boss AG
- Various other interests, none of which represent more than 5.0% of the voting power of the investee

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The following table shows the fair value of each of the Group's long-term financial assets (all listed):

	24 April 2022 (£m)	25 April 2021 (£m)
Mulberry Group plc	65.3	52.0
Studio Retail Group plc	-	89.7
Hugo Boss AG	68.4	118.7
Other	72.9	2.9
At end of period	**206.6**	**263.3**

These holdings have been assessed under IFRS 9 Financial Instruments and categorised as long-term financial assets, as the Group does not consider them to be associates and therefore, they are not accounted for on an equity basis, see note 2.

Our strategic investments are intended to allow us to develop relationships and commercial partnerships with the relevant retailers and assist in building relationships with key suppliers and brands.

22. INVENTORIES

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Goods for resale	1,277.6	1,096.6

As at 24 April 2022, goods for resale include a right of return asset totalling £3.2m (FY21: £4.5m). Amounts written off in the period relating to stock was £59.8m (FY21: £24.3m).

The following inventory costs have been recognised in cost of sales:

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Cost of inventories recognised as an expense	2,703.3	2,094.5

The Directors have reviewed the opening and closing provisions against inventory and have concluded that these are fairly stated. The Group has reviewed its estimates and assumptions for calculating inventory provisions at 24 April 2022. Overall provisions have increased from £219.8m in FY21 to £236.7m as at 24 April 2022, with this £16.9m change in provision being recognised as a charge in cost of sales.

23. TRADE AND OTHER RECEIVABLES

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Gross credit customer receivables	372.7	-
Allowance for expected credit loss on credit customer receivables	(138.5)	-
Net credit customer receivables	**234.2**	-
Trade receivables	56.4	57.2
Deposits in respect of derivative financial instruments	243.9	131.0
Amounts owed by related parties (see note 35)	24.2	26.8
Other receivables	170.2	246.9
Prepayments	112.5	84.6
	841.4	**546.5**

Following the acquisition of Studio Retail Limited (see note 32), credit customer receivables now make up a significant element of trade and other receivables. Further disclosure with regards to the credit customer receivables and the associated allowance for expected credit loss can be found at the end of this note.

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. The maximum exposure to credit risk at the reporting date is the carrying value of each class of asset above, plus any cash balances. Other receivables also include unremitted sales receipts.

Deposits in respect of derivative financial instruments are collateral to cover margin requirements for derivative transactions held with counterparties. The collateral requirement changes with the market (which is dependent on share price, interest rates and volatility) and further purchases / sales of underlying investments held.

Included within other receivables is the reimbursement asset totalling £88.3m (FY21: £118.3m) in relation to the Group's ongoing non-UK tax enquiries, for further information see note 29.

The majority of the Group's trade receivables are held within the Wholesale & Licensing businesses, each customer's creditworthiness is assessed before payment terms are agreed.

Under IFRS 9, the Group has applied the simplified approach to providing for expected credit losses for trade receivables, using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on credit risk characteristics, representing management's view of the risk, and the days past due. The credit quality of assets neither past due nor impaired is considered to be good. The Group considers a debt to be defaulted at the point when no further amounts are expected to be recovered. Financial assets are written off when there is no reasonable expectation of recovery. If recoveries are subsequently made after receivables have been written off, they are recognised in profit or loss.

The amounts owed by related parties mostly relates to the group headed by Four (Holdings) Limited, for further details see note 35.

Exposure to credit risk of trade receivables:

	24 April 2022 (£m)	25 April 2021 (£m)
Current	24.2	31.8
0-30 days past due	14.2	12.0
30-60 days past due	4.6	4.0
60-90 days past due	3.0	2.4
Over 90 days past due	10.4	7.0
	56.4	**57.2**

The credit quality of assets neither past due nor impaired is considered to be good.

The movement in loss allowance relating to trade receivables and amounts owed by related parties can be analysed as follows:

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Opening position	68.3	46.2
Amounts charged to the income statement	6.6	22.3
Amounts written off as uncollectable	-	(0.1)
Amounts recovered during the period	-	(0.1)
Closing position	**74.9**	**68.3**

Included in the below table is the loss allowance movement in amounts due from related parties as follows:

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Opening position	38.4	33.8
Amounts charged to the income statement	-	4.6
Closing position	**38.4**	**38.4**

The gross carrying amount of the balance due is £62.6m (FY21: £65.2m). The charge in the prior period was recorded in Selling, distribution and administrative expenses. £17.6m of the gross amounts due from related parties balance is due in less than one year with the remaining being due in more than a one year (FY21: £12.4m due less than one year).

The Group has no significant concentration of credit risk, with exposure spread over a large number of customers. The loss allowance / charges have been determined by reference to past default experience, current / forecasted trading performance and future economic conditions.

Deposits in respect of derivative financial instruments and prepayments are not considered to be impaired.

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Credit Customer Receivables

Certain of the Studio's trade receivables are funded through a securitisation facility that is secured against those receivables. The finance provider will seek repayment of the finance, as to both principal and interest, only to the extent that collections from the trade receivables financed allows and the benefit of additional collections remains with the Group. At the period end, receivables of £287.2m were eligible to be funded via the securitisation facility, and the facilities utilised were £143.6m.

Other information

The average credit period taken on sales of goods is 219 days. On average, interest is charged at 3.5% per month on the outstanding balance.

Studio will undertake a reasonable assessment of the creditworthiness of a customer before opening a new credit account or significantly increasing the credit limit on that credit account. Studio will only offer credit limit increases for those customers that can reasonably be expected to be able to afford and sustain the *increased repayments in line with the affordability and* creditworthiness assessment. There are no customers who represent more than 1% of the total balance of the Group's trade receivables.

Where appropriate, the Group will offer forbearance to allow customers reasonable time to repay the debt. Studio will ensure that the forbearance option deployed is suitable in light of the customer's circumstances (paying due regard to current and future personal and financial circumstances). Where repayment plans are agreed, Studio will ensure that these are affordable to the customer and that unreasonable or unsustainable amounts are not requested. At the balance sheet date there were 24,711 accounts (acquisition date: 23,396) with total gross balances of £16.2m (acquisition date: £15.1m) on repayment plans. Provisions are assessed as detailed above.

During the current period, overdue receivables with a gross value of £5.3m were sold to third party debt collection agencies. As a result of the sales, the contractual rights to receive the cash flows from these assets were transferred to the purchasers. Any gain or loss between actual recovery and expected recovery is reflected within the impairment charge.

Allowance for expected credit loss

The following tables provide information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 24 April 2022:

			24 April 2022			24 February 2022
	Trade receivables	Trade receivables on forbearance arrangements	Total	Trade receivables	Trade receivables on forbearance arrangements	Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Ageing of trade receivables						
Not past due	272.1	14.3	**286.4**	298.4	13.6	**312.0**
Past due:						
0 - 60 days	36.7	1.8	**38.5**	36.8	1.5	**38.3**
60 - 120 days	20.0	0.1	**20.1**	14.9	-	**14.9**
120+ days	27.7	-	**27.7**	17.8	-	**17.8**
Gross trade receivables	**356.5**	**16.2**	**372.7**	**367.9**	**15.1**	**383.0**
Allowance for expected credit loss	(127.3)	(11.2)	**(138.5)**	(118.5)	(10.5)	**(129.0)**
Carrying value	**229.2**	**5.0**	**234.2**	**249.4**	**4.6**	**254.0**

			24 February 2022 to 24 April 2022	
	Stage 1	Stage 2	Stage 3	Total
	(£'m)	(£'m)	(£'m)	(£'m)
Gross trade receivables	**248.6**	**59.9**	**64.2**	**372.7**
Allowance for doubtful debts:				
Acquisition balance	(61.1)	(25.7)	(42.2)	**(129.0)**
Impairment charge	0.6	-	(14.8)	**(14.2)**
Utilisation in period	0.1	-	4.6	**4.7**
Closing balance	(60.4)	(25.7)	(52.4)	**(138.5)**
Carrying value	**188.2**	**34.2**	**11.8**	**234.2**

Analysis of impairment charge:

	24 February 2022 to 24 April 2022 (£'m)
Impairment charge impacting on provision	(14.2)
Recoveries	1.1
Other	(0.2)
Impairment charge	**(13.3)**

Sensitivity analysis

Management judgement is required in setting assumptions around probabilities of default, cash recoveries and the weighting of macro-economic scenarios applied to the impairment model, which have a material impact on the results indicated by the model.

A 1% increase/decrease in the probability of default would increase/decrease the provision amount by approximately £2.2m.

A 1% increase/decrease in the assumed recoveries rate would result in the impairment provision decreasing/increasing by approximately £1.1m.

Changing the weighting of macro-economic scenarios so that the base-case scenario's weighting is halved to 30% (with upside increasing to 30% and both downside and severe increasing to 20%) would result in the impairment provision reducing by approximately £1.7m.

These sensitivities reflect management's assessment of reasonably possible changes to key assumptions which could result in a material adjustment to the level of provision within the next financial year.

24. CASH AND CASH EQUIVALENTS

	24 April 2022 (£m)	25 April 2021 (£m)
Cash in bank and in hand - Sterling	135.4	144.1
Cash in bank and in hand - US dollars	(4.7)	97.4
Cash in bank and in hand - Euros	176.4	192.5
Cash in bank and in hand - Other	29.7	23.0
Cash and cash equivalents including overdrafts at period end	**336.8**	**457.0**

25. SHARE CAPITAL

	24 April 2022 (£m)	25 April 2021 (£m)
AUTHORISED		
999,500,010 ordinary shares of 10p each	100.0	100.0
ALLOTTED, CALLED UP AND FULLY PAID		
640,602,369 (2021: 640,602,369) ordinary shares of 10p each	64.1	64.1
SHARE CAPITAL		
At 24 April 2022 and At 25 April 2021	64.1	64.1

The Group holds 151,240,174 shares in Treasury as at period end (FY21: 121,260,175).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at general meetings of the Company.

We are aware of unsponsored American Depository Receipt (ADR) programmes established from time to time in respect of our shares. We have not sponsored or authorised their creation and any questions should be directed to the relevant depositary.

Frasers has not and does not intend to offer or sell its Ordinary Shares or other securities (in the form of ADR or otherwise) to the general public in the United States nor has it listed or intends to list its Ordinary Shares or other securities on any national securities exchange in the United States or to encourage the trading of its Ordinary Shares on any over the counter market located in the United States. Frasers does not make arrangements to permit the

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voting of Ordinary Shares held in the form of ADRs and its publication of periodic financial and other information is not intended to facilitate the operation of any unsponsored ADR programme under Rule 12g3-2(b) of U.S. *Securities Exchange Act of 1934*, as amended or otherwise.

Contingent Share Awards

Share Schemes

The 2011 Share Scheme was a four year scheme based upon achieving underlying EBITDA (before the costs of the scheme) of £215m in FY12, £250m in FY13, £260m in FY14 and £300m in FY15 coupled with the individual participating employee's satisfactory personal performance and continued employment. All of the above targets were met meaning that approx. 11.6m shares vested in September 2017 and approx. 4m shares vested in September 2015.

Between 26 April 2021 and 24 April 2022, 24,361 shares sold by participants following exercise of awards under the Group 2011 Share Scheme were acquired by Estera Trust (Jersey) Limited, as Trustee of the Sports Direct Employee Benefit Trust (Trustee), with the acquisition being funded by a loan advanced by the Company of £0.2m. The shares were acquired at prices of between 603.5 and 683.5 pence per share in off-market transactions. The weighted average purchase price was 658 pence per share (FY21: 365 pence per share).

The Group holds 17,386,913 shares in the Own Share Reserve as at period end (FY21: 17,386,913).

Fearless 1000 Bonus Scheme

FY21 scheme launch

At the annual general meeting in October 2020, our shareholders gave approval for the Fearless 1000 bonus scheme. Under this scheme shares may be issued by the Group to employees for no cash consideration. All Group employees (excluding Executive Directors, their family associates, and the Head of Commercial) are eligible to participate in the scheme. Under the scheme, 10 million shares are awarded to eligible employees if certain market conditions are achieved. This would equate to £100m worth of fully paid ordinary shares in Frasers Group Plc that could be paid to eligible employees if our share price reaches £10 any time over the next four years. The share price must stay above £10 for 30 consecutive trading days to trigger the vesting of shares at the end of the four year vesting period. 50% of the shares are granted after 4 years and the remaining 50% after 5 years. One thousand eligible employees will receive the shares with a potential value ranging from £50k to £1m if the share price is at £10 at the vesting dates. In all other respects the shares rank equally with other fully paid ordinary shares on issue.

The share element of the scheme is deemed to be an equity-settled scheme as defined by IFRS 2 Share-based payment. In line with the accounting policy in note 1, the fair value at the date of grant is expensed to the *Consolidated Income Statement on a straight-line basis* over the vesting period, with the corresponding credit going to equity.

The assessed fair value at grant date of the shares granted during the period ended 25 April 2021 was 165.69p per share for the 4 year vesting period and 165.95p per share for the 5 year vesting period. The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the scheme. The model inputs for shares granted during the period ended 25 April 2021 included:

- exercise price: £nil
- grant date: 10 February 2021, being the date the Deed of Grant was executed
- expiry date: 7 October 2024 and 7 October 2025
- share price at grant date: 450p
- expected price volatility of the Company's *shares*: 38.8%
- expected dividend yield: 0%
- risk-free interest rate: 0.1%

The expected price volatility is based on the historic volatility (based on the remaining life of the scheme), adjusted for any expected changes to future volatility due to publicly available information.

A charge in the Consolidated Income Statement of £0.8m was recognised in the FY21 period in relation to the equity-settled element of the scheme resulting in £0.8m being held in equity.

The scheme also has a cash-settled bonus for all other eligible employees who do not qualify for the Fearless 1000 share scheme. The cash bonus at the end of the 4 year period is based on the employee tenure and has been accounted as an other long-term employee benefit as defined by IAS 19 Employee Benefits. A charge in the Consolidated Income Statement of £0.5m was recognised in the FY21 period along with a corresponding liability.

FY22 update

At the annual general meeting in October 2021, our shareholders gave approval for an extension to the performance period for the Fearless 1000 plan up to five years. This is seen to benefit participants as it provides an additional period to achieve the £10 share price target given that the difficulties associated with the Covid-19 pandemic have impacted the business in the first year of the plan. In addition, the Remuneration Committee can now allow all awards to vest early if a £15 share price target is achieved.

As per IFRS 2 Share-based payments, the original fair value charge for the equity-settled scheme will continue to be taken over the original period. In addition, an incremental charge is being taken that represents the additional value provided to participants by making these amendments and this additional charge is being taken over the new modified period.

The total assessed fair value of the amendment at grant date is £1.1m which is being recognised over the 4 and 5 year vesting periods.

A charge in the Consolidated Income Statement of £0.15m has been recognised in the period in relation to the modification with an equivalent £0.15m being recognised in equity.

For the equity-settled element of the FY21 Fearless 1000 plan, a charge in the Consolidated Income Statement of £4.1m has been recognised in the period in relation to the scheme with an equivalent £4.1m being recognised in equity.

For the cash-settled element of the FY21 Fearless 1000 plan, a charge to the Consolidated Income Statement of £2.4m has been recognised in the period along with a corresponding increase in liability.

Executive Share Scheme

At the annual general meeting in October 2021, our shareholders gave approval for the Executive Share Scheme. Under this scheme shares may be issued by the Group to Chris Wootton (CFO), Sean Nevitt (Chief Commercial Officer) and David Al-Mudallal (COO) for no cash consideration. Under the scheme, 600,000 shares per person are awarded to the individuals if certain market conditions are achieved. The share price must stay above £12 for 30 consecutive trading days to trigger the vesting of shares at the end of the four year vesting period, or the Remuneration Committee can now allow all awards to vest early if a £15 share price target is achieved. 50% of the shares are granted after 4 years and the remaining 50% after 5 years. In all other respects the shares rank equally with other fully paid ordinary shares on issue.

The scheme is deemed to be an equity-settled scheme as defined by IFRS 2 Share-based payment. In line with the accounting policy in note 1, the fair value at the date of grant is expensed to the Consolidated Income Statement on a straight-line basis over the vesting period, with the corresponding credit going to equity.

The assessed fair value at grant date of the shares granted during the period ended 24 April 2022 was 364.22p per share for the 4 year vesting period and 368.44p per share for the 5 year vesting period. The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the scheme. The model inputs for shares granted during the period ended 24 April 2022 included:

- exercise price: £nil
- grant date: 14 October 2021
- expiry date: 7 October 2025 and 7 October 2026
- share price at grant date: 632p
- expected price volatility of the Company's shares: 39.85%
- expected dividend yield: 0%
- risk-free interest rate: 0.54%

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The expected price volatility is based on the historic volatility (based on the remaining life of the scheme), adjusted for any expected changes to future volatility due to publicly available information.

A charge in the Consolidated Income Statement of £0.8m has been recognised in the period in relation to the scheme with an equivalent £0.8m being recognised in equity.

26. OTHER RESERVES

	Permanent contribution to capital (£'m)	Capital redemption reserve (£'m)	Reverse combination reserve (£'m)	Hedging reserve (£'m)	Total other reserves (£'m)
At 27 April 2020	**0.1**	**8.0**	**(987.3)**	**28.0**	**(951.2)**
Cash flow hedges					
- recognised in the period	-	-	-	0.4	**0.4**
- reclassified in the period and reported in the sales	-	-	-	(2.8)	**(2.8)**
- reclassified and reported in cost of sales	-	-	-	(17.1)	**(17.1)**
- taxation	-	-	-	3.0	**3.0**
At 25 April 2021	**0.1**	**8.0**	**(987.3)**	**11.5**	**(967.7)**
Cash flow hedges					
- recognised in the period	-	-	-	52.1	**52.1**
- reclassified and reported in cost of sales	-	-	-	7.5	**7.5**
- taxation	-	-	-	(15.8)	**(15.8)**
At 24 April 2022	**0.1**	**8.0**	**(987.3)**	**55.3**	**(923.9)**

The permanent contribution to capital relates to a cash payment of £50,000 to the Company on 8 February 2007 under a deed of capital contribution.

The capital redemption reserve arose on the redemption of the Company's redeemable preference shares of 10p each at par on 2 March 2007.

The reverse acquisition reserve exists as a result of the adoption of the principles of reverse acquisition accounting in accounting for the Group restructuring which occurred on 2 March 2007 and 29 March 2007 between the Company and Sports World International Limited, Brands Holdings Limited, International Brand Management Limited and CDS Holdings SA with Sports World International Limited as the acquirer.

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in the income statement only when the hedged transaction impacts the income statement.

Other Balance Sheet Reserves

The foreign currency translation reserve is used to record exchange differences arising from the translation of the Financial Statements of foreign subsidiaries and associates.

The own shares reserve represents the cost of shares in Frasers Group Plc purchased in the market and held by Frasers Group Employee Benefit Trust to satisfy options under the Group's share options scheme. The treasury reserve represents shares held by the Group in treasury.

The Group holds 17,386,913 shares in the Employee Benefit Trust as at period end (FY21: 17,386,913).

The non-controlling interests of the Group mostly relates to Sportland International Group AS and its subsidiaries. This company is incorporated in Estonia with the principal places of business being a number of Baltic countries in Europe. The non-controlling interests hold 40% of the share capital of Sportland International Group AS. During the period £5.6m profit (FY21: £3.0m) has been allocated to the non-controlling interests of Sportland International Group AS, resulting in an accumulated non-controlling interests at the end of the period of £18.0m (FY21: £12.4m). A dividend of £1.3m was paid to the non-controlling interest in the period (FY21: £0.9m). The group of companies headed by Sportland International Group AS has total assets of £68.6m (FY21: £67.8m) and total liabilities of £23.4m (FY21: £14.6m).

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27. BORROWINGS

	24 April 2022 (£m)	25 April 2021 (£m)
Current:		
Lease liabilities	117.0	188.5
Non-Current	29.7	23.0
Bank and other loans	827.9	705.9
Lease liabilities	503.6	534.2
	1,448.5	**1,428.6**

An analysis of the Group's total borrowings other than bank overdrafts is as follows:

	24 April 2022 (£m)	25 April 2021 (£m)
Borrowings - sterling	827.9	705.9

Group borrowings (excluding Studio Retail Limited) are at a rate of interest of 2.0% (FY21: 1.3%) over the interbank rate of the country within which the borrowing entity resides. As part of the Studio Retail Limited acquisition, a securitisation loan was acquired which had a balance at 24 April 2022 of £143.6m. The average interest rate paid on the securitisation loan was 3.23%.

Reconciliation Of Liabilities Arising From Financing Activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Non-current borrowings (£m)	Current borrowings (£m)	Total (£m)
At 26 April 2020	**1,376.2**	**147.9**	**1,524.1**
Cash-flows:			
- Borrowings drawn down	1,128.1	-	1,128.1
- Borrowings repaid	(1,323.6)	-	(1,323.6)
- Borrowings acquired through business combinations	1.4	-	1.4
Lease liability:			
- IFRS 16 Lease Liabilities - cash-flows	-	(78.0)	(78.0)
- IFRS 16 Lease Liabilities - modifications/remeasurements, transfers from non-current to current, and foreign exchange adjustments	(40.3)	98.1	57.8
- IFRS 16 Lease Liabilities - new leases	98.3	20.5	118.8
At 25 April 2021	**1,240.1**	**188.5**	**1,428.6**
Cash-flows:			
- Borrowings drawn down	1,374.4	-	1,374.4
- Borrowings repaid	(1,484.4)	-	(1,484.4)
- Borrowings acquired through business combinations (note 32)	232.0	-	232.0
Lease liability:			
- IFRS 16 Lease Liabilities - cash-flows	-	(176.2)	(176.2)
- IFRS 16 Lease Liabilities - modifications/remeasurements, transfers from non-current to current, and foreign exchange adjustments	(136.7)	91.1	(45.6)
- IFRS 16 Lease Liabilities - new leases	90.1	11.4	101.5
- IFRS 16 Lease Liabilities - acquired through business combinations (note 32)	16.0	2.2	18.2
At 24 April 2022	**1,331.5**	**117.0**	**1,448.5**

On 30 November 2021 the Group refinanced its existing borrowings and entered into a combined term loan and revolving credit facility of £930.0m for a period of 3 years, with the possibility to extend this by a further 2 years. This facility increased to £940.0m as at 24 April 2022 and to £980.0m subsequent to the period end. Given the revolving credit facility is available for a minimum of 3 years and the limited restriction of lending under the facility, the balance is classified as non-current on the Consolidated Balance Sheet.

The Group continues to operate comfortably within its banking facilities and covenants and the Board remains comfortable with the Group's available headroom. The carrying amounts and fair value of the borrowings are not materially different.

Reconciliation of Net Debt:

	24 April 2022 (£m)	25 April 2021 (£m)
Borrowings	(1,448.5)	(1,428.6)
Add back:		
- Lease liabilities	620.6	722.7
Cash and cash equivalents	336.8	457.0
Net debt	**(491.1)**	**(248.9)**

28. DEFERRED TAX ASSETS AND LIABILITIES

	IFRS 16 (£'m)	Accounts depreciation exceeding tax depreciation (£'m)	Tax losses recoverable (£'m)	Bonus share scheme (£'m)	Forward currency contracts (£'m)	Fair value adjustments to intangibles (£'m)	Retirement benefit obligations (£'m)	Other temporary differences (£'m)	Total (£'m)
At 26 April 2020	**28.5**	**19.6**	-	-	**(8.0)**	**(17.6)**	-	**1.8**	**24.3**
Credited/(charged) to the income statement	14.6	4.1	-	-	(2.0)	1.0	-	(7.4)	**10.3**
Charged to reserves	-	-	-	(0.3)	-	2.5	-	-	**2.2**
Credited to hedging reserves	-	-	-	-	3.0	-	-	-	**3.0**
At 25 April 2021	**43.1**	**23.7**	-	**(0.3)**	**(7.0)**	**(14.1)**	-	**(5.6)**	**39.8**
Acquired through business combinations (see note 32)	-	8.2	22.6	-	-	(1.1)	(6.8)	3.2	**26.1**
Credited/(charged) to the income statement	10.1	(12.6)	-	2.5	-	1.5	(0.5)	0.8	**1.8**
Charged to reserves	-	-	-	3.5	-	(1.7)	6.7	-	**8.5**
Credited to hedging reserves	-	-	-	-	(15.8)	-	-	-	**(15.8)**
At 24 April 2022	**53.2**	**19.3**	**22.6**	**5.7**	**(22.8)**	**(15.4)**	**(0.6)**	**(1.6)**	**60.4**

	24 April 2022 (£m)	25 April 2021 (£m)
Deferred tax assets	100.8	66.8
Deferred tax liabilities	(40.4)	(27.0)
Net deferred tax balance	**60.4**	**39.8**

The tax rates used to measure the deferred tax assets and liabilities was 25% (FY21: 19%), on the basis that this was the tax rate that was substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that realisation of the related tax benefit is probable on the basis of the Group's current expectations of future taxable profits. The Group has approx. £122m of taxable losses not recognised as a deferred tax asset (approx. £30m deferred tax asset).

29. PROVISIONS

	Legal and regulatory (£m)	Property related (£m)	Financial services related (£m)	Other (£m)	Total (£m)
At 26 April 2020	**225.4**	**107.9**	-	**2.7**	**336.0**
Amounts provided	7.3	41.5	-	-	**48.8**
Amounts utilised / reversed	(16.9)	(5.3)	-	(1.4)	**(23.6)**
At 25 April 2021	**215.8**	**144.1**	-	**1.3**	**361.2**
Acquired through business combinations (see note 32)	7.1	2.7	42.4	-	**52.2**
Amounts provided	17.7	53.7	-	-	**71.4**
Amounts utilised / reversed	(10.4)	(39.3)	(0.8)	(1.3)	**(51.8)**
At 24 April 2022	**230.2**	**161.2**	**41.6**	-	**433.0**

Legal and regulatory provisions relate to management's best estimate of the potential impact of claims including legal, commercial, regulatory and ongoing non-UK tax enquiries. The timing of the outcome of non-UK tax inquiries and legal claims made against the Group is dependent on factors outside the Group's control and therefore the timing of settlement is uncertain. After taking appropriate legal advice, the outcomes of these claims are not expected to give rise to material loss in excess of the amounts provided. Included within Legal and regulatory provisions, are amounts relating to Studio Retail Limited's ongoing discussions with HMRC with regard to agreeing a new Partial Exemption Special Method (the means by which the recovery of input VAT on costs relating to the company's financial services activities is restricted). As at 24 April 2022, the company held a provision of £6.9m which represents management's best estimate of the likely increase in the level of restriction on the recovery of input VAT over and above that which has already been restricted in the company's quarterly VAT returns. We note that management's best estimate is one of a number of different outcomes so the amounts provided may differ to the final costs incurred by the company in respect of this matter.

A reimbursement asset of £88.3m (FY21: £118.3m) has been recognised separately within debtors relating to ongoing non-UK tax enquiries.

Included within property related provisions are provisions for dilapidations in respect of the Group's retail stores and warehouses. Further details of managements estimates are included in note 2.

Other provisions relate to provisions for restructuring and employment (non-retirement related).

Included above is a provision of £41.6m for probable outflows in respect of the financial services business.

As a regulated business, Studio Retail Limited has an obligation to proactively review its business to ensure that appropriate outcomes were delivered to customers. Based on work undertaken as at the balance sheet date it is considered likely that some level of remediation will be required to fully satisfy this obligation.

The provision recognises the inherent uncertainties in any such remediation including the number of customers who might have been impacted, the proportion of those who were adversely affected by the legacy decisions, the possible remediation payable, and overlays these uncertainties with a risk-based consideration of the proportion of the population identified above that suffered adverse outcomes, and the period over which such adverse outcomes may have been suffered. Assumptions have been overlaid in respect of the timing and mechanism for undertaking any remediation.

At this stage a detailed analysis of the relevant customer cohorts has not yet been completed and as such there are a range of outcomes which could result in a settlement which is significantly lower or higher than the amount estimated. This variation could be significant and therefore highly material for a user of these accounts. This range of outcomes is expected to narrow as the work to substantiate each of the uncertainties set out above is completed. It is anticipated this work will be completed within the 12 month fair value measurement period in line with IFRS3.

The timing of any potential outflows is also uncertain, but we have assumed that these take place within two years.

The recognition of a provision by the Group is not an admission of liability for the payment of this amount, but rather to comply with the Directors' obligations to prepare financial statements that give a true and fair view of the performance and financial position of the Group in accordance with IFRS.

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30. FINANCIAL INSTRUMENTS

A. Financial Assets and Liabilities by Category and Fair Value Hierarchy

The fair value hierarchy of financial assets and liabilities, which are principally denominated in Sterling or US Dollars, were as follows:

FINANCIAL ASSETS - 24 April 2022	Level 1 (£'m)	Level 2 (£'m)	Level 3 (£'m)	Other (£'m)	Total (£'m)
Amortised cost:					
Trade and other receivables*	-	-	-	704.7	**704.7**
Cash and cash equivalents	-	-	-	336.8	**336.8**
Amounts owed by related parties	-	-	-	24.2	**24.2**
FVOCI:					
Long Term Financial Assets (Equity Instruments) - designated	206.6	-	-	-	**206.6**
Derivative financial assets (FV):					
Foreign forward purchase and sales contracts, and interest rate swaps	-	116.5	-	-	**116.5**
	-	**116.5**	-	-	**116.5**
FINANCIAL LIABILITIES - 24 April 2022					
Amortised cost:					
Non-current borrowings	-	-	-	(827.9)	**(827.9)**
Trade and other payables**	-	-	-	(721.7)	**(721.7)**
IFRS 16 Lease liabilities	-	-	-	(620.6)	**(620.6)**
Derivative financial liabilities (FV):					
Foreign forward and written options purchase and sales contracts - Unhedged	-	(31.3)	-	-	**(31.3)**
Derivative financial liabilities - contracts for difference & equity options	-	(75.9)	-	-	**(75.9)**
	-	**(107.2)**	-	-	**(107.2)**

*Prepayments of £112.5m are not included as a financial asset.

**Other taxes including social security costs of £6.1m are not included as a financial liability.

FINANCIAL ASSETS - 25 April 2021	Level 1 (£'m)	Level 2 (£'m)	Level 3 (£'m)	Other (£'m)	Total (£'m)
Amortised cost:					
Trade and other receivables*	-	-	-	435.1	**435.1**
Cash and cash equivalents	-	-	-	457.0	**457.0**
Amounts owed by related parties	-	-	-	26.8	**26.8**
FVOCI:					
Long Term Financial Assets (Equity Instruments) - designated	263.3	-	-	-	**263.3**
Derivative financial assets (FV):					
Foreign forward purchase and sales contracts	-	35.3	-	-	**35.3**
Derivative financial assets - contracts for difference & equity options	-	20.1	-	-	**20.1**
	-	**55.4**	-	-	**55.4**
FINANCIAL LIABILITIES - 25 April 2021					
Amortised cost:					
Non-current borrowings	-	-	-	(705.9)	**(705.9)**
Trade and other payables**	-	-	-	(620.1)	**(620.1)**
IFRS 16 Lease liabilities	-	-	-	(722.7)	**(722.7)**
Derivative financial liabilities (FV):					
Foreign forward and written options purchase and sales contracts - Unhedged	-	(17.5)	-	-	**(17.5)**
Derivative financial liabilities - contracts for difference & equity options	-	(1.7)	-	-	**(1.7)**
	-	**(19.2)**	-	-	**(19.2)**

*Prepayments of £64.6m are not included as a financial asset.

**Other taxes including social security costs of £26.2m are not included as a financial liability.

B. Financial Assets and Liabilities Sensitivities by Currency

The Group's principal foreign currency exposures are to US Dollars and Euros. The table below illustrates the hypothetical sensitivity of the Group's reported profit and equity to a 5% increase and decrease in the US Dollar / Sterling and Euro / Sterling exchange rates at the year-end date, assuming all other variables remain unchanged. The figures have been calculated by comparing the fair values of outstanding foreign currency contracts, assets and liabilities at the current exchange rate to those if exchange rates moved as illustrated. The income statement figures include the profit effect of any relevant derivatives which are not in a designated cash flow hedge. The impact on US Dollar and Euro related hedging instruments is included in equity.

The analysis has been prepared using the following assumptions:

1. Existing assets and liabilities are held as at the period end; and
2. No additional hedge contracts are taken out.

					SENSITIVITY			
					USD		EUR	
	GBP & Other	USD	EUR	Total	-5%	+5%	-5%	+5%
FY22:								
Trade and Other Receivables	648.6	24.5	31.6	704.7	(1.2)	1.2	(1.6)	1.6
Cash and cash equivalents	243.2	19.2	74.4	336.8	(1.0)	1.0	(3.7)	3.7
Trade and Other Payables	(614.0)	(15.0)	(92.7)	(721.7)	0.8	(0.8)	4.6	(4.6)
FY21:								
Trade and Other Receivables	370.1	25.2	39.8	435.1	(1.3)	1.3	(2.0)	2.0
Cash and cash equivalents	353.4	49.4	54.2	457.0	(2.5)	2.5	(2.7)	2.7
Trade and Other Payables	(489.0)	(24.5)	(106.6)	(620.1)	1.2	(1.2)	5.3	(5.3)

There is no difference between fair value and carrying value of the above financial instruments (FY21: £nil).

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Contracts for difference are classified as Level 2 as the fair value is calculated using quoted prices for listed shares and commodities at contract inception and the period end.

Foreign forward purchase and sales contracts and options are classified as Level 2, the Group enters into these derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts and options are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.

The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, and yield curves of the respective currencies.

Long-term financial assets such as equity instruments are classified as Level 1 as the fair value is calculated using quoted prices.

The fair value of equity derivative agreements are included within the derivative financial assets balance of £nil (FY21: £20.1m) and derivative financial liabilities balance of £75.9m (FY21: £1.7m). The derivative financial assets and derivative financial liabilities as at 24 April 2022 relate to strategic investments held of between 0.8% and 22.4% of investee share capital.

Sold options are classified as Level 2 as the fair value is calculated using other techniques, where inputs are observable.

Trade receivables / payables, amounts owed from related parties, other receivables / payables, cash and cash equivalents, current / non-current borrowings, and lease liabilities are held at amortised cost.

The maximum exposure to credit risk as at 24 April 2022 and at 25 April 2021 is the carrying value of each class of asset in the Balance Sheet, except for amounts owed from related parties which is the gross carrying amount of £62.6m (FY21: £65.2m).

C. Derivatives: Foreign Currency Forward Contracts

(c)(i) Hedging

The most significant exposure to foreign exchange fluctuations relates to purchases made in foreign currencies, principally the US Dollar and online sales in Euros. The Group's policy is to reduce substantially the risk associated with foreign currency spot rates by using forward fixed rate currency purchase contracts, taking into account any foreign currency cash flows. The Group does not hold or issue derivative financial instruments for trading purposes, however if derivatives, including both forwards and written options, do not qualify for hedge accounting they are accounted for as such and accordingly any gain or loss is recognised immediately in the income statement. Management are of the view that there is a substantive distinct business purpose for entering into the options and a strategy for managing the options independently of the forward contracts. The forward and options contracts are therefore not viewed as one contract and hedge accounting for the forwards is permitted.

Hedge effectiveness is determined at inception of the hedge relationship and at every reporting period end through the assessment of the hedged items and hedging instrument to determine whether there is still an economic relationship between the two.

The critical terms of the foreign currency forwards entered into exactly match the terms of the hedged item. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate. Hedge ineffectiveness may arise where the critical terms of the forecast transaction no longer meet those of the hedging instrument, for example, if there was a change in the timing of the forecast sales transactions from what was initially estimated or if the volume of currency in the hedged item was below expectations leading to over-hedging. Differences can arise when the initial value on the Hedging instrument is not zero.

The hedged items and the hedging instrument are denominated in the same currency and as a result the hedging ratio is always one to one.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions then hedge accounting is discontinued and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

The fair value of hedged contracts as at **24 April 2022 was:**

	24 April 2022 (£m)	25 April 2021 (£m)
Assets		
US Dollar purchases - GBP	32.9	2.4
US Dollar purchases - EUR	54.2	2.3
Euro sales	12.8	30.6
Total	**99.9**	**35.3**
Liabilities		
US Dollar purchases - GBP	-	7.3
US Dollar purchases - EUR	-	0.1
Total	-	**7.4**

The details of hedged forward foreign currency purchase contracts and contracted forward rates were as follows:

		24 April 2022 (£'m)		25 April 2021 (£'m)
	Currency	GBP	Currency	GBP
US Dollar purchases	480.0	340.4	720.0	523.1
Contracted rates USD / GBP		1.41		1.36 - 1.41
Weighted average contracted rates USD / GBP		1.41		1.38
US Dollar purchases	120.0	78.6	120.0	83.9
Contracted rates USD / EUR		1.26-1.31		1.21 - 1.31
Weighted average contracted rates USD / EUR		1.28		1.26
Euro sales	(600.0)	(574.5)	(240.0)	(242.4)
Contracted rates EUR / GBP		0.99-1.08		0.99
Weighted average contracted rates EUR / GBP		1.04		0.99

The timing of the contracts is as follows:

Currency	Hedging against	Currency value	Timing	Rates
USD/GBP	USD inventory purchases	USD 480m	FY23	1.41
USD/EUR	USD inventory purchases	USD 120m	FY23 - FY24	1.26-1.31
EUR/GBP	Euro sales	EUR 600m	FY23, FY25	0.99-1.08

The foreign currency forwards and options are denominated in the same currency as the highly probably future inventory purchases and sales so the hedged ratio is 1:1. Hedge ineffectiveness may arise where the critical terms of the forecast transaction no longer meet those of the hedging instrument, for example if there was a change in the timing of the forecast sales transactions from what was initially estimated or if the volume of currency in the hedged item was below expectations leading to over-hedging.

	24 April 2022 (£m)	25 April 2021 (£m)
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	(77.5)	(14.5)
Change in value of hedged item used to determine hedge ineffectiveness	(104.9)	(28.1)

	24 April 2022 (£'m)		25 April 2021 (£'m)	
	Change in the fair value of the currency forward	Change in the fair value of the hedged item	Change in the fair value of the currency forward	Change in the fair value of the hedged item
US Dollars purchases - GBP	30.5	30.5	(4.8)	(4.8)
US Dollars purchases - EUR	9.7	9.7	2.1	2.1
Euro sales	11.9	11.9	3.1	3.1

At 24 April 2022 £574.5m of forward sales contracts (FY21: £242.4m) and £419.0m of purchase contracts (FY21: £607.0m) qualified for hedge accounting and the gain on fair valuation of these contracts of £52.1m (FY21: £0.4m) has therefore been recognised in other comprehensive income.

At 24 April 2022, £38.6m hedged purchase contracts had a maturity of greater than 12 months (FY21: £210.5m of purchase contracts) and £332.1m of hedged sales had a maturity of greater than 12 months (FY21: £242.4m of sales contracts).

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The movements through the Hedging reserve are:

	USD/GBP (£m)	EUR/GBP (£m)	USD/EUR (£m)	Total hedge movement (£m)	Deferred tax (£m)	Total hedging reserve (£m)
As at 26 April 2020	-	**16.6**	**17.2**	**33.8**	**(5.8)**	**28.0**
Recognised	(4.9)	3.2	2.1	**0.4**	-	**0.4**
Reclassified in sales	-	(2.8)	-	**(2.8)**	-	**(2.8)**
Reclassified in inventory / cost of sales	-	-	(17.1)	**(17.1)**	-	**(17.1)**
Deferred Tax	-	-	-	-	3.0	**3.0**
As at 25 April 2021	**(4.9)**	**17.0**	**2.2**	**14.3**	**(2.8)**	**11.5**
Recognised	30.5	11.9	9.7	**52.1**	-	**52.1**
Reclassified in inventory / cost of sales	7.4	-	0.1	**7.5**	-	**7.5**
Deferred Tax	-	-	-	-	(15.8)	**(15.8)**
As at 24 April 2022	**33.0**	**28.9**	**12.0**	**73.9**	**(18.6)**	**55.3**

(c)(ii) Unhedged

The sterling principal amounts of unhedged forward contracts and written currency option contracts and contracted rates were as follows:

	24 April 2022 (£m)	25 April 2021 (£m)
US Dollar purchases	78.6	40.3
Contracted rates USD / EUR	1.26-1.31	1.31
- Euro sales	(715.9)	(383.8)
Contracted rates EUR / GBP	0.99-1.08	0.99

Included within finance costs, classified within fair value adjustment to derivatives, is a loss on fair value of unhedged forward contracts, written currency option contracts and swaps of £28.9m (FY21: loss of £4.6m).

At 24 April 2022, £78.6m of unhedged purchase contracts had a maturity at inception of greater than 12 months (FY21: £nil purchase contracts) and £715.9m of unhedged sales had a maturity at inception of greater than 12 months (FY21: £335.4m of sales contracts).

These contracts form part of the Treasury management activities, which incorporates the risk management strategy for areas that are not reliable enough in timing and amount to qualify for hedge accounting. This includes acquisitions, disposals of overseas subsidiaries, related working capital requirements, dividends and loan repayments from overseas subsidiaries and purchase and sale of overseas property. Written options carry additional risk as the exercise of the option lies with the purchaser. The options involve the Group receiving a premium on inception in exchange for accepting that risk and the outcome is that the bank may require the Group to sell Euros. However, the Group is satisfied that the use of options as a Treasury management tool is appropriate.

FY22 value excludes short term swaps of USD/GBP of USD 40.0m and EUR/USD of EUR 40.0m which were required for cash management purposes only. In FY21 there are nil short term swaps at period end.

D. Interest rate swaps

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. The Group has two contracts in place that fix interest payments on variable rate debt. The first contract covers a notional amount of £250.0m and fixes the interest rate at 0.985% per annum until 29 May 2026. The second contract covers a notional amount of £100.0m and fixes the interest rate at 0.45% per annum until 2 September 2024. The fair value of these interest rate swaps is an asset of £16.6m (2021: liability of £7.4m). The fair value gain has been recognised in finance income classified as fair value adjustment to derivatives.

E. Sensitivity Analysis

The Group's principal foreign currency exposures are to US Dollars and Euros. The table below illustrates the hypothetical sensitivity of the Group's reported profit and equity to a 10% increase and decrease in the US Dollar / Sterling and Euro / Sterling exchange rates at the year-end date, assuming all other variables remain unchanged. The figures have been calculated by comparing the fair values of outstanding foreign currency contracts at the current exchange rate to those if exchange rates moved as *illustrated. The income statement figures include the profit effect* of any relevant derivatives which are not in a designated cash flow hedge. The impact on US Dollar and Euro related hedging instruments is included in equity.

Positive figures represent an increase in profit or equity:

	Income statement		Equity	
	24 April 2022 (£'m)	25 April 2021 (£'m)	24 April 2022 (£'m)	25 April 2021 (£'m)
Sterling strengthens by 10%				
US Dollar	(2.9)	8.1	(22.6)	(17.4)
Euro	(39.4)	23.4	10.0	10.9
Sterling weakens by 10%				
US Dollar	3.5	(9.9)	27.6	21.3
Euro	48.1	(90.8)	(12.3)	(13.4)

Interest Rate Sensitivity Analysis

The following table illustrates the sensitivity of the Group's reported profit and equity to a 0.5% increase or decrease in interest rates, assuming all other variables were unchanged.

The analysis has been prepared using the following assumptions:

- For floating rate assets and liabilities, the amount of asset or liability outstanding at the balance sheet date is assumed to have been outstanding for the whole year.
- Fixed rate financial instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of this analysis.

Positive figures represent an increase in profit or equity:

	Income statement		Equity	
	24 April 2022 (£'m)	25 April 2021 (£'m)	24 April 2022 (£'m)	25 April 2021 (£'m)
Interest rate increase of 0.5%	(2.6)	(3.0)	(2.6)	(3.0)
Interest rate decrease of 0.5%	2.6	3.0	2.6	3.0

Long term Investments Sensitivity Analysis

The following table illustrates the sensitivity of price risk in relation to long term investments held by the Group:

	24 April 2022 Equity (£'m)
Share price increase of 10%	20.2
Share price decrease of 10%	(20.2)

F. Liquidity Risk

The table below shows the maturity analysis of the undiscounted remaining contractual cash flows of the Group's non derivative liabilities and foreign currency derivative financial instruments:

	Less than 1 year (£'m)	1 to 2 years (£'m)	2 to 5 years (£'m)	Over 5 years (£'m)	Total (£'m)
2022					
Non derivative financial liabilities:					
Bank loans and overdrafts	-	-	827.9	-	**827.9**
Bank loans and overdrafts interest	26.5	27.3	28.2	-	**82.0**
Trade and other payables	721.7	-	-	-	**721.7**
IFRS 16 Lease liabilities	131.5	93.6	182.4	426.4	**833.9**
Derivative financial instruments:					
Cash inflows	(1,008.7)	(38.5)	(711.5)	-	**(1,758.7)**
Cash outflows	1,079.7	45.1	702.4	-	**1,827.2**
	950.7	**127.5**	**1,029.4**	**426.4**	**2,534.0**
2021					
Non derivative financial liabilities:					
Bank loans and overdrafts	-	705.9	-	-	**705.9**
Bank loans and overdrafts interest	-	9.9	-	-	**9.9**
Trade and other payables	620.1	-	-	-	**620.1**
IFRS 16 Lease liabilities	196.6	112.7	196.8	670.9	**1,177.0**
Derivative financial instruments:					
Cash inflows	(396.5)	(766.9)	(80.6)	-	**(1,244.0)**
Cash outflows	389.1	798.9	81.5	-	**1,269.5**
	809.3	**860.5**	**197.7**	**670.9**	**2,538.4**

Capital Management

The capital structure of the Group consists of equity attributable to the equity holders of the parent company, comprising issued share capital (less treasury shares), share premium, retained earnings and cash and borrowings.

It is the Group's policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the development of the business.

In respect of equity, the Board has decided that, in order to maximise flexibility in the near term with regards to a number of inorganic growth opportunities under review, not to return any cash by way of a final dividend at this time.

The Board is committed to keeping this policy under review and to looking to evaluate methods of returning cash to shareholders when appropriate.

The objective of the Share Scheme is to encourage employee share ownership and to link employee's remuneration to the performance of the Company. It is not designed as a means of managing capital.

In respect of cash and borrowings, the Board regularly monitors the ratio of net debt to Reported EBITDA (Pre-IFRS 16), the working capital requirements and forecasted cash flows, however no minimum or maximum ratios are set outside of maintaining a ratio of net debt to Reported EBITDA (pre IFRS 16) below 3.0.

The ratio for net debt to Reported EBITDA (pre IFRS 16) is 0.6 (FY21: 0.5). The objective is to keep this figure below 3.0 (FY21: 3.0).

Based on this analysis, the Board determines the appropriate return to equity holders whilst ensuring sufficient capital is retained within the Group to meet its strategic objectives, including but not limited to, acquisition opportunities.

These capital management policies have remained unchanged from the prior period.

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31. TRADE AND OTHER PAYABLES

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Trade payables	358.1	279.3
Amounts owed to related undertakings	0.1	2.6
Other taxes including social security costs	8.1	26.2
Other payables	102.0	93.0
Accruals	261.5	245.2
	729.8	**646.3**

Included within other payables are amounts outstanding in respect of gift cards and vouchers of £42.6m (FY21: £28.8m).

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

32. ACQUISITIONS

i. On 24 February 2022, the Group acquired 100% of the share capital and voting rights of Studio Retail Limited (SRL) and certain other assets of Studio Retail Group plc (in administration) (SRG) for cash consideration of £28.3m which is deemed to be the fair value of the consideration. SRL is a digital value retailer with a broad product offering and the ability to provide customers a range of payment options including a flexible credit facility. The acquisition will help to accelerate the Group's ambition to elevate its customer journey including a flexible repayment proposition. As part of the transaction, SRG assigned its liabilities held to its lending banks under its revolving credit facilities to SRL. A debt transfer took place which transferred this revolving credit facility debt from the lending banks to Frasers Group Plc which became the new lender. The fair value adjustment to intangible assets and inventory relates to management's assessment of the price that would be paid for the acquired assets in an orderly transaction between market participants at the acquisition date, as well as the recognition of a customer related intangible. The fair value adjustment to property, plant and equipment relates to management's assessment of the fair value of the buildings acquired as part of the acquisition and which are recognised on the balance sheet of the Frasers Group Plc company. The fair value adjustment relating to borrowings relates to the acquisition by Frasers Group Plc of the liabilities held between SRG and the lending banks under its revolving credit facilities which SRG assigned to SRL. Acquisition related costs of £0.4m are included in administrative expenses in the Consolidated Income Statement and in cash flows from operating activities in the Consolidated Cash Flow Statement. The Group continues to hold a 28.9% interest in SRG at the period end, however given the administration of SRG and the sale of its main trading subsidiary SRL, the interest has been fair valued to £nil with the loss recognised through other comprehensive income (see note 21).

ii. During the period the Group acquired the entire share capital of Bob Woolmer Sales Limited for consideration of £2.5m.

The following table summarises the fair values of consideration paid:

	Studio Retail Limited (£m)	Other (£m)
Cash consideration	28.3	2.5
	28.3	**2.5**

The asset and liability values at acquisition are detailed below. We have reviewed the fair value of the assets and liabilities acquired which are deemed to be provisional given the judgemental nature of some of the balances.

	Studio Retail Limited			Other		
	Book Value (£m)	Fair Value Adjustment (£m)	Fair Value (£m)	Book Value (£m)	Fair Value Adjustment (£m)	Fair Value (£m)
Property, plant and equipment	12.5	7.0	**19.5**	-	-	-
Intangible assets	12.6	(6.9)	**5.7**	-	-	-
Inventories	56.4	7.6	**64.0**	0.4	-	**0.4**
Cash and cash equivalents	29.8	-	**29.8**	0.8	-	**0.8**
Retirement benefit obligations	27.3	-	**27.3**	-	-	-
Credit customer receivables	383.0	-	**383.0**	-	-	-
Allowance for expected credit losses	(129.0)	-	**(129.0)**	-	-	-
Deferred tax balances	27.2	(1.1)	**26.1**	-	-	-
Borrowings	(253.3)	21.3	**(232.0)**	-	-	-
Other working capital	(90.9)		**(90.9)**	-	-	-
Lease liability	(18.2)	-	**(18.2)**	-	-	-
Provisions	(52.2)	-	**(52.2)**	-	-	-
Goodwill	-	-	-	-	1.3	**1.3**
Bargain purchase	-	(4.8)	**(4.8)**	-	-	-
Net assets acquired	**5.2**	**23.1**	**28.3**	**1.2**	**1.3**	**2.5**

The bargain purchase of £4.8m from the Studio Retail Limited acquisition is as a result of the administration of SRG, and the amount has been recognised within cost of sales within the period. The Goodwill arising on the other acquisitions of £1.3m has been impaired to £nil as at period end with the impairment being recognised in Exceptional Items, see note 6. Due to the nature of the credit facility offered by SRL to customers being a rolling facility, where new purchases are added to the account as they are incurred and payments being allocated against the total customer balance as received, the credit customer receivable and the IFRS 9 allowance for expected credit losses have been recognised gross at the acquisition date. The period end analysis of this receivable balance and the IFRS 9 allowance for expected credit losses can be found at note 23. Sensitivities with regards to the acquired provisions can be found in note 29.

Since the date of control, the following amounts have been included within the Group's Financial Statements for the period:

(£m)	Studio Retail Limited (£m)	Other (£m)	Total (£m)
Revenue	58.3	0.8	**59.1**
Operating loss	(6.6)	(0.1)	**(6.7)**
Loss before tax	(7.2)	(0.1)	**(7.3)**

Had the acquisitions been included from the start of the period the following amounts would have been included within the Group's Financial Statements for the period:

(£m)	Studio Retail Limited (£m)	Other (£m)	Total (£m)
Revenue	491.4	3.0	**494.4**
Operating (loss)/profit	(108.9)	0.2	**(108.7)**
(Loss)/profit before tax	(115.4)	0.2	**(115.2)**

There were no contingent liabilities acquired as a result of the above transactions.

Reconciliation of net cash outflow from investing activities:

(£m)	Studio Retail Limited (£m)	Other (£m)	Total (£m)
Cash consideration	(28.3)	(2.5)	**(30.8)**
Fair value of cash and cash equivalent acquired	29.8	0.8	**30.6**
Purchase of subsidiaries, net of cash acquired	**1.5**	**(1.7)**	**(0.2)**

During the prior period ended 25 April 2021 the Group acquired the trade and assets of DW Sports for cash consideration of £37.0m which resulted in Goodwill being recognised of £3.7m.

33. CASH INFLOW FROM OPERATING ACTIVITIES

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)
Profit before taxation	335.6	8.5
Net finance cost	18.9	27.2
Net investment income	(24.1)	(96.0)
Operating profit/(loss)	**330.4**	**(60.3)**
Depreciation of property, plant and equipment	246.6	298.5
Depreciation on investment properties	5.9	1.9
Gain on disposal and modification/remeasurement of lease liabilities	(28.3)	(27.7)
Amortisation of intangible assets	7.5	7.1
Impairment of tangible and intangible assets and investment properties	232.7	326.1
Profit on disposal of property, plant and equipment	(10.8)	(9.7)
Profit on disposal of intangibles	-	(7.5)
Gain on bargain purchase	(4.8)	(3.1)
Share based payment charge in equity (excluding deferred tax)	9.2	-
Pension contributions less income statement charge	(1.6)	-
Operating cash inflow before changes in working capital	**786.8**	**525.3**
Increase in receivables	(33.3)	(136.6)
(Increase) / decrease in inventories	(155.0)	99.3
Increase in payables	7.5	64.9
Increase in provisions	22.9	25.4
Cash inflows from operating activities	**628.9**	**578.3**

34. CAPITAL COMMITMENTS

The Group had capital commitments of £145.0m as at 24 April 2022 (25 April 2021: £87.1m) relating to warehouse automation, aircraft, other plant and machinery, and property purchases.

35. RELATED PARTY TRANSACTIONS

The Group has taken advantage of the exemptions contained within IAS 24 - "Related Party Disclosures" from the requirement to disclose transactions between Group companies as these have been eliminated on consolidation.

The Group entered into the following material transactions with related parties:

52 weeks ended 24 April 2022:

	Relationship	**Sales (£'m)**	**Purchases (£'m)**	**Trade and other receivables (£'m)**	**Trade and other payables (£'m)**
Related Party					
Four (Holdings) Limited & subsidiaries [1]	Associate	2.6	63.7	24.0	-
Mash Holdings Limited	Parent company	-	-	0.2	-
Mike Ashley [2]	Plc Director	1.5	-	-	-
N M Design London Limited	Connected persons	-	0.2	-	-
Rangers Retail Limited	Associate	-	-	-	0.1
MM Prop Consultancy Limited & M.P.M Elevation Limited	Connected persons	-	21.0	-	-

52 weeks ended 25 April 2021:

	Relationship	**Sales (£'m)**	**Purchases (£'m)**	**Trade and other receivables (£'m)**	**Trade and other payables (£'m)**
Related Party					
Four (Holdings) Limited & subsidiaries [1]	Associate	2.2	41.1	26.5	0.1
Mash Holdings Limited	Parent company	-	-	0.2	-
Mike Ashley [2]	Plc Director	1.3	-	-	-
N M Design London Limited	Connected persons	-	0.1	-	-
MM Prop Consultancy Limited	Connected persons	-	2.5	-	2.5
Newcastle United Football Club Limited & St James Holdings Limited [3]	Connected persons	0.2	(1.9)	0.1	-
Rangers Retail Limited	Associate	-	-	-	0.1

(1) The outstanding balance with Four (Holdings) Limited reflects the funding related to Agent Provocateur. Management consider that the underlying results of Four (Holdings) Limited supports the recoverability of the receivables balance. The results of Four (Holdings) Limited are not material on the basis of net assets and profit before tax, subsequently detailed disclosures have not been presented under IFRS 12.

(2) Use of the Company jet and helicopter are charged at commercial rates.

(3) The sales refer to inventory and purchases include the reversal of the FY20 advertising charge.

An agreement has been entered into with Double Take Limited, a company owned by Mash Holdings Limited in which Matilda Ashley, Mike Ashley's daughter, is a director. Under the agreement, Double Take Limited licenses the Group the exclusive rights to the cosmetic brand SPORT FX. During the period a review has been undertaken and no royalties or other fees are expected to be payable to Double Take Limited for these rights until at least September 2023, the fee arrangement will continue to be reviewed on an ongoing basis, no provision is required in the financial statements. It should be noted that the Group (rather than Double Take Limited) owns the rights to SPORT FX for clothing, footwear and sports equipment.

N M Design London Limited is a company in which Nicola Murray, Michael Murray's mother, is a director, who performs design work for the Group in relation to some of the Group's sites.

A provision was made in FY20 for £2.0m payable to Newcastle United Football Club, this was reversed in FY21.

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The trade and other receivables balance with Four (Holdings) Limited includes an unsecured loan balance of £60.0m (gross of amounts recognised in respect of loss allowance) which attracts interest at a rate of 3% within current assets (FY21: £60.0m). This has been accounted for at amortised cost in accordance with IFRS 9. The carrying value has been determined by assessing the recoverability of the receivable balance, discounted at an appropriate market rate of interest. £nil was recognised in the period in respect of doubtful debts (FY21: £4.7m). Further disclosure can be found in note 23.

The sales amount in relation to Four (Holdings) Limited relates to the interest charge on the loan and the purchases relate to the purchase of clothing products.

At the period end the Group does not have significant influence over but holds greater than 20% of the voting rights of Mulberry Group plc. The latest equity amounts and results are shown below:

	Mulberry Group plc Period ended 2 April 2022 (£m)
Share capital	3.0
Share premium	12.2
Retained earnings	27.0
Total equity	42.2
Profit for the period	19.2

The Group does not consider it has the power to participate in the financial and operating policy decisions of Mulberry Group Plc and so management do not consider the Group to be able to exert significant influence as per IAS 28 Investments in Associates and Joint Ventures and IAS 24 Related Party Disclosures.

Key Management, Executive And Non-Executive Director Compensation

	24 April 2022 (£m)	25 April 2021 (£m)
Salaries and short-term benefits	1.4	1.3
Fair value charge for Executive Share Scheme (see note 25)	0.8	-
Total	**2.2**	**1.3**

Key management personnel are considered to be the Directors and members of management who play a key part in the long term strategy and operations of the Group. Detailed remuneration disclosures are provided in the Directors' Remuneration Report in this annual report including Directors' shareholdings and share interests.

MM Prop Consultancy Limited, a company owned and controlled by Michael Murray, who is a member of key management personnel as per IAS 24, continued to provide property consultancy services to the Group during FY22. During FY22 MM Prop Consultancy Limited was primarily tasked with finding and negotiating the acquisition of new sites in the UK, Europe and Rest of the World for both our larger format stores and our combined retail and gym units but it also provides advice to the Company's in-house property team in relation to existing sites in the UK, Europe and Rest of the World.

In the year all properties have been assessed that are considered to have created value across all the outstanding freehold and long leasehold properties over the applicable period from the MM Property Consultancy agreement commencement to 29 September 2021, they have been valued by an independent valuer who confirms the value created by MM Prop Consultancy Limited. The Group's independent Non-Executive Directors then review and agree the value created and have full discretion to approve a payment to MM Prop Consultancy Limited of up to 25% of the value created.

On 1 May 2022 Michael Murray was appointed as CEO, prior to his appointment MM Prop Consultancy Limited and the Group finalised the terms on which any relevant prior consultancy services agreements terminated. The Board has now completed its assessment of the unsettled value created by MM Prop Consultancy Limited to the Group, with the assistance of independent third party experts.

MM Prop Consultancy Limited is entitled to up to 25% of any value created by services provided to the Group. MM Prop Consultancy Limited has agreed to waive contractually due amounts, including part crediting previous payments under this agreement, such that the Group receives a 40% discount as part of the finalisation and cessation of the consultancy agreement. The final payment to be made by the Group to MM

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Prop Consultancy Limited following the application of this discount is £20.9m which was paid in the year (FY21: £2.5m was accrued and subsequently paid in FY22).

During FY21 the Group entered into an agreement with M.P.M Elevation Limited, a company owned and controlled by Michael Murray in relation to elevation strategy services. M.P.M Elevation Limited was paid £0.1m in relation to the provision of the elevation strategy services (FY21: £0.1m).

36. ULTIMATE CONTROLLING PARTY

The Group is controlled by Mike Ashley through his 100% shareholding in Mash Beta Limited and Mash Holdings Limited, which own 303,507,460 (61.7% of the issued ordinary share capital of the Company) and 26,492,540 (5.5% of the issued ordinary share capital of the Company) ordinary shares respectively at the period end. Mash Holdings Limited is the smallest and largest company to consolidate these accounts. Mash Holdings Limited is registered in England and Wales and a copy of their financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

37. POST BALANCE SHEET EVENTS

On 25 April 2022 and 20 June 2022 the Group commenced share buyback programmes with the aggregate purchase price of all shares acquired under these programmes of no greater than £105.0m and the maximum number of shares that may be purchased under the programmes of 15m ordinary shares with a nominal value of 10p each. The purpose of the programmes was to reduce the share capital of the Company. 11,884,438 ordinary shares of 10p each for consideration of £79.9m were acquired through these programmes.

On 1 May 2022 Michael Murray was appointed as Chief Executive Officer of Frasers Group. Mike Ashley and Michael Murray worked together for a number of months to ensure a smooth transition into the role. Michael will accelerate the Group's strategy to achieve its vision: "to serve our customers with the World's best sports, premium and luxury brands."

On 16 May 2022 the Group acquired the entire share capital of leading Danish sport retailer SportMaster. Due to the proximity of the acquisition date to the date these financial statements are authorised for issue, the initial accounting for the business combination is incomplete and so the disclosures required by IFRS 3 Business Combinations cannot be made at this stage.

On 25 May 2022 the Group disposed of its US retail businesses trading as Bobs Stores ("Bobs") and Eastern Mountain Sports ("EMS") for a cash consideration of $70m to GoDigital Media Group ("GDMG"). Further details are included within note 16 of the Group financial statements.

On 1 June 2022 the Group acquired certain intellectual property of the online women's fashion retailer, Missguided Limited (in administration), Mennace Limited (in administration) and Missguided (IP) Limited for cash consideration of £20.0 million. Due to the proximity of the acquisition date to the date these financial statements are authorised for issue, the initial accounting for the business combination is incomplete and so the disclosures required by IFRS 3 Business Combinations cannot be made at this stage.

The Group announced on 22 June 2022 that it has increased its investment in Hugo Boss AG, and now has the following interests in the common stock:

- 3,425,000 shares of common stock, representing 4.9% of Hugo Boss's total share capital
- 18,289,000 shares of common stock via the sale of put options, representing 26.0% of Hugo Boss's total share capital

After taking into account the premium it will receive under the put options, Frasers Group's maximum aggregate exposure in connection with its acquired interests in Hugo Boss, with the common stock holding valued at the closing share price on 21 June 2022, is approximately €900m (c. £770m).

On 28 July 2022 the Group acquired the online fashion retailer I Saw It First for cash consideration of £1. Due to the proximity of the acquisition date to the date these financial statements are authorised for issue, the initial accounting for the business combination is incomplete and so the disclosures required by IFRS 3 Business Combinations cannot be made at this stage.

On 11 August 2022 the Group completed the disposal of a number of freehold and long leasehold retail parks held by its wholly owned subsidiaries, to RI UK 1 Limited for a headline price of £205m. Frasers Group fascias will operate from leases within these properties where appropriate. Frasers Group in the ordinary course of business purchases and sells properties from time to time and the Group intends to use the proceeds of sale towards the working capital of the Group and its operations.

On 17 August 2022 the Group made a cash offer to acquire the entire issued and to be issued ordinary share capital of MySale Group plc ('MySale') not already held by Frasers Group at a price of 2 pence per MySale Share. The offer values the entire issued and to be issued share capital of MySale not currently held by Frasers Group at approximately £13.6 million (not taking into account the exercise of any outstanding options which may have vested under the MySale Share Plans or any conversion event pursuant to the Convertible Loan Notes). On 29 June 2022, Frasers Group acquired 270,666,650 MySale Shares and, together with the contracts for difference already held by it, Frasers Group increased its stake in MySale to 28.7% and became MySale's largest shareholder. Since the disclosure of Frasers Group's acquisition of this further stake, the market price of MySale shares has increased.

On 20 September 2022 the Group announced that Mike Ashley would not be standing for re-election as a Director at this year's Annual General Meeting ("AGM") and that he will therefore step down from the Board upon the conclusion of the AGM.

38. PENSIONS

Defined contribution schemes

The group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plan are held separately from those of the Group in funds under the control of trustees. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions. The total expense recognised in the income statement of £6.5m represents contributions payable at rates specified by the rules of the plan.

Defined benefit schemes

On 24 February 2022, as part of the acquisition of Studio Retail Limited ("SRL") as documented in note 32, SRL became the sponsor of the Findel Group Pension Fund ("The Scheme") via a Deed of Amendment, Substitution, Waiver of Liability and Guarantee. Only the costs and liabilities associated with the Group section of the Scheme relate to SRL and as such, it is only assets and liabilities of the Group section that have been recognised in these consolidated financial statements. Frasers Group Plc has also guaranteed payments from Studio Retail Group plc (in administration) to the three other sections of the Scheme up to a maximum of £0.9m.

As part of the Deed of Amendment, Substitution, Waiver of Liability and Guarantee, a one off contribution of £2.0m was made to the Scheme by SRL. Of this amount, £1.2m is held by the Scheme but is unallocated by the administrator. This amount has therefore been shown within the cash position of the Group section of the pension scheme.

On 11 March 2022, the Trustee signed a full buy-in contract (i.e. a policy to cover all members' benefits in the four sections of the Scheme) with Standard Life. This insurance policy allows the pension scheme to have assets that broadly match the benefits paid by the Scheme. However, SRL retains responsibility for the Group section of the Scheme until it is fully transferred to Standard Life. The contract includes the potential to convert the policy to a full buy-out at an unspecified point in the future. However, this is expected to only happen if a number of conditions included in the contract are met, based on the insurer's requirements and a formal request from the Trustee and therefore is not a certainty. The buy-in has therefore been treated as an investment decision for accounting purposes, with the associated remeasurement of plan assets recognised through Other Comprehensive Income ("OCI").

Following the Deed of Amendment, Substitution, Waiver of Liability and Guarantee and the buy-in, no further contributions to the scheme are anticipated.

The last funding valuation of the Scheme was undertaken on 5 April 2019 and recorded a surplus of £1.5m in respect of the Group section. The Scheme is administered by Barnet Waddingham LLP.

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The latest full actuarial valuation has been updated for IAS 19 purposes to 24 April 2022 by PricewaterhouseCoopers LLP ("PwC") using the assumptions detailed below. The results of the IAS 19 valuation are summarised as follows:

	24 April 2022 (£m)	24 February 2022 (£m)
Fair value of the scheme assets	89.0	120.5
Present value of the funded obligations	(86.8)	(93.2)
Surplus in the scheme	**2.2**	**27.3**

Plan assets

	24 April 2022 (£m)	24 February 2022 (£m)
Plan assets comprise:		
Fixed interest gilts	-	76.5
Index linked gilts	-	39.6
Annuities	84.8	0.1
Cash	4.2	4.3
Total	**89.0**	**120.5**

Movement in the present value of defined benefit obligations

	24 April 2022 (£m)	24 February 2022 (£m)
On acquisition	**(93.2)**	-
Interest cost	(0.4)	-
Effect of changes in demographic assumptions	0.1	-
Effect of changes in financial assumptions	5.7	-
Effect of experience adjustments	(0.4)	-
Benefits paid	1.4	-
At end of the period	**(86.8)**	**(93.2)**

Movement in the fair value of plan assets

	24 April 2022 (£m)	24 February 2022 (£m)
On acquisition	**120.5**	-
Scheme expenses	(0.4)	-
Interest on assets	0.5	-
Remeasurements	(32.2)	-
Employer contributions	2.0	-
Benefits paid	(1.4)	-
At end of the period	**89.0**	**120.5**

Movement in the pension surplus

	24 April 2022 (£m)	24 February 2022 (£m)
Surplus on acquisition	**27.3**	-
Scheme expenses	(0.4)	-
Net interest income	0.1	-
Remeasurements	(26.8)	-
Employer contributions	2.0	-
Surplus at end of the period	**2.2**	**27.3**

Expense recognised in the Consolidated Income Statement

	24 April 2022 (£m)
(i) Included within administrative expenses	
Scheme expenses	(0.4)
(ii) Included within finance income	
Net interest income	0.1

Amounts recognised in other comprehensive income

	24 April 2022 (£m)
Total remeasurements	(26.8)

Actuarial Assumptions

The following are the principal actuarial assumptions at the reporting date:

	24 April 2022	24 February 2022
Financial Assumptions		
Discount rate for scheme liabilities	3.00%	2.55%
RPI Price Inflation	3.70%	3.65%
CPI Price Inflation (Pre-2030 / Post-2030)	2.70% / 3.70%	2.65% / 3.65%
Rate of increase to pensions in payment in line with RPI inflation (up to 5% per annum)	2.50%	2.50%
Rate of increase to pensions in payment in line with CPI inflation (up to 5% per annum)	3.15%	3.10%
Rate of increase to deferred pensions	3.20%	3.15%
Post retirement mortality (in years)		
Current pensioners at 65 - male	86.6yrs	86.6yrs
Current pensioners at 65 - female	87.9yrs	87.9yrs
Current pensioners at 45 - male	88.4yrs	88.4yrs
Current pensioners at 45 - female	89.8yrs	89.8yrs
Demographic Assumptions		
Cash Commutation (members taking cash lump sum)	60%	60%
Proportion of members that are married at retirement	70%	70%

The duration, or average term to payment for the benefits due weighted by liability, is around 15 years.

Risks

Inflation

In projecting the expected future benefit payments, assumptions are made regarding future price inflation. There is a risk that the actual rate of inflation will be higher than assumed which will increase the cost of providing the benefits and thus the liability. This would result in additional contributions being required and a deterioration in the solvency position unless investment returns are similarly higher than expected.

Mortality

It is not possible to predict with any certainty how long members of the Scheme will live, and if members live longer than expected, additional contributions will be required and the Scheme's solvency position will deteriorate.

Managing risk

To manage the risks of the Scheme, TPIE exercises were carried out during 2015 and 2016, which resulted in a number of members transferring out of the Scheme. The TPIE option has now been embedded within the scheme.

IFRIC 14

IFRIC 14 is an interpretation relating to IAS 19 that covers whether pension scheme surpluses can be recognised on the balance sheet. Based on the circumstances of the Fund and in line with the prior period, management do not believe that IFRIC 14 impacts the IAS 19 results since the Company has a right to a refund of surplus assets at some point in the future, and as such have not made any adjustments to the results.

Funding

The Scheme is funded by SRL. During the current period, the company contributed £1.9m to the scheme. The Group expects to make contributions of £nil in the financial period ended April 2023.

The following table shows the expected future benefit payments for the Findel Group Pension Fund:

Future benefit payments	(£m)
2022 - 2031	39.7
2032 - 2041	41.5
2042 - 2051	34.6
2052 - 2061	19.3
2062 - 2071	4.1
2072 - 2081	0.2
2082 - 2091	-
After 2092	-
Total	**139.4**

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39. SUBSIDIARY UNDERTAKINGS

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
18 Montrose Retail Limited	Shirebrook[1]	11577636	100
2Care4 Limited	Church Bridge House, Henry Street, Accrington, United Kingdom, BB5 4EE	3806485	100
Activator Brands Limited	Shirebrook[1]	5344658	100
Activator Products Limited	Shirebrook[1]	4204611	100
Active Apparel New Corp	Cogency Global Inc. 850 New Burton Road Suite 201 Dover Delaware 19904; USA	3270168	100
Alpha Developments Stockport Ltd	Shirebrook[1]	12662564	100
AP Brands Holdings Ltd	12th Floor, Menara Synphony No 5, Jalan Semangat (Jalan Professor Khoo Kay Kim) , Seksyen 13, 46200 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	4921-A	100
Bellatrix Associates Limited	Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ, Isle of Man	111671C	100
Bellatrix Overseas Limited	Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ, Isle of Man	128827C	100
Bellatrix Unlimited	Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ, Isle of Man	111670C	100
Bob Woolmer Sales Limited	Shirebrook[1]	2237568	100
Bob's Stores USA LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	639085	100
Brands & Fashion NV	Leopoldstraat, nr. 79, 2800 Mechelen, Belgium	0477-995-412	99.8
Brands 001 Limited	Shirebrook[1]	5347540	100
Brands Holdings Limited*	Shirebrook[1]	4087435	100
Brands Holdings Sponsorship Limited	Shirebrook[1]	10375418	100
Brands Inc Limited	Shirebrook[1]	3585719	100
Brasher Leisure Limited	Shirebrook[1]	999421	100
BSL International Limited	Shirebrook[1]	2800425	100
Cafe Clo Limited	Shirebrook[1]	13641982	100
Cafico - Comercio de Artigos de Desportos S.A.	Via Central de Milheiros no 121, 4475-334, Frguesia de Milherios, Concelho da Maia, Porto, Portugal	503751804	100
Campri Limited	Shirebrook[1]	5398677	100
Cardinal Investments S.I	C.C.Puerto Venecia, local 84, Trav. Jardines Reales, 7, 50021 Zaragoza, Spain	B88542766	100
Carlton Sports Company Limited	Shirebrook[1]	467686	100
Catrinona Investments S.L	C.C.Puerto Venecia, local 84, Trav. Jardines Reales, 7, 50021 Zaragoza, Spain	B88542683	100
CDS IP SA	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	406461077	100
Criminal Clothing Limited	Shirebrook[1]	4184750	100
Cruise Clothing Limited	Martin House, 184 Ingram Street, Glasgow, Scotland, G1 1DN	SC382991	100
Curlina Investments S.I	C.C.Puerto Venecia, local 84, Trav. Jardines Reales, 7, 50021 Zaragoza, Spain	B88415369	100
Designer Travel Goods Limited	Shirebrook[1]	12298797	100
Dink Digital Holdings Limited	Shirebrook[1]	11143016	100
Donnay International N.V.	Leopoldstraat nr 79, 2800 Mechelen,Belgium	435392220	100
Eastchance Limited	Unit 1903B & 1905, Exchange Tower,, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	174348	100
Epoch Properties Limited	First Floor La Chasse Chambers St Helier JE2 4UE Jersey	74753	100
Etail Services Limited	Shirebrook[1]	5146997	100
Evans Cycles Brands Limited	Shirebrook[1]	11634915	100
Evans Cycles Limited	Shirebrook[1]	11577650	100

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
Evans Cycles Property Limited	Shirebrook(1)	11634939	100
Everlast Australia Limited	Shirebrook(1)	8103912	100
Everlast Sports International Inc. Corp.	Everlast 42 West 39th St. 3rd Floor New York, New York, 10018	13-2811380	100
Everlast Sports Mfg. Corp.	Corporation Service Company 80 State Street, Albany, New York, 122207-2543, USA	13-1804772	100
Everlast World Boxing Headquarters Corporation	Corporation Service Company 80 State Street, Albany, New York, 122207-2543, USA	13-1804773	100
Everlast Worldwide Inc.	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	13-3672716	100
Exsports Limited	Shirebrook(1)	2779040	100
FG (AF Holdings) Limited	Shirebrook(1)	13281983	100
FG USA Trade Group Limited	Shirebrook(1)	13216390	100
Firetrap Limited	Shirebrook(1)	6836684	100
Forever Media Limited	Shirebrook(1)	8249185	100
Forever Sports Limited	Shirebrook(1)	9489811	100
Frasers Group (European Holdings) Limited	Shirebrook(1)	12903845	100
Frasers Group Asia SDN.BHD.	Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur W.P. Malaysia	201901040821	51
Frasers Group Financial Services Limited	Shirebrook(1)	13191369	100
Frasers Group Loyalty Services Limited	Shirebrook(1)	13340837	100
FRASERS RETAIL NIGERIA LIMITED	RCO COURT 3-5, SINARI DARANIJO STREET, VICTORIA ISLAND, LAGOS STATE, Nigeria	1799366	60
Game AR Limited	Basingstoke(2)	10142852	100
Game Belong Limited	Shirebrook(1)	12794477	100
Game Digital Holdings Limited	Basingstoke(2)	7893832	100
Game Digital Limited	Basingstoke(2)	9040213	100
Game Digital Solutions Limited	Basingstoke(2)	9476209	100
Game Retail Limited	Basingstoke(2)	7837246	100
Game Spain Holdings Limited	Basingstoke(2)	10846702	100
Game Spain Investments Limited	Basingstoke(2)	10863881	100
Game Stores Iberia SLU	C/ Virgilio 7 - 9, Parcelas 12 - 13, Pozuelo de Alarcon, Madrid, Spain	B81209751	100
Gelert IP Limited	Shirebrook(1)	8576185	100
Gelert Limited	Shirebrook(1)	8576204	100
Global Apparel (HK) Limited	Unit 1903B & 1905, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	1330162	100
Golddigga Brands Limited	Shirebrook(1)	6636173	100
Gotay Investments S.L	C.C.Puerto Venecia, local 84, Trav. Jardines Reales, 7, 50021 Zaragoza, Spain	B88542709	100
GRMNT Ltd	Shirebrook(1)	11144039	100
GT-Lines BV	Bert Haanstrakade 2, 1087DN, Amsterdam, Netherlands	17117820	100
Gul IP Limited	Shirebrook(1)	8612478	100
Gul Watersports Limited	Shirebrook(1)	7589716	100
Heatons (N.I.) Limited	PO Box BT15EX, 5th Floor Lesley Buildings, 61-65 Fountain Street, Belfast, Northern Ireland	NI035599	100
Heatons Stores Limited	Heaton House, IDA Business Park, Whitestown, Tallaght, Dublin, Ireland, D24E932,	509525	100
Heatons Unlimited Company	Heaton House, IDA Business Park, Whitestown, Tallaght, Dublin, Ireland, D24E932,	11229	100
Heaven or Hell Limited	Shirebrook(1)	5899282	100
HK Sports & Golf Aktiebolag	Eskiolstorpsvagen 7, 269 96, Bastad, Sweden	556510-8189	100
HOF Ireland Stores Limited	Heaton House, IDA Business Park, Whitestown, Tallaght, Dublin, Ireland, D24E932	626384	100

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NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
Hot Tuna IP Limited	Shirebrook[1]	6836792	100
House of Fraser Brands Limited	Shirebrook[1]	10687367	100
House of Fraser Limited	Shirebrook[1]	10686681	100
International Brand Management Limited*	Shirebrook[1]	5142123	100
Jack Wills (IP) Limited	Shirebrook[1]	11775495	100
Jack Wills Property Limited	Shirebrook[1]	11775643	100
Jack Wills Retail (Ireland) Limited	Heaton House, 1DA Business Park, Whitestown, Tallaght, Dublin, Ireland, D24E932,	656208	100
Jack Wills Retail Limited	Shirebrook[1]	11634810	100
James Lillywhites Limited	Shirebrook[1]	118840	100
Kangol Holdings Limited	Shirebrook[1]	3317738	100
Kangol Limited	Shirebrook[1]	3343793	100
Kangol Trustees Limited	Shirebrook[1]	3505512	100
Karrimor International Limited	Aminaka Kudan Building 6/F, 1-14-17 Kudankita, Chiyoda-ku, Tokyo, 102-0073, Japan	0100-01-012128	95
Karrimor Limited	Shirebrook[1]	5215974	100
KooGa IP Limited	Shirebrook[1]	12402087	100
La Jolla (UK) Limited	Shirebrook[1]	5737550	100
Lillywhites Limited	Shirebrook[1]	290939	100
Lonsdale Australia Limited	Shirebrook[1]	7665885	100
Lonsdale Boxing Limited	Shirebrook[1]	3912303	100
Lonsdale Sports Limited	Shirebrook[1]	4430781	100
Lovell Sports (Holdings) Limited	Shirebrook[1]	9608995	100
Lovell Sports Limited	Shirebrook[1]	4184358	100
Lovells SP Limited	Shirebrook[1]	8907509	100
Loyalti Holdings Limited	Shirebrook[1]	12110637	100
Masters Holders Limited	Shirebrook[1]	8787718	100
Midtown Ltd	Shirebrook[1]	9467997	100
Mississippi Manufacturing LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	3470413	100
Mountain Sports LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	6386224	100
Mountain Sports USA LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	7124259	100
Muddyfox IP Limited	Shirebrook[1]	10246764	100
Muddyfox Limited	Shirebrook[1]	4187350	100
Nevica IP Limited	Shirebrook[1]	6836778	100
No Fear Brand Limited	Shirebrook[1]	5568043	100
No Fear International Limited	Shirebrook[1]	5532482	100
No Fear USA Limited	Shirebrook[1]	7712470	100
Olympus Ventures Limited	Shirebrook[1]	3945752	100
Paddle Sport Limited	Shirebrook[1]	6836690	100
POD Collection Services Limited	Academy House, 36 Poland Street, London, W1F 7LU, United Kingdom	9918495	100
Psyche Holdings Limited	Shirebrook[1]	03438665	100
Psyche Limited	Shirebrook[1]	02844011	100
Puffa IP Limited	Shirebrook[1]	10910124	100
Queensberry Boxing IP Limited	Shirebrook[1]	7929363	100
Queensberry Rules Limited	Shirebrook[1]	6723660	100

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Quentin Investments S.I	C.C.Puerto Venecia, local 84, Trav. Jardines Reales, 7, 50021 Zaragoza, Spain	B88542733	100
Quickreply Limited	Shirebrook[1]	5904737	100
Republic IP Limited	Shirebrook[1]	5635015	100
Republic.com Retail Limited	Shirebrook[1]	8248997	100
Rhapsody Investments (Europe) SA	1 Cote d'Eich, L-1450, Luxembourg	B21.60X	100
Roberts 50 USA LLC	c/o Corporation Service Company, 251 Little Falls Drive, County of New Castle, Wilmington, Delaware, 19808	5186173	100
Runnel Limited	Shirebrook[1]	9336830	100
S&B Brands Limited	Shirebrook[1]	5635585	100
SC Sports (SG) PTE LTD	60 Paya Lebar Road, #08-43, Paya Lebar Square, 409051, Singapore	198203096N	100
SD Equestrian Limited	Shirebrook[1]	8692780	100
SD Outdoor IP Limited	Shirebrook[1]	8560252	100
SD Outdoor Limited	Shirebrook[1]	8560260	100
SDB 2 S.A.	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	0848.964.388	100
SDI (Aberdeen 2) Limited	Shirebrook[1]	12579371	100
SDI (Aberdeen) Limited	Shirebrook[1]	8512592	100
SDI (Aberwystwyth) Limited	Shirebrook[1]	2789996	100
SDI (Acqco 5) Limited	Shirebrook[1]	10162904	100
SDI (Aintree) Limited	Shirebrook[1]	3352462	100
SDI (Ashford) Limited	Shirebrook[1]	7848460	100
SDI (Ashington) Limited	Shirebrook[1]	7849231	100
SDI (Ayr) Limited	Shirebrook[1]	5528267	100
SDI (Ballymena) Limited	5th Floor, Lesley Buildings, 61-65 Fountain Street, Belfast, Northern Ireland, BT1 5EX	NI653829	100
SDI (Bangor) Limited	Shirebrook[1]	5529705	100
SDI (Barrow in Furness) Limited	Shirebrook[1]	7851574	100
SDI (Belfast) Limited	Shirebrook[1]	9872471	100
SDI (Berwick) Limited	Shirebrook[1]	2739957	100
SDI (Betws-y-Coed) Limited	Shirebrook[1]	6836673	100
SDI (Birkenhead) Limited	Shirebrook[1]	7849198	100
SDI (Bishop Auckland) Limited	Shirebrook[1]	3004246	100
SDI (Boucher Road) Limited	Shirebrook[1]	13808700	100
SDI (Brands 1) Limited	Shirebrook[1]	11795958	100
SDI (Brands 2) Limited	Shirebrook[1]	12299584	100
SDI (Brands 3) Limited	Shirebrook[1]	12299567	100
SDI (Brands 4) Limited	Shirebrook[1]	12299515	100
SDI (Bridgwater) Limited	Shirebrook[1]	7852061	100
SDI (Brighton) Limited	Shirebrook[1]	12579780	100
SDI (Brixton) Limited	Shirebrook[1]	9127300	100
SDI (Brook ROW) Limited	Shirebrook[1]	9336806	100
SDI (Brook UK) Limited	Shirebrook[1]	9340379	100
SDI (Burton) Limited	Shirebrook[1]	8495632	100
SDI (Cardiff Flannels) Limited	Shirebrook[1]	10177359	100
SDI (CARDIFF QS 2) LTD	Shirebrook[1]	11227321	100
SDI (Cardiff QS) Limited	Shirebrook[1]	12578045	100
SDI (Carlisle) Limited	Shirebrook[1]	7851959	100
SDI (Chatham) Limited	Shirebrook[1]	6836679	100
SDI (Cheshunt 2) Limited	Shirebrook[1]	11775717	100
SDI (Cheshunt) Limited	Shirebrook[1]	11775599	100

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SDI (Clacton) Limited	Shirebrook[1]	7852078	100
SDI (Clonmel) Limited	5th Floor, Lesley Buildings, 61-65 Fountain Street, Belfast, Northern Ireland, BT1 5EX	NI653359	100
SDI (Colchester) Limited	Shirebrook[1]	5632790	100
SDI (Corby) Limited	Shirebrook[1]	10885672	100
SDI (Cork) Limited	Shirebrook[1]	11775763	100
SDI (Coventry) Limited	Shirebrook[1]	9680128	100
SDI (Darlington) Limited	Shirebrook[1]	10915193	100
SDI (Derby) Limited	Shirebrook[1]	9310031	100
SDI (Derry) Limited	5th Floor, Lesley Buildings, 61-65 Fountain Street, Belfast, Northern Ireland, BT1 5EX	NI653340	100
SDI (Doncaster) Limited	Shirebrook[1]	9888670	100
SDI (Dundee) Limited	Shirebrook[1]	9702004	100
SDI (Dunfermline) Limited	Shirebrook[1]	8483679	100
SDI (East Ham) Limited	Shirebrook[1]	9810378	100
SDI (East Kilbride) Limited	Shirebrook[1]	6656368	100
SDI (Edinburgh) Limited	Shirebrook[1]	10100990	100
SDI (Enfield) Limited	Shirebrook[1]	10086209	100
SDI (Fulham) Limited	Shirebrook[1]	7852037	100
SDI (Gainsborough) Limited	Shirebrook[1]	6338907	100
SDI (Galashiels) Limited	Shirebrook[1]	7852091	100
SDI (Glasgow Argyle ST) Limited	Shirebrook[1]	11227937	100
SDI (Glasgow Fort) Limited	Shirebrook[1]	9861504	100
SDI (Glasgow Frasers) Limited	Shirebrook[1]	11531596	100
SDI (Glasgow Ingram Street) Limited	Shirebrook[1]	9925519	100
SDI (Gloucester) Limited	Shirebrook[1]	7852067	100
SDI (Great Yarmouth) Limited	Shirebrook[1]	11732687	100
SDI (Hanley) Limited	Shirebrook[1]	11228017	100
SDI (Hastings) Limited	Shirebrook[1]	8625893	100
SDI (Hereford) Limited	Shirebrook[1]	9888642	100
SDI (Hofco) Limited	Shirebrook[1]	8319960	100
SDI (HoH Holdings) Limited	Shirebrook[1]	10161592	100
SDI (Hounslow) Limited	Shirebrook[1]	10086218	100
SDI (Hull) Limited	Shirebrook[1]	9638564	100
SDI (Ipswich 2) Limited	Shirebrook[1]	12578948	100
SDI (Ipswich) Limited	Shirebrook[1]	9788411	100
SDI (Isle of Man) Limited	Shirebrook[1]	9901745	100
SDI (Jersey Holding) Limited	Shirebrook[1]	10177028	100
SDI (K Lynn) Limited	Shirebrook[1]	10073076	100
SDI (Keighley) Limited	Shirebrook[1]	6260239	100
SDI (Kendal) Limited	Shirebrook[1]	6338918	100
SDI (Kentish Town) Limited	Shirebrook[1]	9901702	100
SDI (Kidderminster) Limited	Shirebrook[1]	9203731	100
SDI (Kilmarnock) Limited	Shirebrook[1]	7853433	100
SDI (Kingston) Limited	Shirebrook[1]	10915209	100
SDI (Kirkcaldy) Limited	Shirebrook[1]	7852097	100
SDI (Leeds 2) Limited	Shirebrook[1]	13808640	100
SDI (Leeds) Limited	Shirebrook[1]	9293515	100
SDI (Leicester) Limited	Shirebrook[1]	9127170	100
SDI (Liverpool) Limited	Shirebrook[1]	9888734	100

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SDI (Lowestoft) Limited	Shirebrook[1]	7852265	100
SDI (LSL Holdings) Limited	Shirebrook[1]	10161824	100
SDI (Manchester Cheetham Hill) Limited	Shirebrook[1]	10100969	100
SDI (Manchester Denton) Limited	Shirebrook[1]	9127295	100
SDI (Market Road) Limited	Shirebrook[1]	10799247	100
SDI (Middlesbrough) Limited	Shirebrook[1]	10081909	100
SDI (Nassau Street) Limited	Shirebrook[1]	11227964	100
SDI (Neath) Limited	Shirebrook[1]	7853548	100
SDI (Newark) Limited	Shirebrook[1]	7853470	100
SDI (Newcastle) Limited	Shirebrook[1]	9127286	100
SDI (Newport IOW) Ltd	Shirebrook[1]	12578944	100
SDI (Newport) Limited	Shirebrook[1]	8679118	100
SDI (Newquay) Limited	Shirebrook[1]	10089800	100
SDI (Newry) Limited	5th Floor, Lesley Buildings, 61-65 Fountain Street, Belfast, Northern Ireland, BT1 5EX	NI653358	100
SDI (Newton Abbot) Limited	Shirebrook[1]	6836666	100
SDI (Newtownabbey) Limited	Shirebrook[1]	9127266	100
SDI (NFSK) Limited	Shirebrook[1]	10919102	100
SDI (Northampton) Limited	Shirebrook[1]	7852272	100
SDI (Northwich) Limited	Shirebrook[1]	5656295	100
SDI (Nottingham) Limited	Shirebrook[1]	10100609	100
SDI (Nuneaton) Limited	Shirebrook[1]	7852249	100
SDI (Oswestry) Limited	Shirebrook[1]	7852363	100
SDI (Oxford Street) Limited	Shirebrook[1]	10046080	100
SDI (Penzance) Limited	Shirebrook[1]	7852297	100
SDI (Peterlee) Limited	Shirebrook[1]	7852401	100
SDI (Plymouth Flannels) Limited	Shirebrook[1]	9127387	100
SDI (Plymouth) Limited	Shirebrook[1]	9470468	100
SDI (Portsmouth) Limited	Shirebrook[1]	12579294	100
SDI (Preston) Limited	Shirebrook[1]	10915199	100
SDI (Propco 100) Limited	Shirebrook[1]	11732700	100
SDI (Propco 101) Limited	Shirebrook[1]	11773466	100
SDI (Propco 102) Limited	Shirebrook[1]	11775629	100
SDI (Propco 105) Limited	Shirebrook[1]	11775597	100
SDI (Propco 107) Limited	Shirebrook[1]	11775706	100
SDI (Propco 111) Limited	Shirebrook[1]	11775722	100
SDI (Propco 112) Limited	Shirebrook[1]	9127160	100
SDI (Propco 114) Limited	Shirebrook[1]	12298708	100
SDI (Propco 115) Limited	Shirebrook[1]	12300052	100
SDI (Propco 116) Limited	Shirebrook[1]	12332460	100
SDI (Propco 117) Limited	Shirebrook[1]	12332456	100
SDI (Propco 118) Limited	Shirebrook[1]	12332859	100
SDI (Propco 119) Limited	Shirebrook[1]	12332862	100
SDI (Propco 125) Limited	Shirebrook[1]	12577378	100
SDI (Propco 134) Limited	Shirebrook[1]	9625631	100
SDI (Propco 139) Limited	Shirebrook[1]	13808689	100
SDI (Propco 141) Limited	Shirebrook[1]	13808701	100
SDI (Propco 142) Limited	Shirebrook[1]	13808704	100
SDI (Propco 35) Limited	Shirebrook[1]	11500282	100
SDI (Propco 36) Limited	Shirebrook[1]	11523336	100

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SDI (Propco 37) Limited	Shirebrook[1]	11523343	100
SDI (Propco 38) Limited	Shirebrook[1]	11523424	100
SDI (Propco 39) Limited	Shirebrook[1]	11523440	100
SDI (Propco 40) Limited	Shirebrook[1]	11523489	100
SDI (Propco 41) Limited	Shirebrook[1]	11523621	100
SDI (Propco 43) Limited	Shirebrook[1]	11523609	100
SDI (Propco 44) Limited	Shirebrook[1]	11523608	100
SDI (Propco 46) Limited	Shirebrook[1]	11523748	100
SDI (Propco 47) Limited	Shirebrook[1]	11530370	100
SDI (Propco 49) Limited	Shirebrook[1]	11526115	100
SDI (Propco 50) Limited	Shirebrook[1]	11526182	100
SDI (Propco 51) Limited	Shirebrook[1]	11527237	100
SDI (Propco 52) Limited	Shirebrook[1]	11526972	100
SDI (Propco 55) Limited	Shirebrook[1]	11527303	100
SDI (Propco 56) Limited	Shirebrook[1]	11527382	100
SDI (Propco 57) Limited	Shirebrook[1]	11527500	100
SDI (Propco 58) Limited	Shirebrook[1]	11527596	100
SDI (Propco 60) Limited	Shirebrook[1]	11531386	100
SDI (Propco 61) Limited	Shirebrook[1]	11531382	100
SDI (Propco 62) Limited	Shirebrook[1]	11531444	100
SDI (Propco 63) Limited	Shirebrook[1]	11531503	100
SDI (Propco 64) Limited	Shirebrook[1]	11531506	100
SDI (Propco 65) Limited	Shirebrook[1]	11531532	100
SDI (Propco 67) Limited	Shirebrook[1]	11572676	100
SDI (Propco 69) Limited	Shirebrook[1]	11572830	100
SDI (Propco 70) Limited	Shirebrook[1]	11572933	100
SDI (Propco 71) Limited	Shirebrook[1]	11574887	100
SDI (Propco 73) Limited	Shirebrook[1]	11575050	100
SDI (Propco 75) Limited	Shirebrook[1]	11577256	100
SDI (Propco 76) Limited	Shirebrook[1]	11577617	100
SDI (Propco 77) Limited	Shirebrook[1]	11578164	100
SDI (Propco 80) Limited	Shirebrook[1]	11577670	100
SDI (Propco 81) Limited	Shirebrook[1]	11641123	100
SDI (Propco 83) Limited	Shirebrook[1]	11646302	100
SDI (Propco 85) Limited	Shirebrook[1]	11649632	100
SDI (Propco 86) Limited	Shirebrook[1]	11649235	100
SDI (Propco 87) Limited	Shirebrook[1]	11649336	100
SDI (Propco 88) Limited	Shirebrook[1]	11674753	100
SDI (Propco 90) Limited	Shirebrook[1]	11649431	100
SDI (Propco 91) Limited	Shirebrook[1]	11687077	100
SDI (Propco 92) Limited	Shirebrook[1]	11730204	100
SDI (Propco 93) Limited	Shirebrook[1]	11730253	100
SDI (Propco 94) Limited	Shirebrook[1]	11730440	100
SDI (Propco 96) Limited	Shirebrook[1]	11730503	100
SDI (Propco 98) Limited	Shirebrook[1]	11730868	100
SDI (Propco 99) Limited	Shirebrook[1]	11732772	100
SDI (Ramsgate) Limited	Shirebrook[1]	7852250	100
SDI (Reading) Limited	Shirebrook[1]	10422164	100
SDI (Redcar) Limited	Shirebrook[1]	2731452	100
SDI (Retail Co 10) Limited	Shirebrook[1]	11689119	100

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SDI (Retail Co 11) Limited	Shirebrook[1]	12298852	100
SDI (Retail Co 13) Limited	Shirebrook[1]	12298767	100
SDI (Retail Co 4) Limited	Shirebrook[1]	11635011	100
SDI (Retail Co 7) Limited	Shirebrook[1]	11687276	100
SDI (Retail Co 8) Limited	Shirebrook[1]	11687376	100
SDI (Retail Co 9) Limited	Shirebrook[1]	11689077	100
SDI (Rolle St) Limited	Shirebrook[1]	7852669	100
SDI (Romford) Limited	Shirebrook[1]	10071547	100
SDI (Rotherham) Limited	Shirebrook[1]	9888635	100
SDI (Salisbury) Ltd	Shirebrook[1]	10107572	100
SDI (Scarborough) Limited	Shirebrook[1]	6328463	100
SDI (Scunthorpe Parishes Centre) Limited	Shirebrook[1]	11730442	100
SDI (Scunthorpe) Limited	Shirebrook[1]	7852055	100
SDI (Southampton 2) Limited	Shirebrook[1]	9665889	100
SDI (Southampton) Limited	Shirebrook[1]	8512480	100
SDI (Southport) Limited	Shirebrook[1]	9888806	100
SDI (St Austell) Limited	Shirebrook[1]	7852284	100
SDI (St Helens) Limited	Shirebrook[1]	7852281	100
SDI (Stafford Riverside) Limited	Shirebrook[1]	8972499	100
SDI (Stafford) Limited	Shirebrook[1]	8568681	100
SDI (Staines) Limited	Shirebrook[1]	11646482	100
SDI (Stockport) Limited	Shirebrook[1]	6372181	100
SDI (Stoke Longton) Limited	Shirebrook[1]	7853877	100
SDI (Stoke Newington) Limited	Shirebrook[1]	7852207	100
SDI (Strabane) Limited	Shirebrook[1]	9890243	100
SDI (Streatham) Limited	Shirebrook[1]	10066335	100
SDI (Strood) Limited	Shirebrook[1]	7852251	100
SDI (Sunderland) Limited	Shirebrook[1]	8755347	100
SDI (Sutton) Limited	Shirebrook[1]	11228011	100
SDI (Swindon) Limited	Shirebrook[1]	9888662	100
SDI (Taunton) Limited	Shirebrook[1]	7852191	100
SDI (Thanet) Limited	Shirebrook[1]	12579034	100
SDI (The House Yarm) Limited	Shirebrook[1]	12332871	100
SDI (The Lion Hotel) Limited	Shirebrook[1]	6836880	100
SDI (Thurrock) Limited	Shirebrook[1]	10089743	100
SDI (Trowbridge) Limited	Shirebrook[1]	12355661	100
SDI (Uxbridge 2) Limited	Shirebrook[1]	9127316	100
SDI (Uxbridge) Limited	Shirebrook[1]	10177276	100
SDI (Wakefield) Limited	Shirebrook[1]	8483711	100
SDI (Walsall) Limited	Shirebrook[1]	7852289	100
SDI (Watford) Limited	Shirebrook[1]	6328505	100
SDI (Widnes) Limited	Shirebrook[1]	8576472	100
SDI (Wigan) IP Limited	Shirebrook[1]	6835407	100
SDI (Wigan) Limited	Shirebrook[1]	12579287	100
SDI (Wishaw) Limited	Shirebrook[1]	6656365	100
SDI (Wrexham) Limited	Shirebrook[1]	10915200	100
SDI (Wythenshawe) Limited	Shirebrook[1]	9659156	100
SDI (Yeovil) Limited	Shirebrook[1]	12577947	100
SDI (York) Limited	Shirebrook[1]	11331391	100

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SDI 2300 Collins LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	6870031	100
SDI 735 Collins LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	68700128	100
SDI Aviation Limited*	Shirebrook(1)	9633152	100
SDI Corrib Shopping Centre Limited	HEATON HOUSE , IDA BUSINESS PARK, WHITESTOWN, TALLAGHT, DUBLIN 24, Ireland	715322	100
SDI Fitness (Bury St Edmunds) Limited	Shirebrook(1)	9038949	100
SDI Fitness (Cheltenham) Limited	Shirebrook(1)	9039840	100
SDI Fitness (Colchester) Limited	Shirebrook(1)	9039011	100
SDI Fitness (Croydon) Limited	Shirebrook(1)	9039243	100
SDI Fitness (DW) Limited	Shirebrook(1)	12298794	100
SDI Fitness (Epsom) Limited	Shirebrook(1)	9039043	100
SDI Fitness (Glasgow) Limited	Shirebrook(1)	9038811	100
SDI Fitness (Guildford) Limited	Shirebrook(1)	9039269	100
SDI Fitness (Hove) Limited	Shirebrook(1)	9039030	100
SDI Fitness (Huntingdon) Limited	Shirebrook(1)	9039881	100
SDI Fitness (K Heath) Limited	Shirebrook(1)	9039717	100
SDI Fitness (K Lynn) Limited	Shirebrook(1)	9039847	100
SDI Fitness (Kettering) Limited	Shirebrook(1)	9039852	100
SDI Fitness (Lincoln City) Limited	Shirebrook(1)	9039331	100
SDI Fitness (Liverpool) Limited	Shirebrook(1)	9039347	100
SDI Fitness (Manchester) Limited	Shirebrook(1)	9039339	100
SDI Fitness (Milngavie) Limited	Shirebrook(1)	9039510	100
SDI Fitness (NI 1) Limited	c/o Kennedys, 10th Floor, River House, 48-60 High Street, Belfast, Northern Ireland, BT1 2BE, United Kingdom	NI672034	100
SDI Fitness (NI 2) Limited	c/o Kennedys, 10th Floor, River House, 48-60 High Street, Belfast, Northern Ireland, BT1 2BE, United Kingdom	NI672033	100
SDI Fitness (NI 3) Limited	c/o Kennedys, 10th Floor, River House, 48-60 High Street, Belfast, Northern Ireland, BT1 2BE, United Kingdom	NI672035	100
SDI Fitness (NI 4) Limited	c/o Kennedys, 10th Floor, River House, 48-60 High Street, Belfast, Northern Ireland, BT1 2BE, United Kingdom	NI672885	100
SDI Fitness (NI 5) Limited	c/o Kennedys, 10th Floor, River House, 48-60 High Street, Belfast, Northern Ireland, BT1 2BE, United Kingdom	NI672884	100
SDI Fitness (Northfield) Limited	Shirebrook(1)	9039412	100
SDI Fitness (Rugby) Limited	Shirebrook(1)	9039408	100
SDI Fitness (Sale) Limited	Shirebrook(1)	9039405	100
SDI Fitness (Salisbury) Limited	Shirebrook(1)	9039429	100
SDI Fitness 1 Limited	Shirebrook(1)	12371923	100
SDI Fitness 10 Limited	Shirebrook(1)	12372368	100
SDI Fitness 11 Limited	Shirebrook(1)	12820382	100
SDI Fitness 12 Limited	Shirebrook(1)	12821058	100
SDI Fitness 13 Limited	Shirebrook(1)	12820585	100
SDI Fitness 14 Limited	Shirebrook(1)	12820516	100
SDI Fitness 15 Limited	Shirebrook(1)	12822245	100
SDI Fitness 16 Limited	Shirebrook(1)	12822564	100
SDI Fitness 17 Limited	Shirebrook(1)	12822692	100
SDI Fitness 18 Limited	Shirebrook(1)	12822794	100
SDI Fitness 19 Limited	Shirebrook(1)	12822856	100
SDI Fitness 2 Limited	Shirebrook(1)	12372165	100
SDI Fitness 20 Limited	Shirebrook(1)	12823728	100

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
SDI Fitness 21 Limited	Shirebrook[1]	12823572	100
SDI Fitness 22 Limited	Shirebrook[1]	12823510	100
SDI Fitness 23 Limited	Shirebrook[1]	12823786	100
SDI Fitness 24 Limited	Shirebrook[1]	12823986	100
SDI Fitness 25 Limited	Shirebrook[1]	12823926	100
SDI Fitness 26 Limited	Shirebrook[1]	12825248	100
SDI Fitness 27 Limited	Shirebrook[1]	12830411	100
SDI Fitness 28 Limited	Shirebrook[1]	12825356	100
SDI Fitness 29 Limited	Shirebrook[1]	12825569	100
SDI Fitness 3 Limited	Shirebrook[1]	12372169	100
SDI Fitness 30 Limited	Shirebrook[1]	12825721	100
SDI Fitness 31 Limited	Shirebrook[1]	12930743	100
SDI Fitness 32 Limited	Shirebrook[1]	12930838	100
SDI Fitness 33 Limited	Shirebrook[1]	12930826	100
SDI Fitness 34 Limited	Shirebrook[1]	12930829	100
SDI Fitness 35 Limited	Shirebrook[1]	12930938	100
SDI Fitness 36 Limited	Shirebrook[1]	12930954	100
SDI Fitness 37 Limited	Shirebrook[1]	12930944	100
SDI Fitness 38 Limited	Shirebrook[1]	09038724	100
SDI Fitness 39 Limited	Shirebrook[1]	09038768	100
SDI Fitness 4 Limited	Shirebrook[1]	12372174	100
SDI Fitness 40 Limited	Shirebrook[1]	09038881	100
SDI Fitness 41 Limited	Shirebrook[1]	09038839	100
SDI Fitness 42 Limited	Shirebrook[1]	09038943	100
SDI Fitness 43 Limited	Shirebrook[1]	09039023	100
SDI Fitness 44 Limited	Shirebrook[1]	09039343	100
SDI Fitness 45 Limited	Shirebrook[1]	09039481	100
SDI Fitness 46 Limited	Shirebrook[1]	13030435	100
SDI Fitness 47 Limited	Shirebrook[1]	13030364	100
SDI Fitness 48 Limited	Shirebrook[1]	13030107	100
SDI Fitness 49 Limited	Shirebrook[1]	13030173	100
SDI Fitness 5 Limited	Shirebrook[1]	12372199	100
SDI Fitness 50 Limited	Shirebrook[1]	13030175	100
SDI Fitness 6 Limited	Shirebrook[1]	12372224	100
SDI Fitness 7 Limited	Shirebrook[1]	12372218	100
SDI Fitness 8 Limited	Shirebrook[1]	12372305	100
SDI Fitness 9 Limited	Shirebrook[1]	12372303	100
SDI Four Limited	Shirebrook[1]	9719779	100
SDI Gift Card LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	S6773735	100
SDI Golf Limited	Shirebrook[1]	9083512	100
SDI Holdings USA inc	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	6651201	100
SDI Lifestyle Limited	Shirebrook[1]	8293614	100
SDI Properties (USA) Inc.	Corporation Service Company, 2 Office Park Court, Suite 103 Columbia	535872	100
SDI Properties (Wiagn) Limited	Shirebrook[1]	6836522	100
SDI Property (Europe) B.V.	Van Konijnenburgweg 45, 4672PL Bergen op Zoom Netherlands	69042594	100
SDI Property (Evans Cycles) Limited	Shirebrook[1]	11646219	100

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
SDI Property Limited*	Shirebrook(1)	2767493	100
SDI Property US Inc	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	68700024	100
SDI Property US Limited	Shirebrook(1)	11323420	100
SDI Retail Services Limited	Shirebrook(1)	8143303	100
SDI Sport London Limited	Shirebrook(1)	9848767	100
SDI Sports (Stoke) Limited	Shirebrook(1)	10163722	100
SDI Sports Group Americas LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	2047393	100
SDI Stores LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	1240332	100
SDI Ventures LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	6870023	100
SDI Property (Bitburg) B.V.	Netherlands	82495807	100
SDI.com Fitness Parent Limited*	Shirebrook(1)	9082454	100
SDIL S.A.	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	810.198.636	100
SIA SIG Logistics	A. Deglava str 50 LV-1-35 Riga Latvia	4020311076	60
SIA Sportland	A. Deglava str 50 LV-1-35 Riga Latvia	40003530961	60
SIA Sportsdirect.com	A. Deglava str 50 LV-1-35 Riga Latvia	40103932873	60
Sienna Dining Limited	Shirebrook(1)	13629737	100
Ski and Outdoor Warehouse Limited	Shirebrook(1)	2917223	100
Skins IP Limited	Shirebrook(1)	12168568	100
Slazenger Carlton (Holdings) Limited	Shirebrook(1)	10463051	100
Slazengers Australia Limited	Shirebrook(1)	9217319	100
Slazengers Limited	Shirebrook(1)	116000	100
Smith & Brooks Limited	Shirebrook(1)	2073720	100
Smith And Brooks Group Limited	Shirebrook(1)	4079331	100
Smith And Brooks Holdings Limited	Shirebrook(1)	4983573	100
SNÖ Sport Vertriebs GmbH	Flugplatzstraße 30, 4600, Wels Austria	272671 m	100
Sofa.com Bidco Limited	Shirebrook(1)	9341955	100
Sofa.com BV	Flaas 4 V 6, Den Dungen, 5275HH, Netherlands	17196766	100
Sofa.com Ltd	Shirebrook(1)	5222498	100
Sondico IP Limited	Shirebrook(1)	6546121	100
Sport Eybl & Sports Experts Logistikbetriebs GmbH	Flugplatzstraße 30, 4600, Wels Austria	FN 96024 m	100
Sport Eybl Holding GmbH	Flugplatzstraße 30, 4600, Wels Austria	180095 x	100
Sportdirect.com China Pte Limited	C25, 3rd Floor, ASEAN Building, 690 Minzhi Avenue, Xinniu Community, Minzhi Street, Longhua District, Shenzhen, China	91440300579987503D	100
Sportland Eestie A.S.	Parnu mnt 139c Kesklinna, Tallinn Estonia 11317	10677712	60
Sportland International Group A.S.	Parnu mnt 139c Kesklinna, Tallinn Estonia 11317	10993195	60
Sports Direct (Singapore) Pte.Ltd	6 Eu Tong Sen Street, #11-09, The Central, 059817, Singapore	202004542Z	51
Sports Direct Holdings Limited*	Shirebrook(1)	6464317	100
Sports Direct International Holdings Limited*	Shirebrook(1)	6027131	100
Sports Direct International Limited	Shirebrook(1)	11775757	100
Sports Direct Malaysia Sdn. Bhd.	Level 15-2. Bangunan Faber Imperial Court Jalan Sultan Ismail 52200 Kuala Lumpur Malaysia	925116-M	51
Sports World International Limited	Shirebrook(1)	6531266	100
Sports World The Netherlands B.V.	Van Konijenburgweg 45, 4612 PL Bergen op zoom, Netherlands	34056291	100
Sportsdirect (Iceland) ehf	Skogarlind 2, 201, Kopavogur, Iceland	6301121760	100

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NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
Sportsdirect.com (Asia) Ltd	Unit 1903B & 1905, Exchange Tower,, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	1216339	100
Sportsdirect.com (Shanghai) Limited	Room 315, 3rd Floor Building 2, No 239 Gang'ao Road, China (Shanghai) Pilot Free Zone, Shanghai, China	91310115MA1K463A6B	95
Sportsdirect.com (Taiwan) Limited	17F.-5, No.500, Shizheng Rd., , Xitun District, 40757, Taiwan	82770619	95
Sportsdirect.com Austria GmbH	Flugplatzstraße 30, 4600, Wels Austria	309738 y	100
Sportsdirect.com Belgium S.A.	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	416.268.471	100
Sportsdirect.com Cyprus Limited	Miltiades Stylianou 34B, Shop 2, 8577 Tala, Paphos, Cyprus	HE 230340	100
Sportsdirect.com Czech Republic s.r.o.	Prague 1 - Nove Mesto, Na Porici 1079/3a, 100 00, Czech Republic	24268933	100
Sportsdirect.com Fitness Limited	Shirebrook[1]	9028577	100
Sportsdirect.com France	Zac des Brateaux, Rue des Brateaux, 9100, Villabe, France	FR27379062813	100
Sportsdirect.com Hungary Kft	H-1053 Budapest, Karolyi Mihaly utca 12, Hungary	01-09-986824	100
Sportsdirect.com Immobilien GmbH	Flugplatzstraße 30, 4600, Wels Austria	104151 p	100
Sportsdirect.com Malta Limited	Brewery Street, Zone 3 Central Business District Birkirkara CBD 3040 Malta	C99278	100
Sportsdirect.com OU	Parnu mnt 139c, Kesklinna, Tallinn, 11318, Estonia	1285837	100
Sportsdirect.com Poland S.P.Z.oo	5 Składowa Street, 61-888 Poznań,, Poland , 00-872, Warsaw	452610	100
Sportsdirect.com Pty Ltd	c/o Norton Rose Fulbright, L11, 485 Bourke Street, Melbourne VIC 3000, Australia	603 187 319	100
Sportsdirect.com Retail (Europe) S.A.*	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	458883046	100
Sportsdirect.com Retail Limited*	Shirebrook[1]	3406347	100
Sportsdirect.com S.L.U. Spain	Centro Comercial Puerto Venecia, Local 84, Travesía de los Jardines Reales nº 7, 50021, Zaragoza , Spain	B-86567880	100
Sportsdirect.com Slovakia s.r.o.	Vysoka 2/B, 81106, Bratislava, Slovakia	47 240 458	100
Sportsdirect.com SLVN d.o.o.	Planjava 4, 1236 Trzin, Slovenia	1198157000	100
Sportsdirect.com Switzerland A.G. Switzerland CHE-	Zeughausgasse 27, 3011 Bern, Switzerland	331.683.991	100
Sportsdirect.com Vienna North GmbH	Wels, Flugplatzstrabe 30	FN104486G	100
SSG Sport GmbH (SSD)	Vornholzstr. 48, , 94036, Passau, Germany	HRB 7134	100
Sterling Resources (Holdings) Limited	Shirebrook[1]	4651701	100
Sterling Resources Limited	Shirebrook[1]	1413254	100
Stirlings (Argyle Street) Limited	Martin House, 184 Ingram Street, Glasgow, Scotland, G1 1DN	SC088108	100
Straub Corporation Limited	Shirebrook[1]	3003584	100
Studio Asia Limited	Unit 1506, Tower A, Financial Street Hailun Centre No.440, Hailun Road, Shanghai, PRC	9131000MA1G5FKRX1	100
Studio Financing Limited	8th Floor 100 Bishopsgate, London, United Kingdom, EC2N 4AG	11644219	(3)
Studio Online Limited	Church Bridge House, Henry Street, Accrington, United Kingdom, BB5 4EE	3994833	100
Studio Retail Limited	Church Bridge House, Henry Street, Accrington, United Kingdom, BB5 4EE	718151	100
Suplay Investments S.l.	C.C.Puerto Venecia, local 84, Trav. Jardines Reales, 7, 50021 Zaragoza, Spain	B88542691	100
SwImmo Eupen SPRL	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	878673906	100
Table Tennis Pro Europe Ltd	Shirebrook[1]	5003853	100
The Antigua Group Inc	3773 Howard Huges Pkway, STE 500S Las vegas, Nevada, USA 89169-6014	0734679-4	100
THE FLANNELS GROUP (ROI) LIMITED	HEATON HOUSE , IDA BUSINESS PARK, WHITESTOWN, TALLAGHT, DUBLIN 24, Ireland	707468	100
The Flannels Group Limited	Shirebrook[1]	2318510	100
The Trademark Licensing Company Limited	Shirebrook[1]	4477829	100
Total Estates Limited	Shirebrook[1]	4958214	100
Tri Yeovil UK Limited	Shirebrook[1]	10680690	100
UAB SDI (Gedimino) LT	Seimyniskiu g. 3, Vilnius, Lithuania	135039836	100

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
UAB Sportland LT	Seimyniskiu g. 3, Vilnius, Lithuania	135039836	51
UAB Sportsdirect.com	Seimyniskiu g. 3, Vilnius, Lithuania	304155613	100
Universal Cycles Limited	Shirebrook[1]	1339667	100
USA Pro IP Limited	Shirebrook[1]	6497914	100
USC IP Limited	Shirebrook[1]	6836808	100
Van Mildert (Lifestyle) Limited	Shirebrook[1]	8319959	100
Voodoo Dolls Brand Limited	Shirebrook[1]	5323305	100
Wareshop2 Limited	Shirebrook[1]	9870840	100
Warrnambool *	Heaton House , IDA Business Park, Whitestown, Tallaght, Dublin 24, Ireland	387014	100
Waterline Angling Products Limited	Shirebrook[1]	2696374	100
West Coast Capital (HOFCO) Limited	15 Atholl Crescent, Edinburgh, EH3 8HA	SC437614	100
Westminster Manufacturing LLC	2 Office Park Court , Suite 103, Coumbia SC 29233 USA	44358	100
Yeomans Outdoors Limited	Shirebrook[1]	8058714	100
Yubel International Trade Co Limited	Room 5C, No561 Ouyang Road, Hongkou District, Shanghai	91310000MA1G5FKRX1	100
Zaparoh SPz.o.o	ul. Żernicka 22, Robakowo, 62-023 Gądki, Poland	KRS 0000459435	100

(1) Unit A, Brook Park East, Shirebrook, NG20 8RY

(2) Unity House, Telford Road, Basingstoke, Hampshire, RG21 6YJ

(3) A controlled entity other than by share ownership

* Direct shareholding is held by Frasers Group Plc

Frasers Group Plc intends to provide a parental guarantee for the following United Kingdom incorporated subsidiaries thus entitling them to exemption from statutory audit under section 479A of the Companies Act 2006.

COMPANY NAME	COMPANY NUMBER	COMPANY NAME	COMPANY NUMBER
Alpha Developments Stockport Limited	12662564	SDI (Manchester Cheetham Hill) Limited	10100969
Brands Inc Limited	03585719	SDI (Manchester Denton) Limited	09127295
Hot Tuna IP Limited	06836792	SDI (Market Road) Limited	10799247
SD Equestrian Limited	08692780	SDI (Middlesbrough) Limited	10081909
SD Outdoor Limited	08560260	SDI (Nassau Street) Limited	11227964
SDI (Aberdeen) Limited	08512592	SDI (Neath) Limited	07853548
SDI (Aberdeen 2) Limited	12579371	SDI (Newark) Limited	07853470
SDI (Aberwystwyth) Limited	02789996	SDI (Newcastle) Limited	09127286
SDI (Aintree) Limited	03352462	SDI (Newport) Limited	08679118
SDI (Ashford) Limited	07848460	SDI (Newport IOW) Limited	12578944
SDI (Ashington) Limited	07849231	SDI (Newquay) Limited	10089800
SDI (Ayr) Limited	05528267	SDI (Newton Abbot) Limited	06836666
SDI (Bangor) Limited	05529705	SDI (Newtownabbey) Limited	09127266
SDI (Barrow In Furness) Limited	07851574	SDI (Northampton) Limited	07852272
SDI (Belfast) Limited	09872471	SDI (Northwich) Limited	05656295
SDI (Berwick) Limited	02739957	SDI (Nottingham) Limited	10100609
SDI (Betws-Y-Coed) Limited	06836673	SDI (Nuneaton) Limited	07852249
SDI (Birkenhead) Limited	07849198	SDI (Oswestry) Limited	07852363
SDI (Bishop Auckland) Limited	03004246	SDI (Oxford Street) Limited	10046080
SDI (Boucher Road) Limited	13808700	SDI (Penzance) Limited	07852297
SDI (Bridgwater) Limited	07852061	SDI (Peterlee) Limited	07852401
SDI (Brighton) Limited	12579780	SDI (Plymouth Flannels) Limited	09127387
SDI (Brixton) Limited	09127300	SDI (Plymouth) Limited	09470468
SDI (Burton) Limited	08495632	SDI (Portsmouth) Limited	12579294
SDI (Cardiff Flannels) Limited	10177359	SDI (Preston) Limited	10915199
SDI (Cardiff QS) Limited	12578045	SDI (Propco 75) Limited	11577256
SDI (Cardiff QS 2) Limited	11227321	SDI (Propco 100) Limited	11732700
SDI (Carlisle) Limited	07851959	SDI (Propco 119) Limited	12332862
SDI (Chatham) Limited	06836679	SDI (Propco 139) Limited	13808689

COMPANY NAME	COMPANY NUMBER	COMPANY NAME	COMPANY NUMBER
SDI (Cheshunt 2) Limited	11775717	SDI (Ramsgate) Limited	07852250
SDI (Cheshunt) Limited	11775599	SDI (Reading) Limited	10422164
SDI (Clacton) Limited	07852078	SDI (Redcar) Limited	02731452
SDI (Colchester) Limited	05632790	SDI (Rolle St) Limited	07852669
SDI (Corby) Limited	10885672	SDI (Romford) Limited	10071547
SDI (Cork) Limited	11775763	SDI (Salisbury) Limited	10107572
SDI (Coventry) Limited	09680128	SDI (Scarborough) Limited	06328463
SDI (Darlington) Limited	10915193	SDI (Scunthorpe) Limited	07852055
SDI (Derby) Limited	09310031	SDI (Scunthorpe Parishes Centre) Limited	11730442
SDI (Derry) Limited	NI653340	SDI (Southampton 2) Limited	09665889
SDI (Doncaster) Limited	09888670	SDI (Southampton) Limited	08512480
SDI (Dundee) Limited	09702004	SDI (Southport) Limited	09888806
SDI (Dunfermline) Limited	08483679	SDI (St Austell) Limited	07852284
SDI (East Ham) Limited	09810378	SDI (St Helens) Limited	07852281
SDI (East Kilbride) Limited	06656368	SDI (Stafford) Limited	08568681
SDI (Edinburgh) Limited	10100990	SDI (Stafford Riverside) Limited	08972499
SDI (Enfield) Limited	10086209	SDI (Staines) Limited	11646482
SDI (Fulham) Limited	07852037	SDI (Stockport) Limited	06372181
SDI (Gainsborough) Limited	06338907	SDI (Stoke Longton) Limited	07853877
SDI (Galashiels) Limited	07852091	SDI (Stoke Newington) Limited	07852207
SDI (Glasgow Argyle St) Limited	11227937	SDI (Strabane) Limited	09890243
SDI (Glasgow Fort) Limited	09861504	SDI (Streatham) Limited	10066335
SDI (Glasgow Frasers) Limited	11531596	SDI (Strood) Limited	07852251
SDI (Glasgow Ingram Street) Limited	09925519	SDI (Sunderland) Limited	08755347
SDI (Gloucester) Limited	07852067	SDI (Sutton) Limited	11228011
SDI (Great Yarmouth) Limited	11732687	SDI (Swindon) Limited	09888662
SDI (Hanley) Limited	11228017	SDI (Taunton) Limited	07852191
SDI (Hastings) Limited	08625893	SDI (Thanet) Limited	12579034
SDI (Hereford) Limited	09888642	SDI (The House Yarm) Limited	12332871
SDI (Hofco) Limited	08319960	SDI (Thurrock) Limited	10089743
SDI (Hoh Holdings) Limited	10161592	SDI (Trowbridge) Limited	12355661
SDI (Hounslow) Limited	10086218	SDI (Uxbridge 2) Limited	09127316
SDI (Hull) Limited	09638564	SDI (Uxbridge) Limited	10177276
SDI (Ipswich) Limited	09788411	SDI (Wakefield) Limited	08483711
SDI (Ipswich 2) Limited	12578948	SDI (Walsall) Limited	07852289
SDI (Isle Of Man) Limited	09901745	SDI (Watford) Limited	06328505
SDI (Jersey Holding) Limited	10177028	SDI (Widnes) Limited	08576472
SDI (K Lynn) Limited	10073076	SDI (Wigan) Limited	12579287
SDI (Keighley) Limited	06260239	SDI (Wishaw) Limited	06656365
SDI (Kendal) Limited	06338918	SDI (Wrexham) Limited	10915200
SDI (Kentish Town) Limited	09901702	SDI (Wythenshawe) Limited	09659156
SDI (Kidderminster) Limited	09203731	SDI (Yeovil) Limited	12577947
SDI (Kilmarnock) Limited	07853433	SDI (York) Limited	11331391
SDI (Kingston) Limited	10915209	SDI Corrib Shopping Centre Limited	ROI (715322)
SDI (Kirkcaldy) Limited	07852097	SDI Four Limited	09719779
SDI (Leeds) Limited	09293515	SDI Golf Limited	09083512
SDI (Leeds 2) Limited	13808640	SDI Properties (Wigan) Limited	06836522
SDI (Leicester) Limited	09127170	SDI Property Limited	02767493
SDI (Liverpool) Limited	09888734	SDI Sport London Limited	09848767
SDI (Lowestoft) Limited	07852265	SDI Sports (Stoke) Limited	10163722
SDI (Lsl Holdings) Limited	10161824	Stirlings (Argyle Street) Limited	SC088108

COMPANY BALANCE SHEET

at 24 April 2022

	Note	As at 24 April 2022 (£'m)	As at 25 April 2021 (£'m)
FIXED ASSETS			
Property, Plant and Equipment	3	6.9	-
Investments	2	1,443.6	1,494.9
CURRENT ASSETS			
Debtors	5	512.8	162.9
Cash at bank and in hand		1.8	16.1
		514.6	**179.0**
Creditors: amounts falling due within one year	6	(945.7)	(609.0)
NET CURRENT LIABILITIES		**(431.1)**	**(430.0)**
Provisions	8	(3.0)	-
Deferred Tax Liability	7	(6.1)	-
NET ASSETS		**1,010.3**	**1,064.9**
CAPITAL AND RESERVES			
Called up share capital	9	64.1	64.1
Share premium		874.3	874.3
Treasury share reserve		(488.9)	(295.7)
Permanent contribution to capital		0.1	0.1
Capital redemption reserve		8.0	8.0
Own share reserve		(66.8)	(66.7)
Share based payment reserve		5.8	0.8
Profit and Loss account		613.7	480.0
SHAREHOLDERS' FUNDS		**1,010.3**	**1,064.9**

Frasers Group Plc reported a profit after taxation for the 52 weeks ended 24 April 2022 of £141.7m (FY21: a profit of £231.8m).

The accompanying accounting policies and notes form part of these Financial Statements.

The Financial Statements were approved by the Board on 20 September 2022 and were signed on its behalf by:

Chris Wootton

Chief Financial Officer

Company number: 06035106

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COMPANY STATEMENT OF CHANGES IN EQUITY

For the 52 weeks ended 24 April 2022

	Called up share capital (£'m)	Share premium account (£'m)	Treasury share reserve (£'m)	Permanent contribution to capital (£'m)	Capital redemption reserve (£'m)	Own share reserve (£'m)	Share based payment reserve (£'m)	Profit & loss account (£'m)	Total (£'m)
As at 26 April 2020	**64.1**	**874.3**	**(295.7)**	**0.1**	**8.0**	**(67.0)**	**-**	**170.9**	**754.7**
Profit for the financial period	-	-	-	-	-	-	-	231.8	**231.8**
Fair value adjustment in respect of long-term financial assets - recognised	-	-	-	-	-	-	-	77.3	**77.3**
Share scheme	-	-	-	-	-	0.3	0.8	-	**1.1**
As at 25 April 2021	**64.1**	**874.3**	**(295.7)**	**0.1**	**8.0**	**(66.7)**	**0.8**	**480.0**	**1,064.9**
Profit for the financial period	-	-	-	-	-	-	-	141.7	**141.7**
Fair value adjustment in respect of long-term financial assets - recognised	-	-	-	-	-	-	-	(8.0)	**(8.0)**
Share scheme	-	-	-	-	-	-	5.0	-	**5.0**
Share repurchase	-	-	(193.2)	-	-	(0.1)	-	-	**(193.3)**
As at 24 April 2022	**64.1**	**874.3**	**(488.9)**	**0.1**	**8.0**	**(66.8)**	**5.8**	**613.7**	**1,010.3**

The share premium account is used to record the excess proceeds over nominal value on the issue of shares. The permanent contribution to capital relates to a cash payment of £50,000 to the Company on 8 February 2007 under a deed of capital contribution. The capital redemption reserve arose on the redemption of the Company's redeemable preference shares of 10p each at par on 2 March 2007. The own shares and treasury reserves represent the cost of shares in Frasers Group Plc purchased in the market and held by Frasers Group Plc Employee Benefit Trust to satisfy options under the Group's Share Scheme. For further information see note 26 in the Group Notes to the financial statements.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the 52 weeks ended 24 April 2022

1. ACCOUNTING POLICIES

Accounting Policies

Frasers Group Plc (the "Company") (Company number: 06035106) is a company incorporated and domiciled in the United Kingdom, its shares are listed on the London Stock Exchange. The registered office is Unit A, Brook Park East, Shirebrook, NG20 8RY.

These financial statements have been prepared in compliance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £0.1m.

These accounts have been prepared in accordance with applicable United Kingdom accounting standards. A summary of the material accounting policies adopted are described below.

Basis Of Accounting

The accounts have been prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

These financial statements for the period ended 24 April 2022 are prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

As permitted by Section 408 of the Companies Act 2006, a profit and loss account of the Company is not presented. The Company's profit after taxation for the 52-week period ended 24 April 2022 was £141.7m (FY21: £231.8m).

As permitted by FRS 102 the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, share-based payments, the aggregate remuneration of key management personnel and related party transactions with other wholly-owned members of the Group. Where required, equivalent disclosures are given in the Group accounts of Frasers Group Plc.

Principal Activity

The principal activity of Frasers Group Plc is that of an investment holding company.

Investments

Fixed asset investments in subsidiaries are accounted for at cost less provision for impairment. In the Group accounts associates are accounted for under the equity method by which the Group's investment is initially recorded at cost and subsequently adjusted to reflect the Group's share of the net assets of the associate. As this is not permitted under FRS 102 associates are accounted for at cost less provision for impairment. An assessment is made at each reporting date of whether there are indications that the Company's investment in subsidiaries or associates may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset. Shortfalls between the carrying value of the investment and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in profit or loss.

The Company has followed the requirements of IFRS 9 for listed investments, as permitted by FRS 102 Section 12. The Company has made the irrevocable election available under IFRS 9 to account for the investments at fair value through the other comprehensive income (FVOCI).

Fair value movements through other comprehensive income

Elections are made on an instrument-by-instrument basis to account for movements in selected instruments through other comprehensive income. The Company has elected to account for movements in its listed investments through other comprehensive income. These investments are not subject to impairment and gains and losses are not recycled to the profit and loss account on the disposal of listed investments. Dividend income is recognised in the profit and loss account.

This treatment does not apply to investments in the Company's subsidiaries and associates where movements are recognised in the profit and loss account and investments are subject to impairment.

Associates

An entity is treated as an associated undertaking where the Company exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

Financial Assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. Provision for impairment is established when there is objective evidence that the Company will not be able to collect amounts due according to the original terms of the receivable. The Company applies a consistent accounting policy as the Group in terms of impairment of financial assets and the recognition of expected credit losses.

Financial Liabilities

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Employee Benefit Trust

An Employee Benefit Trust has been established for the purposes of satisfying certain share based awards. The Group has 'de facto' control over the special purpose entity.

The cost of shares acquired by the Sports Direct Employee Benefit Trust is recognised within 'Own share reserve' in equity.

Deferred Taxation

Deferred tax is provided for on a full provision basis on all timing differences, which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in the future is more unlikely than not.

Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign Currencies

Transactions in foreign currencies are initially recorded in the Company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Dividends

Dividends on the Company's ordinary shares are recognised as a liability in the Company's Financial Statements, and as a deduction from equity, in the period in which the dividends are declared. Where such final dividends are proposed subject to the approval of the Company's shareholders, the final dividends are only declared once shareholder approval has been obtained.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company, with the exception of those accounted for via merger relief available under Section 612 of the Companies Act 2006, are recorded at the proceeds received, net of any direct issue costs.

Income From Group Undertakings

Income from Group undertakings is recognised when qualifying consideration is received from the Group undertaking.

Related Party Transactions

The Company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with wholly-owned subsidiaries which form part of the Group. See note 35 of the Group Financial Statements for further details of related party transactions.

Share-Based Payments

The Company issues from time to time equity-settled share-based payments to certain Directors and employees of the Company and its subsidiaries. These are measured at fair value at the date of grant, which is expensed to profit and loss on a straight-line basis over the vesting period, with the corresponding credit going to equity.

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Non-market vesting conditions are not taken into account in determining grant date fair value. Instead, they are taken into account by adjusting the number of equity instruments to vest. At the end of each reporting period the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. Any revisions, if any, are recognised in profit and loss with an adjustment to equity.

Fair value is calculated using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and the expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the scheme. The expected staff numbers used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

For cash-settled share-based payment transactions, the Company measures the services received and the liability incurred at the fair value of the liability. Until the liability is settled, the Company remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the Income Statement for the period.

The credit for the share-based payment charge does not equal the charge per the profit and loss as it excludes amounts recognised in the balance sheet in relation to the expected national insurance contributions for the shares.

Critical Accounting Estimates and Judgements

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Control and Significant Influence Over Certain Entities

The Company holds greater than 20% of the voting rights of Studio Retail Group plc and the Mulberry Group plc. The Company exercises the same judgements as per note 2 of the Group financial statements on assessing whether it has control and significant influence over associates and joint ventures.

Impairment of Investments and Amounts Owed by Group Undertakings

At each period end management assess the future performance of entities with which the Company holds an investment in, or a debtor from, to ascertain whether there is objective evidence of impairment of these balances. Judgement is involved in the assessment of future performance and this involves an element of estimation uncertainty. As at the period end the Directors have reviewed the carrying value of its investments and have made no impairments (FY21: £1.1m impairment charge) as disclosed in note 2 of the Company financial statements. As at the period end the Directors have reviewed the carrying value of amounts owed by Group undertakings and have made an impairment charge of £6.4m (FY21: £nil).

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2. INVESTMENTS

	Investments in subsidiaries (£m)	Long-term financial assets (£m)	Total (£m)
As at 26 April 2020	**1,155.5**	**80.3**	**1,235.8**
Additions	78.9	113.3	**192.2**
Impairment charge	(1.1)	-	**(1.1)**
Disposals	-	(5.6)	**(5.6)**
Amounts recognised through other comprehensive income	-	77.3	**77.3**
Exchange differences	-	(3.7)	**(3.7)**
As at 25 April 2021	**1,233.3**	**261.6**	**1,494.9**
Additions	5.0	198.0	**203.0**
Disposals	-	(238.4)	**(238.4)**
Amounts recognised through other comprehensive income	-	(8.0)	**(8.0)**
Exchange differences	-	(7.9)	**(7.9)**
As at 24 April 2022	**1,238.3**	**205.3**	**1,443.6**

The fair value of the long-term financial assets is based on bid quoted market prices at the balance sheet date or, where market prices are not available, at management's best estimate.

Long-term financial assets include various holdings including a 36.9% stake in Mulberry Group plc, for further details refer to Note 21 of the Group Financial Statements. The Company continues to hold a 28.9% interest in Studio Retail Group (in administration) at the period end. However, given the administration and the sale of its main trading subsidiary Studio Retail Limited, the interest has been fair valued to £nil with a £69.2m loss recognised through other comprehensive income.

For further disclosures in relation to investments in associates and long-term financial assets see note 20, 21 and 35 of the Group Financial Statements.

The Directors assess the value of the investments in subsidiaries at each period end for indicators of impairment. In the prior period an impairment loss of £1.1m was recognised within the income statement for loss making companies where the recoverable amount was less than the carrying value. The additions in the period relate to the Fearless 1000 share scheme, see note 25 of the Group Financial Statements.

The Company is the principal holding company of the Group. The principal subsidiary undertakings of the Company are set out in note 39 of the Group Financial Statements.

The Group's policies for financial risk management are set out in note 3 and note 30 of the Group Financial Statements.

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3. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land and Buildings (£m)
Cost	
At 25 April 2021	-
Additions	7.0
At 24 April 2022	**7.0**
Accumulated Depreciation and Impairment	
At 25 April 2021	-
Charge for the period	(0.1)
At 24 April 2022	**(0.1)**
Net Book Value	
At 25 April 2021	**-**
At 24 April 2022	**6.9**

4. FINANCIAL INSTRUMENTS

Financial Assets and Liabilities by Category

The fair value hierarchy of financial assets and liabilities, which are principally denominated in Sterling or US Dollars, were as follows:

	25 April 2022 (£m)	25 April 2021 (£m)
FINANCIAL ASSETS		
Amortised cost:		
Trade and other receivables*	510.2	138.1
FVOCI:		
Long Term Financial Assets (Equity Instruments)	205.2	261.6
Derivative financial assets (FV):		
Derivative financial assets – contracts for difference	-	20.1
	715.4	**419.8**
FINANCIAL LIABILITIES		
Amortised cost:		
Trade and other payables	869.8	607.3
Derivative financial Liabilities (FV):		
Derivative financial Liabilities – contracts for difference and equity options	75.9	1.7
	945.7	**609.0**

* [illegible]

5. DEBTORS

	At 24 April 2022 (£m)	At 25 April 2021 (£m)
Amounts owed by Group undertakings	257.6	6.8
Derivative financial assets	-	20.1
Other debtors	252.6	131.3
Corporation tax	1.0	1.0
Prepayments	1.6	3.7
	512.8	**162.9**

Other debtors includes £243.9m (FY21: £131.0m) of deposits in respect of derivative financial instruments which are collateral to cover margin requirements for derivative transactions held with counterparties. The collateral requirement changes with the market (which is dependent on share price, interest rates and volatility) and further purchases / sales of underlying investments held.

Amounts owed by Group undertakings are interest free and unsecured.

Further information on derivative financial assets can be found in the Group consolidated accounts in the financial instruments note 30 and the financial risk management disclosure note 3.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 24 April 2022 (£m)	At 25 April 2021 (£m)
Trade creditors	1.9	1.3
Amounts owed to Group undertakings	864.9	602.5
Derivative financial liabilities	75.9	1.7
Other creditors	3.0	3.5
	945.7	**609.0**

The amounted owed to Group undertakings mainly relates to an unsecured interest free loan with Sportsdirect.com Retail Limited which is repayable on demand.

Further information on derivative financial liabilities can be found in the Group consolidated accounts in the financial instruments note 30 and the financial risk management disclosure note 3.

The prior period Other creditors balance mostly related to the accrual for costs payable to MM Prop Consultancy Limited, see note 35 of the Group financial statements.

7. DEFERRED TAX

	Other temporary differences (£m)
At 26 April 2020	**3.7**
Charged to the profit and loss account	(3.7)
At 25 April 2021	-
Charged to the profit and loss account	(6.1)
At 24 April 2022	**(6.1)**

The tax rate used to measure the deferred tax assets and liabilities was 25% (FY21: 19%) on the basis that these were the tax rates that were substantively enacted at the balance sheet date for the periods when the assets and liabilities are expected to reverse.

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8. PROVISIONS

	Legal and regulatory (£m)	Total (£m)
At 25 April 2021	-	-
Amounts provided	3.0	3.0
At 24 April 2022	**3.0**	**3.0**

Frasers Group Plc has provided a guarantee in relation to payments from Studio Retail Group plc (in administration) to the three other sections of the Findel Group Pension Fund up to a maximum of £0.9m. See note 38 of the Group accounts.

9. CALLED UP SHARE CAPITAL

	At 24 April 2022 (£m)	At 25 April 2021 (£m)
Authorised		
999,500,010 ordinary shares of 10p each	100.0	100.0
499,990 redeemable preference shares of 10p each	-	-
Called up and fully paid		
640,602,369 (FY21: 640,602,369) ordinary share of 10p each	64.1	64.1
Share capital	**64.1**	**64.1**

The Company holds 151,240,174 ordinary shares in treasury as at the period end date (FY21: 121,260,175).

10. POST BALANCE SHEET EVENTS

On 25 April 2022 and 20 June 2022 the Group commenced share buyback programmes with the aggregate purchase price of all shares acquired under these programmes of no greater than £105.0m and the maximum number of shares that may be purchased under the programmes of 15m ordinary shares with a nominal value of 10p each. The purpose of the programmes was to reduce the share capital of the Company. 11,884,438 ordinary shares of 10p each for consideration of £79.9m were acquired through these programmes.

On 1 May 2022 Michael Murray was appointed as Chief Executive Officer of Frasers Group. Mike Ashley and Michael Murray worked together for a number of months to ensure a smooth transition into the role. Michael will accelerate the Group's strategy to achieve its vision: "to serve our customers with the World's best sports, premium and luxury brands."

On 16 May 2022 the Group acquired the entire share capital of leading Danish sport retailer SportMaster. Due to the proximity of the acquisition date to the date these financial statements are authorised for issue, the initial accounting for the business combination is incomplete and so the disclosures required by IFRS 3 Business Combinations cannot be made at this stage.

On 25 May 2022 the Group disposed of its US retail businesses trading as Bobs Stores ("Bobs") and Eastern Mountain Sports ("EMS") for a cash consideration of $70m to GoDigital Media Group ("GDMG"). Further details are included within note 16.

On 1 June 2022 the Group acquired certain intellectual property of the online women's fashion retailer, Missguided Limited (in administration), Mennace Limited (in administration) and Missguided (IP) Limited for cash consideration of £20.0 million. Due to the proximity of the acquisition date to the date these financial statements are authorised for issue, the initial accounting for the business combination is incomplete and so the disclosures required by IFRS 3 Business Combinations cannot be made at this stage.

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The Group announced on 22 June 2022 that it has increased its investment in Hugo Boss AG, and now has the following interests in the common stock:

- 3,425,000 shares of common stock, representing 4.9% of Hugo Boss's total share capital
- 18,289,000 shares of common stock via the sale of put options, representing 26.0% of Hugo Boss's total share capital

After taking into account the premium it will receive under the put options, Frasers Group's maximum aggregate exposure in connection with its acquired interests in Hugo Boss, with the common stock holding valued at the closing share price on 21 June 2022, is approximately €900m (c. £770m).

On 28 July 2022 the Group acquired the online fashion retailer I Saw It First for cash consideration of £1. Due to the proximity of the acquisition date to the date these financial statements are authorised for issue, the initial accounting for the business combination is incomplete and so the disclosures required by IFRS 3 Business Combinations cannot be made at this stage.

On 11 August 2022 the Group completed the disposal of a number of freehold and long leasehold retail parks held by its wholly owned subsidiaries, to RI UK 1 Limited for a headline price of £205m. Frasers Group fascias will operate from leases within these properties where appropriate. Frasers Group in the ordinary course of business purchases and sells properties from time to time and the Group intends to use the proceeds of sale towards the working capital of the Group and its operations.

On 17 August 2022 the Group made a cash offer to acquire the entire issued and to be issued ordinary share capital of MySale Group plc ('MySale') not already held by Frasers Group at a price of 2 pence per MySale Share. The offer values the entire issued and to be issued share capital of MySale not currently held by Frasers Group at approximately £13.6 million (not taking into account the exercise of any outstanding options which may have vested under the MySale Share Plans or any conversion event pursuant to the Convertible Loan Notes). On 29 June 2022, Frasers Group acquired 270,666,650 MySale Shares and, together with the contracts for difference already held by it, Frasers Group increased its stake in MySale to 28.7% and became MySale's largest shareholder. Since the disclosure of Frasers Group's acquisition of this further stake, the market price of MySale shares has increased.

On 20 September 2022 the Group announced that Mike Ashley would not be standing for re-election as a Director at this year's Annual General Meeting ("AGM") and that he will therefore step down from the Board upon the conclusion of the AGM.

11. PAYROLL COSTS

Frasers Group Plc had no direct employees during the periods ended 24 April 2022 and 25 April 2021, and the Directors are remunerated through Sportsdirect.com Retail Limited. Details of the Directors' remuneration can be found in the Directors' Remuneration Report.

12. RELATED PARTY TRANSACTIONS

Related party transactions with the Company are disclosed within note 35 in the Group Financial Statements.

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GLOSSARY

CONSOLIDATED FIVE YEAR RECORD AND ALTERNATIVE PERFORMANCE MEASURES

	52 weeks ended 24 April 2022 (£m)	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)	52 weeks ended 28 April 2019 (£m)	52 weeks ended 29 April 2018 (£m)
REPORTED PBT	**335.6**	8.5	143.5	179.2	61.1
Exceptional items	**1.3**	1.6	13.1	41.0	4.8
Fair value gain on step acquisition	**-**	-	(20.4)		
Fair value adjustments to derivatives included within Finance (income) / costs	**(7.6)**	4.6	(21.3)	(39.7)	17.7
Fair value (gains) / losses and profit on disposal of equity derivatives	**(9.9)**	(82.2)	35.1	(3.3)	103.6
Realised foreign exchange (gain) / loss	**5.8**	26.3	(34.9)	(22.1)	(24.1)
Share scheme	**14.6**	1.3	-	-	(6.0)
ADJUSTED PBT	**339.8**	(39.9)	115.1	155.1	157.1

Notes to the consolidated income statement five year record:

1. All information is presented under IFRS.
2. The five year record has been prepared on the same basis as the Financial Statements for the 52 weeks ended 24 April 2022, as set out in note 1, basis of preparation, of the Consolidated Financial Statements.

Reconciliation of excluding acquisitions and currency neutral performance measures:

	UK Retail (£'m)	Premium Lifestyle (£'m)	European Retail (£'m)	Rest Of World Retail (£'m)	Wholesale & Licensing (£'m)	Group Total (£'m)
			Revenue			
FY22 Reported	2,640.1	1,056.6	790.2	150.3	168.1	4,805.3
Adjustments for acquisitions and currency neutral	(90.1)	(3.9)	-	-	-	(94.0)
FY22 Excluding acquisitions and currency neutral	**2,550.0**	**1,052.7**	**790.2**	**150.3**	**168.1**	**4,711.3**
FY21 Reported	1,968.5	735.6	615.2	152.7	153.3	3,625.3
Adjustments for acquisitions and currency neutral	(8.2)	(0.8)	(23.0)	(0.8)	(1.7)	(34.5)
FY21 Excluding acquisitions and currency neutral	**1,960.3**	**734.8**	**592.2**	**151.9**	**151.6**	**3,590.8**
% Variance	**30.1%**	**43.3%**	**33.4%**	**(1.1%)**	**10.9%**	**31.2%**
			Adjusted PBT			
FY22 Reported	196.9	10.5	88.6	32.7	11.1	339.8
Adjustments for acquisitions and currency neutral	32.5	(0.4)	-	-	-	32.1
FY22 Excluding acquisitions and currency neutral	**229.4**	**10.1**	**88.6**	**32.7**	**11.1**	**371.9**
FY21 Reported	(12.8)	(7.8)	(51.3)	12.2	19.8	(39.9)
Adjustments for acquisitions and currency neutral	15.8	0.2	2.0	(0.1)	(0.1)	17.8
FY21 Excluding acquisitions and currency neutral	**3.0**	**(7.6)**	**(49.3)**	**12.1**	**19.7**	**(22.1)**
% Variance	**7,546.7%**	**(232.9%)**	**(279.7%)**	**170.2%**	**(43.7%)**	**(1,782.8%)**

1 The FY21 numbers have been re-categorised due to changes in the reporting segments with [illegible] property owning companies where [illegible] from Premium Lifestyle fascias being moved from UK Sports Retail to Premium Lifestyle

Key Performance Indicators

Performance Measure	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose
Group revenue	-	-	The Board considers that this measure is a key indicator of the Group's growth.
Reported PBT	-	-	Reported PBT shows both the Group's trading and operational efficiency, as well as the effects on the Group of external factors as shown in the fair value movements in strategic investments and foreign exchange.
Adjusted PBT	Profit before taxation	Adjusting items (see Glossary reconciliation above). The adjusting items are those deemed by the Board to be volatile and therefore difficult to forecast.	Adjusted PBT shows how well the Group is managing its ongoing trading performance and controllable costs and therefore the overall performance of the Group.
Cash inflow from operating activities	-	-	Cash inflow from operating activities is considered an important indicator for the business of the cash available for investment in the Elevation strategy.
Net assets	-	-	The Board considers that this measurement is a key indicator of the Group's health.
Number of retail stores	-	-	The Board considers that this measure is an indicator of the Group's growth. The Group's Elevation strategy is replacing older stores and often this can result in the closure of two or three stores to be replaced by one larger new generation store.
Workforce turnover	-	-	The Board considers that this measure is a key indicator of the contentment of our people.
Packaging recycling	-	-	The Board considers that this measurement is a key indicator of our impact and commitment to the best environmental practices.

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COMPANY DIRECTORY

REGISTRAR AND TRANSFER OFFICE

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SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

The date and time of the Annual General Meeting is to be announced in a separate notice. Each shareholder is entitled to attend and vote at the meeting, the arrangements for which are described in a separate notice.

RESULTS

For the year to 30 April 2023:

- Half year results announced: tbc December 2022
- Preliminary announcement of full year results: tbc
- Annual Report circulated: tbc

SHAREHOLDER HELPLINE

The Frasers Group shareholder register is maintained by Computershare who are responsible for making dividend payments and updating the register, including details of changes to shareholders' addresses. If you have a query about your shareholding in Sports Direct, you should contact Computershare's Frasers Group Shareholder Helpline on: 0370 707 4030. Calls are charged at standard geographic rates, although network charges may vary.

Address:
The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ

Website:
www.computershare.com

WEBSITE

The Group website at www.frasers.group provides news and details of the Company's activities plus information for shareholders and contains real time share price data as well as the latest results and announcements.

UNSOLICITED MAIL

The Company is obliged by law to make its share register publicly available and as a consequence some shareholders may receive unsolicited mail, including from unauthorised investment firms.

For more information on unauthorised investment firms targeting UK investors, visit the website of the Financial Conduct Authority at www.fca.org.uk

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FRASERS GROUP PLC

ANNUAL REPORT & ACCOUNTS 2022.

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