

FRASERS GROUP PLC

ANNUAL REPORT & ACCOUNTS 2023.

FRASERS GROUP

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ABOUT FRASERS GROUP

Frasers Group started as a small store in Maidenhead in 1982 and from there, grew to become a global powerhouse.

As the business evolved, 2019 saw the re-brand of Sports Direct International to Frasers Group PLC; a reflection of the Group's growth and change in market identity.

Led by Chief Executive Michael Murray, the business is set on a formidable upwards trajectory as it continues to expand with its pioneering approach to retail. Frasers Group provides consumers with access to the world's best sports, premium and luxury brands with a vision to build the planet's most admired and compelling brand ecosystem. With over 32,000 employees, Frasers Group's workforce is incredibly motivated and inspired to drive the success of the Group.

As a leader in the industry, Frasers Group is committed to rethinking retail by driving digital innovation and providing unique store experiences to its consumers globally.

MISSION STATEMENT

WE ARE BUILDING THE PLANET'S MOST ADMIRABLE AND COMPELLING BRAND ECOSYSTEM.

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 colleague share bonuses

32,000

Have approx. 32,000 colleagues worldwide, approx. 21,000 of which are in the UK

£2,470m

Contributed approx. £2,470m in VAT and Duty

£800m

Contributed approx. £800m in UK Corporation Tax

£220m

Contributed approx. £220m in NI employer contributions

GROUP OUTLOOK

We expect further strong profit progress during FY24 as our FY23 momentum continues. The new financial year has started well, especially at Sports Direct, which continues to benefit from the strengthening relationships with key brand partners. We also expect further good progress on acquisition integration synergies and cost mitigation exercises. Additionally, we anticipate significantly lower levels of property profit than those delivered in FY23 (£95.4m). Based on these factors, we expect FY24 APBT will be in the range of £500m-£550m which would represent strong underlying trading profit progress.

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GROUP AT A GLANCE

UK SPORTS RETAIL

55.4%

Total Group Revenue

£3,080.6m

16.7%



UK Sports Retail includes core sports retail store operations in the UK, plus all the Group's sports retail online business (excluding Sportland in the Baltics, Game Spain, SportsMaster, Sports Direct Malaysia, Bobs and EMS), the gyms, Studio Retail, the Group's Shirebrook campus operations, retail store operations in Northern Ireland, Evans Cycles, GAME UK and Coventry Arena.

Our store footprint is significant, with 812 stores across the UK, totalling approximately 6.9m sq.ft. of retail space. The majority of stores are operated under the Sports Direct, USC, Evans Cycles and GAME fascias.

PREMIUM LIFESTYLE

21.8%

Total Group Revenue

£1,212.9m

14.8%

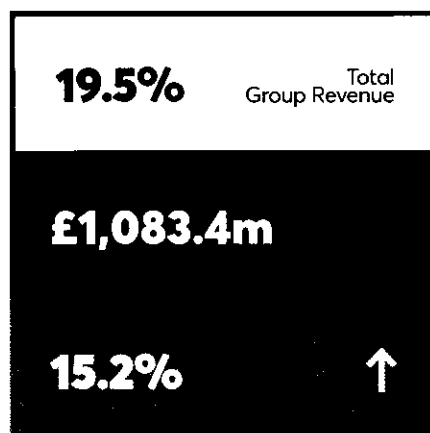


The Group's Premium Lifestyle division offers a broad range of clothing, footwear and accessories from leading global contemporary and luxury retail brands through our fascias in the UK: FLANNELS, Frasers, House of Fraser, Jack Wills and Sofa.com, Cruise, Van Mildert and the fashion brands acquired from JD Sports, along with their related websites. The majority of these fascias operate as multi-brand premium and luxury 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 221 stores and approximately 3.6m sq.ft. of retail space.

INTERNATIONAL RETAIL



International Retail includes all the Group's sports retail stores, management and operations internationally including the Group's international distribution centres in Belgium, Austria, Denmark, Malaysia as well as GAME Spain. It also includes the online businesses relating to SD Malaysia, Game Spain, SportMaster and MySale. During the period the Bob's Stores and Eastern Mountain Sports fascias and their corresponding e-commerce offerings were disposed of.

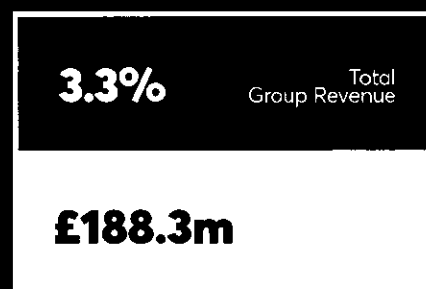
The total European store count is 597 stores and approximately 4.3m sq.ft. of retail space.

During FY23, management continued to elevate the Group's international stores and work to further tailor the Group's consumer value propositions to our local markets.

WHOLESALE & LICENSING

The Wholesale & Licensing segment operates our globally renowned heritage Group brands (such as Everlast, Lonsdale, Karrimor and Slazenger). 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.

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



12.0%



REVISED SEGMENTAL REPORTING IN FY24

The Group currently intends to revise its segmental reporting based on planned changes in how the Group will report performance and allocate resources going forward.

Following the acquisition of Frasers Group Financial Services Limited (formerly known as Studio Retail Limited) and the launch of the Group's consumer credit offering, Frasers Plus, as well as recent acquisitions of investment property, it is expected to lead to the Group's financial services and property businesses being disclosed as separate reporting segments. The Group currently intends to consolidate UK Sports Retail and Premium Lifestyle within one UK Retail segment. The Wholesale & Licensing segment will be consolidated in the appropriate retail segments. Since these changes have taken place post year-end, it is intended that the revised segmental presentation will take effect from FY24 onwards.

FINANCIAL HIGHLIGHTS

15.8%



UK Sports Retail revenue increased by 15.8%, largely due to acquisitions and the impact of a 53rd week in FY23 ⁽³⁾

Excluding acquisitions, disposals and the 53rd week, on a currency neutral basis, revenue increased by 1.3%. ⁽⁴⁾

14.8%



Premium Lifestyle revenue increased by 14.8%, with the impact of planned House of Fraser store closures more than offset by new FLANNELS store openings and continued growth in online. Excluding acquisitions and the 53rd week, revenue increased by 5.7%. ⁽⁴⁾

£133.4m

Cash inflow from operating activities before working capital movements of £920.2m, an increase of £133.4m largely driven by strong trading performance particularly in UK Sports.

£578.3m



£628.9m

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

15.2%



International Retail revenue increased by 15.2%, largely due to the acquisition of Sportmaster on 16 May 2022 and an increase in the Malaysian business, offset by the reduction in revenue following the disposal of the US retail businesses on 25 May 2022.

Excluding acquisitions, disposals and the 53rd week, on a currency neutral basis, revenue decreased by 2.4%. ⁽⁴⁾

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⁾

53.2p



Basic EPS of 106.1p, an increase of 53.2p year-on-year.

£1,658.2m



Net assets have increased to £1,658.2m from £1,308.6m at 24 April 2022, due to the increased profitability of the Group offset by significant share buybacks

STRATEGIC AND OPERATIONAL HIGHLIGHTS



TOP THREE GLOBAL STRATEGIC PARTNERS

Further strengthened brand partnerships, unlocking better products and new partnerships, with Nike listing us as one of its "Top Three Global Strategic Partners" in its FY23 fourth quarter results.

FRASERSPLUS

Rolled out Frasers Plus, an FCA approved and regulated credit facility and loyalty programme, across our brands and businesses.



HIYA!
MANCHESTER

Continued investment in our estate, opening a new Sports Direct flagship in Manchester, and a new Flannels flagship in Liverpool, with continued store openings and refurbishments across all divisions.



Invested significantly in improvements across our e-commerce offering supported by the increased capabilities in our warehouse automation.

Within the Premium Lifestyle division we acquired Gieves and Hawkes, Amara Living and the Premium Brands portfolio from JD Sports Fashion plc during the year, strengthening our ecosystem and delivery of our strategy.

TESSUTI

GIEVES & HAWKES

WATCHSHOP

BASE

CHOICE

CRICKET

GIULIO



scotts

SPORTMASTER

Acquired Sportmaster in Denmark to help grow our European footprint.



Post year end, launched new joint venture in Indonesia to support our international expansion.

ACQUIRED THE MALL SHOPPING CENTRE IN LUTON

Acquired The Mall Shopping Centre in Luton and The Overgate Centre in Dundee to further demonstrate our belief in the future of "bricks and mortar" retail, also underpinning our operational requirements.

Post year end, made new strategic investments in AO World, ASOS, Curry's and Boohoo, as the Group looks to explore opportunities to expand commercial relationships, and further develop the ecosystem.



asos

currys

boohoo

CHAIR'S STATEMENT

Introduction

We are pleased to report a record set of results for FY23, in line with the guidance we set at the start of the year. Customer demand continues to be strong across our Sport, Premium and Luxury divisions and, although the macro-economic environment remains challenging, our business continues to prove its resilience.

Michael Murray has completed his first year as Chief Executive Officer and has built a strong leadership team around him. With this fantastic team in place, the business has more energy and drive than ever before and is clearly benefiting from the clarity and strategic direction that Michael brings to the role.

During the year we were proud to return to the FTSE 100, demonstrating the strength of our Elevation Strategy and the strong progress we are making in delivering it.

Elevation and investment

It's clear from our results that the Elevation Strategy is working. We continue to invest in opening new, elevated stores, as well as refurbishing existing stores to improve the quality of our retail portfolio. We are particularly proud of the new FLANNELS flagship store in Liverpool UK and the new Sports Direct flagship store in Manchester UK, where customers are responding brilliantly to our innovations and product offerings driven by our strong brand partnerships. We have plans to open several more flagship stores in the near future.

The roll-out of our new strategy for Frasers continues to progress, through new store openings and continued brand development. We now have multiple sites across the UK and Ireland, as we aspire for Frasers to be a dynamic retail destination, providing an elevated lifestyle platform for contemporary and premium fashion.

We continue to strengthen relationships with our strategic brand partners. Recently, I was proud to witness the strength of the Group's relationship with NIKE, which led them to naming us as one of its "Top Three Global Strategic Partners" in their quarterly results. Prior to joining the Group, I spent almost 30 years at NIKE and it is great to see how this relationship has evolved and strengthened to deliver mutual benefits for both businesses.

The Group has a clear and disciplined M&A strategy and the strategic investments the Group makes in the ordinary course of business are important to growing our ecosystem. Our strategic investment in Hugo Boss AG has been hugely beneficial, enabling us to develop a strong relationship across the business and in turn

increasing the scale of our partnership, with it now being one of our biggest brand partners across the Group.

We have brought a number of new names into the Group which helped develop our ecosystem, such as Sportmaster in Denmark which will support our European expansion plans and Missguided which has helped build our expertise in e-commerce and an understanding of the Gen-Z customer.

Finally, Frasers Group in conjunction with a third-party lender has launched the 'Frasers Plus' product across Frasers Group, with a number of key brand channels offering this running account credit facility as a payment option and with the roll-out continuing to other Frasers Group brands. Through 'Frasers Plus', customers can access two main products: the ability to collect rewards that could be spent across all key businesses; and a buy-now-pay-later credit facility that will allow customers to spread out purchases in instalments. Additionally, the Studio Retail acquisition has given us the capability to bring additional payment products to our customers in the near future. We also have plans to roll out a Group-wide loyalty scheme, which will allow us to consolidate our customer data to provide a more personalised shopping experience.

Our people

Our aim is to create a diverse and inclusive working environment at Frasers Group where everyone can be the best they can be, every day. To support this, we have evolved our company values which are: Own It, Think Without Limits and Be Relevant.

Michael Murray has strengthened and redefined our leadership team, with the introduction of new and talented individuals who bring new energy and expertise to the business.

Our Fearless 1000 bonus scheme, worth £100m for high-performing Frasers Group colleagues, continues to motivate and inspire our workforce. The scheme is determined by our share price, with the target being £10 by 2025. Despite the challenging economic backdrop, we remain laser-focused on working collectively towards our Fearless 1000 share scheme. At the 2022 Annual General Meeting, we added an additional hurdle for the executive team of achieving an adjusted profit before tax⁽¹⁾ of at least £500m, in addition to meeting a £15 share price target.

In October 2022, Frasers Group employees participated in our first Employee Engagement Survey. Equipped with the insights from this survey, we have introduced several employee engagement improvements. Sport is

at the core of our business, and we are dedicated to supporting the physical and mental well-being of our teams. We have introduced several new well-being initiatives, such as Frasers Fit, which encourages a fit and healthy workforce.

We continue to prioritise attracting the best talent to the business. Our management development programme, the Frasers Elevation Programme, is now into its fourth year and we will look to recruit a new intake in September 2023. This focuses on developing talent in key areas for the Group, such as management and leadership, retail capability, and commercial expertise.

Environmental, social and governance

Led by our Chief Financial Officer, Chris Wootton, and our Sustainability team, our ESG strategy has continued to evolve in the last year, as we embed this into our wider Group strategy. Our ESG journey is a key supporting element to achieving our Group purpose and vision. We have created a simple framework across the business that focuses on three key pillars - People, Products, and Channels - which allows us to effectively implement our responsibilities into the Group.

With a focus on People, Products and Channels, we're working to continue with identifying and managing the environmental and social risks we face, and future-proofing the business against them.

At the 2022 Annual General Meeting in September, we also announced our commitment to a future without fur.

Outlook

Michael Murray set a clearly defined strategy for the business. We have many growth opportunities, our strategic brand partners are the strongest they have ever been, and we are looking forward to continuing our success in the years ahead. We are grateful for the support we receive from our employees, banks, our investment partners and all our stakeholders.

We expect further strong profit progress during FY24 as our FY23 momentum continues. The new financial year has started well, especially at Sports Direct, which continues to benefit from the strengthening relationships with key brand partners. We also expect further good progress on acquisition integration synergies and cost mitigation exercises. Additionally, we anticipate significantly lower levels of property profit than those delivered in FY23 (£95.4m). Based on these factors, we expect FY24 APBT will be in the range of £500m-£550m which would represent strong underlying trading profit progression.

Dividend and share buybacks

The Board has again decided not to pay a final dividend in relation to FY23. We believe this is in the best interests of the Group, preserving financial flexibility and enabling reinvestment back into the growth opportunities for the business.

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

David Daly

Non-Executive Chair of the Board

26 July 2023

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 and to deliver the Group's strategy. The Group's governance structures provide guidance to colleagues in delivering this strategy. 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 Planet's most admired and compelling brand ecosystem' section of this report.

Our business model is to provide consumers with access to the World's best sports, premium and luxury brands by building the planet's most admired and compelling brand ecosystem.

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 four business segments: UK Sports Retail, Premium Lifestyle, International 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 Sportland in the Baltics, Game Spain, SportMaster and Sports Direct Malaysia), the gyms, Studio Retail, the Group's Shirebrook campus operations, retail store operations in Northern Ireland, Evans Cycles, GAME UK and Coventry Arena.

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, Cruise, Van Mildert and the fashion brands acquired from JD Sports, along with their related websites. We aim to offer fashion-conscious consumers a luxurious, multi-brand retail destination with high-end and on-trend products.

In International 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, Malaysia and continental Europe. During the period 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.

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.

Store Elevation Strategy

The store elevation strategy continues to be a key focus area for the Group, delivering industry leading retail formats in our markets of operation, with three flagship stores delivered during the financial year.

For Sports Direct, two significant flagship stores were delivered over the financial year. The first located in Birmingham City Centre (60k sq ft) and the second in The Arndale Centre, Manchester (50k sq ft). Both openings have further built on the success of our first flagship on Oxford Street, London, pushing the format to new heights and rivalling the best Sports Stores globally. The stores offer an enhanced retail experience with sporting zones, interactive features and curated activation spaces. Further flagship sites for Sports Direct are due to open over the coming financial year in Cardiff City centre and at the Metrocentre, Gateshead. Outside the UK, a flagship site has been secured in Dublin City Centre, anticipated to open in FY25. Additional opportunities for flagship Sports Direct stores are in consideration across both the UK and Europe. The Elevation strategy has not been limited to just new stores, as a refit model has been developed that will be rolled out across selected Sports Direct stores.

For Flannels, the Luxury pillar of the Group, the largest flagship store to date opened in Liverpool City Centre at 120k sq ft incorporating Beauty, a Food and Beverage offering, a Beauty Clinic and the global boutique fitness brand, Barry's Bootcamp. The scale and format of the store has gained significant industry recognition including a Drapers award for best store design (Nov 22).

The Elevation journey has not been limited to our retail fascias, as the latest Everlast Gym concept has continued to be rolled out to new gyms, such as Preston Deepdale (20k sq ft) but also as part of a refit model in selected locations. The Everlast Gyms concept delivers a best-in-market hybrid format of 'big-box' meets 'boutique', alongside high-end gym equipment.

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 Programmes 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 approx. £23m, 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, being eligible to receive share bonuses ranging from £50k right up to £1m, if the share price is at £10 (for at least 30 consecutive trading days) at the vesting dates. See note 25 for further details.

Workers' Representative

The Frasers Group Workers' Representative is Cally Price, a store manager within our Cardiff 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 the 'Ask Cally' app. The App allows any employee to submit a question or raise an issue directly with the Non-executive Workforce Director, Cally Price, and receive a personal response. If required, this feedback is passed to senior management for review and appropriate action.

Our Global Third-Party Brand Partners

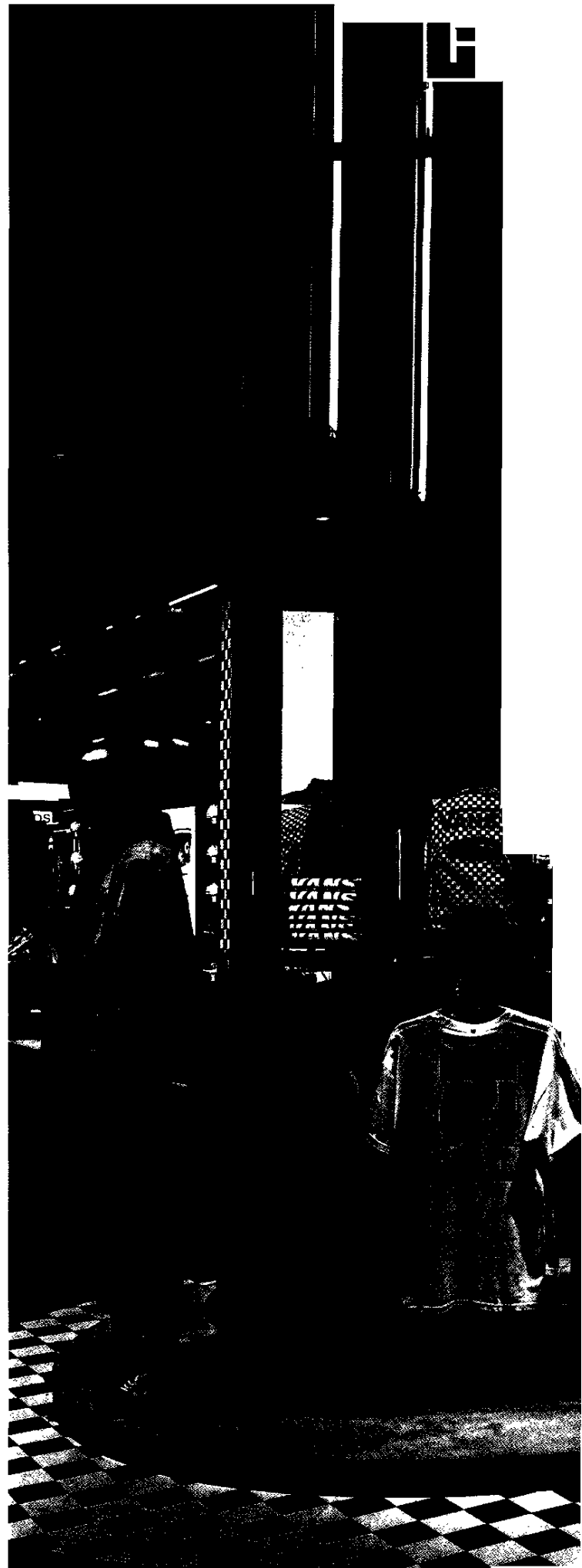
We work with our leading third-party global brand partners and provide significant prominence for them with our customers across all our platforms.

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.

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, creating 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 planet's most admired and compelling brand ecosystem.

**TO
BUILD
THE
WORLD'S
MOST
COMPELLING
BRAND
ECOSYSTEM**





Strategy	Key Achievements In FY23	Priorities for FY24
Brands Our consumers look to brands to elevate their everyday. They want to have the choice of the world's best brands across sports, premium and luxury. Accessibility is essential for our success. To achieve our vision, we focus on building excellent relationships with our brand partners, unlocking the best products and experiences. Our 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 and sit within our sector-leading ecosystem. Our ecosystem provides us with strong foundations to drive the Group forward and support our future growth across retail, real estate, and financial services.	During FY23, our achievements included: • Developed our relationships with key brand partners, such as Nike, adidas, Under Armour, Stone Island, Gucci, PVH Group and Hugo Boss Group. • Considered by Nike as one of its 'Top Global Strategic Partners', as noted in the FY23 Q4 results. • Established new, innovative brand partners. • Acquired strategic brands to enable our strategy and further grow our ecosystem, through the acquisitions of Gieves and Hawkes, Amara Living, and several premium and lifestyle brands. • Strategically invested in businesses that complement our existing or helped us to build and further utilise our sector-leading ecosystem, such as Boohoo, Currys, ASOS and AO World. • Invested in our Frasers Plus platform, a Financial Conduct Authority approved and regulated credit facility for the Group, which is being implemented across the business in a phased approach.	During FY24, our priorities are to: • Continue strengthening our relationships with strategic brand partners and improve our access to their best product across our key pillars of Sports, Premium, and Luxury. • Further grow our Frasers Plus business and identify opportunities for growth and consumer loyalty schemes. • Invest in and grow our own-brand portfolio to ensure it remains relevant to consumers and compliments our ecosystem. • Identify and grow new brand opportunities that unlock diversified customer interest. • Continue to unlock synergies with strategic investments and partnerships, growing our ecosystem.
Digital We aim to build a sector-leading digital ecosystem where we can create consumer value through seamless and innovative experiences offered by the world's best brands and technology. Through our digital strategy we continue to invest in unique multi-channel experiences and enhance our digital design to elevate the consumer shopping experience. Our digital investment has and will further build our technologies across e-commerce, data platforms and digital marketing to facilitate the next stage of our growth. We work alongside industry leaders to ensure our digital business is forward thinking and delivers strong performance.	During FY23, our achievements included: • Significantly improving the digital consumer experience across all touchpoints within the Group. • Invested in our digital business and collaborated with industry leaders to ensure it remained relevant and delivered a strong performance. • Enhanced our marketing capabilities to demonstrate a cohesive brand image for our business. • Launched phase one of our migration to an industry leading technology platform to build the foundations of our new e-commerce experience. • Launched Frasers Plus across our key online businesses with third party lending support. • Introduced Electronic Data Interchange across our warehouses, improving efficiency and reducing costs.	During FY24, our priorities are to: • Continued investment in our online retail capabilities, particularly within our luxury portfolio, 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. • Further develop our Frasers Plus digital credit product and connected loyalty programme that rewards our most loyal customers. • Leverage our data capabilities to drive incremental value through enhanced personalised experiences at all consumer touchpoints. • Build phase two of our cutting-edge technology platform to continue elevating our digital business. • Expand our global footprint through opening international sites and warehouses to support growth internationally and improve operational efficiencies.

Strategy	Key Achievements In FY23	Priorities for FY24
Physical The elevation and expansion of our physical store portfolio is a fundamental part of our Group-wide strategy and legacy. Across our three pillars of Sports, Premium and Luxury, we will continue to: - Invest in new strategic locations and acquisitions. - Expand and identify opportunities across Europe and internationally for Sports Direct. - Elevate and improve our current estate, particularly for Sports Direct. - Give consumers access to unrivalled luxury destinations across our FLANNELS and Frasers business. - Identify strategic real estate investments to support the business' long-term strategy. - Provide consumers in regions underserved by the luxury market with the world's best brands.	During FY23, our achievements included: - Opening a series of our new-concept flagship stores, including: - FLANNELS Liverpool, a 120,000 sq. ft luxury destination, housing the world's-first Barry's Bootcamp within a physical retail space. - Sports Direct's third flagship in Manchester, which showcases the business' new and industry-leading running concept. - Rebranded our FLANNELS London Flagship to FLANNELS X, a next-generation culture hub, which will become a sphere for brand partner activations and events. - Continued opening new locations across the UK and Europe. - Invested in our Frasers business through new store openings and continued brand development. - Acquired The Mall Shopping Centre in Luton and The Overgate Centre in Dundee to further demonstrate our belief in the future of physical retail. - Invested 855,000 sq. ft into new stores and flagships. - Continued opening Everlast Gyms across the UK offering ultimate fitness experiences for consumers.	During FY24, our priorities are to: - Further grow our presence in Europe. - Continue opening new flagship stores across the UK and Europe, in locations such as Leeds and Metrocentre Gateshead. - Invest in experiences and retail collaborations across new categories, with a focus on home, beauty, and lifestyle. - Develop and improve operational excellence across our retail portfolio, gradually introducing technology partners to enhance our in-store offering and continue to meet the ever-evolving demands of the consumer. - Continue to roll out the opening of Everlast Gyms, offering ground-breaking fitness clubs across the UK. - Open five Sports Direct elevated stores across Indonesia to deliver the best-in-class product range, value, and experience. - Identify strategic opportunities and acquisitions to support our international expansion.
Enablers We aim to have the best team to enable us to deliver our strategy. To attract new talent, we continue to develop our employer brand and act on our values, whilst further improving communication to drive engagement with existing colleagues. We have a rewards-based culture and we continue to introduce new ways of empowering and motivating our workforce to support the delivery of our strategy. We continue to invest in our automation to enhance our Group efficiencies.	During FY23, our achievements included: - Conducted our first ever employee survey to listen and champion our people. - Re-launched our company values - Own It, Think Without Limits and Be Relevant, to motivate and encourage our people. - Significantly improved communications across the business, to introduce regular and direct interaction with our CEO and the leadership team. - Further communicated the Fearless 1000 bonus scheme, whereby 1000 staff split £100m giving our people the opportunity to win life changing sums of money if the share price hits £10 (for 30 days). - Consistently invested in automation, with one of the largest Auto-stores in Europe. - Future proofed the business with planned key operational sites in Coventry and Germany.	During FY24, our priorities are to: - Build out and support career pathways to support the growth and development of our team. - Continue to drive a high-performance culture through regular employee updates and increased employee engagement. - Continue to future proof the business by developing automation plans across the UK and Europe, ensuring successful delivery of our strategy.

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.

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022	52 weeks ended 25 April 2021
Group revenue	£5,565.2m	£4,805.3m	£3,625.3m
Reported PBT	£660.7m	£335.6m	£8.5m
Adjusted PBT ⁽¹⁾	£478.1m	£339.8m	(£39.9m)
Cash flow from operating activities before working capital	£875.6m	£786.8m	£578.3m
Net assets	£1,658.2m	£1,308.6m	£1,211.0m
Non-Financial KPIs			
Number of retail stores ⁽²⁾	1,630	1,552	1,547
Workforce turnover	44.5%	38.3%	28.9%
Electricity consumption on like for like stores improvement vs FY20	15.9%	5.0%	-
Employee engagement score	66	-	-

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

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 and the tax impact of these items. This measure has been reviewed by the Audit Committee which has appropriately challenged management on the presentation and the adjusting items included in this APM.

(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 niche fascias. Includes GAME and Sofa.com concessions.

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 Before Working Capital

Cash inflow from operating activities before working capital is considered an important indicator for the Group of the cash generated and available for investment in the Elevation strategy.

Net Assets

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

Like for Like electricity consumption

This measure links to our targets in the TCFD report around the installation of LED lighting, building management services, and voltage optimisation. This measure allows the board to determine the effectiveness of these projects in reducing the Group's energy consumption. Like for like stores includes stores in Great Britain, above a de minimis consumption, and that were open from 2019 onwards. Given the effects of Covid-19 in FY21, no reliable figure was available and, as a result, no KPI has been included for FY21.

Employee Engagement score

In FY23 the Group conducted its first ever employee engagement survey. This allows the board to monitor and assess the Group's culture and cement our strategic ambition to build the best team on the planet.

CHIEF EXECUTIVE'S REPORT AND BUSINESS REVIEW

Introduction

Since taking over as Chief Executive in May 2022, we have continued to invest and make significant progress for the medium and long-term benefit of the Group. This year has been the most transformational year for the Elevation Strategy to date, as we build a winning proposition for the benefit of both our brand partners and our customers. We're confident our strategy is propelling us forward, and we are excited about the future and continued growth opportunities.

Last year, we shared our new vision – 'to build the planet's most admired and compelling brand ecosystem', and we have made huge strides towards achieving this. In working towards this, we have strengthened key brand partner relationships, attracted the best talent, grown our footprint across the UK and internationally, and returned to the FTSE 100.

As we look to the year ahead, there is a lot to be excited about. We are looking forward to completing the Group-wide rollout of Frasers Plus, a market leading running account credit payment option and connected loyalty programme, which will unlock reward schemes and payment facilities for Frasers Group customers. Under our new Managing Director of Sport, Ger Wright, we will be focusing on the international expansion of our sports business in collaboration with our strategic brand partners, progressing towards our ambition to become the number one sports retailer in EMEA. We are also driving forward our store expansion and investment programme in the UK and internationally, with further store openings and refits already in motion. We are focused on FLANNELS and Frasers, following the recent success of the flagship store openings.

Whilst the global macroeconomic environment is challenging, we continue to deliver record results by staying focused on our strategy. Our long-term investment, vision, and performance, allows us to provide confidence to our brand partners, shareholders, and customers as we establish ourselves as a sector-leading retail platform.

Business performance and financial highlights

The strength of the Frasers Group balance sheet is a critical foundation of our business, enabling us to invest and grow with confidence. This year, we continued our practice of adopting conservative, consistent and simple accounting principles. This approach to our balance sheet ensures that stakeholders have a clear view of the value creation in the business.

The group currently intends to revise its segmental reporting in FY24 based on how we will be managing the business going forward and to give further clarification to stakeholders, both internally and externally, regarding key Group functions that complement the core retail business. These new segments are currently intended to be UK Retail, International Retail, Property, and Financial Services.

Our strong financial performance in the year is shown in the below financial highlights:

- Revenue increased to £5,565.2m (FY22: £4,805.3m)
- Profit Before Tax increased to £660.7m (FY22: £335.6m)
- Adjusted PBT increased to £478.1m (FY22: £339.8m)
- Net Assets at FY23 £1,658.2m (FY22: £1,308.6m)

Brand partnerships

During 2022, we have strengthened and grown our strategic brand partnerships, enabling us to unlock new and relevant brand opportunities for our customers. These brand partnerships are fundamental to our strategy and remain a top priority for the business. Our Elevation Strategy is also receiving global recognition, with Nike listing us as one of its "Top Three Global Strategic Partners" at its FY23 fourth quarter results. The momentum we have created with the continued support of our brand partners gives us the confidence in our ability to expand internationally. We are also really excited about on-boarding new leading sport brands into our business during FY24.

Acquisitions

Acquisitions and strategic investments the Group makes in the ordinary course of business are a key growth component within the development of our ecosystem. We have a clear and structured acquisition platform to unlock new capabilities and drive growth opportunities across areas of our ecosystem. Through this approach, we have strengthened our luxury business, with acquisitions of the iconic tailoring brand, Gieves and Hawkes, the luxury homeware brand, Amara Living, and, through a fashion acquisition from JD Sports creating further expansion opportunities for FLANNELS.

Within our Premium business, the acquisitions of Missguided and I Saw it First have expanded and improved our digital offering and grown our own brand strategy. We continued to invest in our strategic brand partner, Hugo Boss AG, which has enabled us to develop an exceptional relationship, resulting in the brand now being one of our top five partners having more than doubled in size from a revenue perspective in the last few years. Together, we have developed a strategic relationship that has transpired over the years through mutual collaboration to deliver benefits for both Frasers Group as well as Hugo Boss AG. We have also been able to accelerate our international expansion in sports through the acquisition of the leading Danish sporting goods retailer, Sportmaster.

Frasers Group in conjunction with a third-party lender has launched the 'Frasers Plus' product across Frasers Group, with a number of key brand channels offering this running account credit facility as a payment option and with the rollout continuing to other Frasers Group brands. Through 'Frasers Plus', customers can access two main products: the ability to collect rewards that could be spent across all key businesses; and a buy-now-pay-later credit facility that will allow customers to spread out purchases in instalments. Additionally, the Studio Retail acquisition has given us the capability to bring additional payment products to our customers in the near future. We also have plans to roll out a Group-wide loyalty scheme, which will allow us to consolidate our customer data to provide a more personalised shopping experience. Finally, the Mysale acquisition will be a developed outlet business for the Group, allowing us to expand our portfolio further.

Acquiring and disposing of property assets is core to our business model and strategy. This year we have significantly invested into the UK high street, through the acquisitions of Luton and Dundee shopping developments, totalling £95.5 million. This significant and required investment into the retail industry allows us to unlock demands and deliver retail experiences to our customers. We have also disposed of significant property assets to increase financial agility.

Store development

It was a busy year for the retail innovation team, as we continue to expand and develop our store portfolio, which remains core to our Group and brand partner strategy. We remain focused on the expansion of our Sports Direct estate, with further openings in key markets across the UK, as well as investing in our existing portfolio. We have also announced plans for Sports Direct to open several stores in Indonesia, which will act as a platform for business growth.

Europe remains a huge opportunity for Sports Direct and we continue to look for opportunities to grow in key markets in the region, both organically and by pursuing strategic acquisition opportunities. Whilst there are challenges in some European markets, our collaborative relationships with our brand partners means we can work closely together to ensure we are investing smartly, delivering customer value, and pursuing the right areas for growth.

In our wider business, we have invested in flagship store locations, including opening a 120,000 sq. ft FLANNELS flagship in Liverpool, UK. Further to this, we have also opened and refitted a significant number of stores in the UK and internationally, totalling approximately 1 million sq. ft. This includes several GAME store-within-a-store formats. We have also elevated several Everlast Gyms, as we continue the rollout of exceptional fitness clubs to customers and athletes across the UK.

Operations

Our strong operational backbone and commercial business model enables us to deliver our strategy and develop our sector leading ecosystem efficiently. To date, we have invested over £200m into our warehouse automation, which has given us one of the largest Auto-stores in Europe. Our recent investments in key distribution hubs in Bitburg, Germany and Coventry, UK will also create a strong pipeline for the Group's growth ambitions and help future proof the business. Through strategic acquisitions and integrations, we have expanded our capabilities, whilst making significant cost savings and creating an agile structure for our platform.

Our people

In line with our rewards-based culture, we continue to look for new ways to empower and motivate our workforce. We are incredibly proud of our team who continue to show their loyalty and dedication to the business.

We believe regular and transparent communication with our teams is essential. This year we have launched several new initiatives, including quarterly 'CEO Sessions' where staff from across the business have the opportunity to come together and discuss the vision, whilst we hear and learn from our teams on the frontline.

Our Fearless 1000 bonus scheme, worth £100m for high-performing Frasers Group colleagues, continues to motivate and inspire our workforce. The scheme is determined by our share price, with the target being £10 by 2025. Despite the challenging economic backdrop, we remain laser-focused on working collectively towards our Fearless 1000 share scheme.

Sport remains at the core of our business. This year we have introduced several well-being initiatives, such as Frasers Fit, which encourages a fit and healthy workforce, and in September we hosted our first 'Frasers Festival'. This brought together 1,500 of our top performing colleagues and brand partners for a day of assault courses, interactive brand activations and live entertainment to celebrate the business' 40-year anniversary.

Environmental, social, and governance

Sustainability continues to be a focus for the Group and the Board. Our strategic priorities for sustainability are key supporting elements when it comes to achieving our Group purpose and vision. We are committed to our ESG journey, which we continue to develop as we strive to make long-term commitments with lasting impact. This year, we have established a clear direction for our ESG journey, by developing and defining our framework. Within our framework, we have built clear pillars of focus - Products, People and Channels - and through this we have a number of strategic priorities.

We have established new partnerships, improved our understanding of the materials that make up our products, and explored new business models, such as renting and take back. We also announced our commitment to a future without fur at our Annual General Meeting in September 2022.

Our operational efficiency continues to go from strength to strength. We have increased the storage capacity of our forward pickface by more than 350% and therefore increased our SKU count. As a result, we now process more than 215 million units annually, and we need 50% less warehouse locations. Not only have we effectively minimised our physical footprint, but we can now ensure all new acquisitions work to the same standards that our core business has built.

As we look to the future, we can be confident that we have an incredibly exciting journey ahead of us. Our strategy is exceeding expectations, our brand relationships are the best they have ever been, and we have a talented and determined workforce, who continue to go above and beyond to deliver our vision. As I develop in my role, I am incredibly enthusiastic for the year ahead, and I am confident we have a strong proposition and an experienced operational model, underpinned with a resilient balance sheet. We are set up to win.

Michael Murray

Chief Executive Officer

26 July 2023

PERFORMANCE OVERVIEW

Group:

- Revenue increased by 15.8%, largely due to acquisitions and the impact of a 53rd week in FY23 ⁽³⁾. Excluding acquisitions, disposals and the 53rd week, on a currency neutral basis, revenue increased by 1.3%. ⁽⁴⁾
- Group gross margin decreased to 42.6% from 43.5%, which reflects the improvements in Sports Direct's product mix as a result of strengthening brand relationships, offset by the impact of House of Fraser store closures, brand consolidation, and a very strong post Covid-19 comparative of full price trading.
- Reported PBT of £660.7m, an increase of 96.9% and reported profit after tax of £501.3m, an increase of 95.1%.

UK Sports Retail:

- Revenue increased by 16.7%, largely due to the full year impact of the acquisition of Frasers Group Financial Services (formerly Studio Retail Limited 'FGFS'), which was acquired on 24 February 2022. Excluding acquisitions, and the 53rd week, revenue increased by 0.8%. ⁽⁴⁾
- Gross profit increased by £244.9m and gross margin increased by +180 bps to 44.9% reflecting an improved product mix in the core Sports Direct business due to strengthening brand relationships. This, combined with profits on disposal of properties, contributed to a substantial £250.1m (127.0%) increase in segment APBT ⁽¹⁾ to £447.0m.

Premium Lifestyle:

- Revenue increased by 14.8%, with the impact of planned House of Fraser store closures more than offset by new FLANNELS store openings and continued growth in online. Excluding acquisitions and the 53rd week, revenue increased by 5.7%. ⁽⁴⁾
- Our long-term ambitious growth plans for Flannels remain on track. Flannels largely maintained its profitability, against a very strong performance in FY22 and reflecting the tougher macro-economic conditions this year.

International Retail:

- Revenue increased by 15.2%, largely due to the acquisition of Sportmaster on 16 May 2022 and an increase in the Malaysian business, offset by the reduction in revenue following the disposal of the US retail businesses on 25 May 2022. Excluding acquisitions, disposals and the 53rd week, on a currency neutral basis, revenue decreased by 2.4%. ⁽⁴⁾
- Basic EPS of 106.1p, an increase of 53.2p year-on-year.
- Cash inflow from operating activities before working capital movements of £920.2m, an increase of £133.4m largely driven by strong trading performance particularly in UK Sports.
- Net assets have increased to £1,658.2m from £1,308.6m at 24 April 2022, due to the increased profitability of the Group offset by significant share buybacks.

REVIEW BY BUSINESS SEGMENT

UK Sports Retail

UK Sports Retail includes core sports retail store operations in the UK, plus all the Group's sports retail online business (excluding Sportland in the Baltics, Game Spain, SportMaster, Sports Direct Malaysia, Bobs and EMS, the gyms, Studio Retail, the Group's Shirebrook campus operations, retail store operations in Northern Ireland, Evans Cycles, GAME UK and Coventry Arena. UK Sports Retail is the main driver of the Group and accounts for 55.4% (FY22: 54.9%) of Group revenue.

	53 weeks ended 30 April 2023	Pro forma 52 weeks April 2023 ⁽¹⁾	52 weeks ended 24 April 2022
	(£m)	(£m)	(£m)
Revenue	3,080.6	3,022.5	2,640.1
Cost of Sales	(1,698.9)	(1,666.8)	(1,503.3)
Gross Profit	1,381.7	1,355.7	1,136.8
Gross Margin %	44.9	44.9	43.1
Adjusted PBT	447.0	438.6	196.9

(1) Pro forma 52 weeks results have been given in order to provide a comparative to FY22, due to FY23 being a 53 week period.

Revenue increased 16.7% to £3,080.6m, largely due to FY23 including a full year of Studio Retail. On a currency neutral basis and excluding acquisitions and the 53rd week, revenue increased 0.8%.

UK Sports Retail gross margin increased to 44.9% (FY22: 43.1%), largely due to the continually improving product mix.

Adjusted PBT for UK Sports Retail was £447.0m (FY22: £196.9m), largely due to improved Sports Direct performance, a decrease in legal provisions, profit on disposal of properties of £84.0m compared to £10.7m in FY22 and a reduction in property related impairments in the current period (FY23: £26.6m compared to FY22: £103.4m).

UK Sports Retail Store Portfolio ⁽³⁾

	30 April 2023	24 April 2022
England	382	385
Scotland	38	37
Wales	29	30
Northern Ireland	20	19
Guernsey	1	1
Isle of Man	1	1
Jersey	1	1
GAME UK ⁽¹⁾	267	259
Evans Cycles ⁽²⁾	57	57
USC	16	18
Total	812	808
Opened	93	90
Closed	(89)	(88)
Acquired	-	-
Area (sq.ft.)	Approx. 6.9m	Approx. 6.7m

(1) The GAME UK store numbers include 176 concessions operating within Sports Direct fascia stores (FY22: 125) and does not include BELONG arenas.

(2) The Evans Cycles store numbers include 2 concessions operating within House of Fraser fascia stores (FY22: 2).

(3) Table excludes the Group's standalone gyms.

Premium Lifestyle

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, Frasers, House of Fraser, Jack Wills and Sofa.com, Cruise, Van Mildert and the fashion brands acquired from JD Sports, along with their related websites.

	53 weeks ended 30 April 2023	Pro forma 52 weeks April 2023 ⁽¹⁾	52 weeks ended 24 April 2022
	(£m)	(£m)	(£m)
Revenue	1,212.9	1,190.0	1,056.6
Cost of Sales	(741.1)	(727.1)	(581.8)
Gross Profit	471.8	462.9	474.8
Gross Margin %	38.9	38.9	44.9
Adjusted PBT	(0.1)	(0.1)	10.5

(1) Pro forma 52 weeks results have been given in order to provide a comparative to FY22 due to FY23 being a 53 week period.

Revenue grew 14.8% to £1,212.9m. This was largely due to new FLANNELS stores, continued growth in online and acquisitions, offset by a reduction in House of Fraser stores. On a currency neutral basis and excluding acquisitions and the 53rd week, revenue increased 5.7%.

Premium Lifestyle gross margin decreased to 38.9% (FY22: 44.9%), largely due to House of Fraser store closures and brand consolidation, against a very strong performance in FY22 and reflecting the tougher macro-economic conditions this year.

Adjusted PBT for Premium Lifestyle decreased to a loss of £0.1m in FY23 compared to a profit of £10.5m in the prior period, largely due to the prior period including rates relief, current year intangible impairments of £19.8m and House of Fraser store closures, partially offset by new FLANNELS stores, continued growth in online and less property related impairments in the current period (FY23: £47.9m compared to FY22: £103.5m).

Premium Lifestyle Store Portfolio

	30 April 2023	24 April 2022
Fashion Brands	67	-
FLANNELS	58	53
Jack Wills ⁽²⁾	33	52
House of Fraser / Frasers ⁽²⁾	31	39
Sofa.com ⁽¹⁾	20	23
Gieves & Hawkes	5	-
Cruise	4	5
18 Montrose	2	4
Garment Quarter	1	1
Van Mildert	-	1
Psyche	-	1
Total	221	179
Opened	9	21
Closed	(49)	(21)
Acquired	82	-
Area (sq.ft.)	Approx. 3.6m	Approx. 4.0m

(1) Sofa.com store numbers include 13 concessions operating within House of Fraser fascia stores (FY22: 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.

International Retail

International Retail includes all the Group's sports retail stores, management and operations internationally (including the Group's international distribution centres in Belgium, Austria, Denmark, Malaysia as well as GAME Spain). It also includes the online businesses relating to SD Malaysia, Game Spain, SportMaster and Mysale. During the period the Bob's Stores and Eastern Mountain Sports fascias and their corresponding e-commerce offerings were disposed of.

	53 weeks ended 30 April 2023	Pro forma 52 weeks April 2023 ⁽¹⁾	52 weeks ended 24 April 2022
	(£m)	(£m)	(£m)
Revenue	1,083.4	1,063.0	940.5
Cost of Sales	(644.6)	(632.4)	(526.5)
Gross Profit	438.8	430.6	414.0
Gross Margin %	40.5	40.5	44.0
Adjusted PBT	79.4	77.9	121.3

(1) Pro forma 52 weeks results have been given in order to provide a comparative to FY22, due to FY23 being a 53 week period.

Revenue increased 15.2% to £1,083.4m, largely due to acquisitions during the period and the prior period being impacted by Covid-19. On a currency neutral basis and excluding acquisitions and the 53rd week, revenue decreased by 2.4%.

Gross margin decreased to 40.5%, largely due to acquisition revaluation impacts in relation to Sportmaster and the prior period including inventory holding efficiencies in relation to the US retail businesses not recurring in the current period.

Adjusted PBT for International Retail decreased to £79.4m from £121.3m in FY22, largely due to the Sportmaster acquisition and the disposal of Bob's Stores and Eastern Mountain Sports in the period.

International Retail Store Portfolio ⁽¹⁾

	30 April 2023	24 April 2022
GAME Spain	233	235
Denmark	68	-
Republic of Ireland ⁽¹⁾	45	43
Belgium	34	34
Malaysia	33	34
Estonia ⁽²⁾	22	20
Portugal	21	21
Lithuania ⁽²⁾	19	19
Austria	19	19
Latvia ⁽²⁾	18	18
Poland	15	13
Czech Republic	12	12
Spain	12	10
Slovenia	11	13
France	7	4
Hungary	7	8
Cyprus	6	6
Holland	5	5
Slovakia	5	5
Iceland	2	1
Luxembourg	2	2
Germany	1	1
Bob's Stores	-	21
Eastern Mountain Sports	-	21
Total	597	565
Opened	16	13
Closed	(17)	(10)
Acquired	75	-
Disposed	(42)	-
Area (sq.ft.)	Approx. 4.3m	Approx. 5.0m

(1) Excluding Heaton's fascia stores

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

Wholesale & Licensing

The Wholesale & Licensing segment operates our globally renowned heritage Group brands (such as Everlast, Lonsdale, Karrimor and Slazenger), 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.

	53 weeks ended 30 April 2023	Pro forma 52 weeks April 2023 ⁽¹⁾	52 weeks ended 24 April 2022
	(£m)	(£m)	(£m)
Wholesale	165.0	161.8	145.3
Licensing	23.3	22.9	22.8
Total Revenue	188.3	184.7	168.1
Cost of Sales	(110.8)	(108.7)	(105.0)
Gross Profit	77.5	76.0	63.1
Gross Margin %	41.2	41.2	37.5
Adjusted PBT	(48.2)	(47.3)	11.1

Revenue increased by 12.0% to £188.3m. Wholesale revenues were up 13.6% to £165.0m and Licensing revenues increased 2.2% to £23.3m, largely due to an increase in revenue from our US business Antigua. On a currency neutral basis and excluding acquisitions and the 53rd week, total revenue increased by 0.9%.

Total gross margin increased to 41.2% (FY22: 37.5%), largely due to product mix within the US wholesale division and Antigua. Adjusted PBT decreased to a loss of £48.2m (FY22: profit of £11.1m), largely due to the Everlast impairment of intangibles and goodwill in the period.

PROPERTY REVIEW

The elevation of the Group's estate remains a key focus area. Over the financial period two Flagship Sports Direct stores were delivered in Birmingham City Centre (60k sq ft) and Manchester City Centre (50k sq ft). Both openings have pushed the Flagship concept to new heights rivaling the best Sports Stores globally and introducing specialist sporting zones, interactive experiences and curated activation spaces. A further Flagship site in Dublin City centre has been secured with other opportunities across the UK and Europe being considered.

Equally for the Luxury pillar of the Group, FLANNELS the store estate continues to grow along with the introduction of Flagship stores with Liverpool opening early in the financial year. The largest FLANNELS store to date at 120k sq ft incorporating Beauty, Food & Beverage, a Beauty Clinic and the boutique fitness brand Barry's Bootcamp. The scale and format of the store has gained significant industry attention including a Drapers award for best store design (Nov 22). Another significant opening for FLANNELS was Blanchardstown, Dublin being the first FLANNELS store to open outside of the UK. Additional FLANNELS stores are due to open in the Republic of Ireland over the next financial year.

The pipeline of new store openings for the upcoming financial year is anticipated to be comparable to prior years with a focus on delivering large multi format stores with co-investment from landlords.

Along with new store openings, the Group's estate grew via company acquisitions both in the UK and internationally. The most significant being 77 stores relating to brands acquired from JD Sports Fashion Plc that now form part of the Group's Premium Lifestyle division. In addition, now forming part of the International Retail division 'Sportmaster' in Denmark was acquired resulting in 68 stores within a new territory for the Group. Whilst the Group has been active with corporate acquisitions, over the period the 'Bob's Stores' and 'Eastern Mountain Sports' businesses based in the United States were sold reducing the international footprint by 42 stores.

Further to new store openings, the Group continues to elevate via refitting existing trading stores. A refit model has been developed across the Group's brands and executed in appropriate locations. This includes a new Everlast Gym refit model as a progression from the new concept first delivered in Manchester, Denton.

Finally, investment in Freehold property continues to be an option for the Group as has been the case in prior years. Disposals of Freehold properties outweighed acquisitions due to a significant portfolio sale of 9 Retail Parks completing in August 22. Notable acquisitions include Luton Shopping Centre and the former Debenhams on Henry St, Dublin.

Store Portfolio – UK Retail

Sports Stores in the UK (including Northern Ireland):

Sports Direct is currently operating 382 stores in England, 38 in Scotland, 29 in Wales and 20 in Northern Ireland. Across the UK there were 22 openings and 24 closures over the period. In almost all instances the closures were linked to new elevated larger store openings. The increase in store sizes is reflected by the increase in sales area for Sports Direct at a combined c.6.3m sqft in the UK.

Openings to highlight include two flagship stores in Birmingham City centre (60k sq ft) followed by Manchester City centre (50k sq ft), being the most advanced Sports Direct store delivered to date. Both flagship stores include specialist sporting zones as well as curated activation spaces. Further flagship locations are due to open in Cardiff and in the Metrocentre in Gateshead over the next financial period. The number of new Sports Direct stores for FY24 is anticipated to be broadly in line with the this financial period.

The Sports Direct refit model was further refined over the period and is due to be implemented across selected locations in order to aid the elevation of the store estate.

Store Portfolio – Evans Cycles:

There are currently 57 Evans Cycle stores trading, this remains the same as the prior financial year following six openings and six closures over the period. The Evans Cycles store-in-store concept continues to be implemented in selected locations, primarily within large format Sports Direct stores.

Store Portfolio – GAME UK:

As was the case in the previous financial year, the number of GAME stores in the UK increased to 267, a net increase of 8 stores over the period. This has been driven by the smaller store in store format which forms part of new selected Sports Direct stores. The relocation programme transitioning standalone sites into existing Sports Direct stores continued at pace and is anticipated to be broadly complete by the end of the next financial year and into 2024.

Store Portfolio – Premium Lifestyle

Within the Group's Premium division there was significant change over the period following the acquisition of various Brands from JD Sports Fashion Plc resulting in an additional 77 stores. The majority of the new stores fall under the Tessuti and Scotts Brand. In addition the acquisition of Gieves & Hawkes resulted in 5 new stores in the division.

FLANNELS:

For FLANNELS, over the period there were 6 new stores opened with one closure being the result of a relocation. This brings the total estate to 58 stores.

The most notable opening over the period was FLANNELS Liverpool, the largest flagship store to date (120k sq ft). The store incorporates a new mix of Beauty, Food & Beverage, a Beauty Clinic and the boutique fitness brand Barry's Bootcamp. With such a combination and scale the store gained significant industry attention including a Drapers award for best store design (Nov 22).

The first store outside of the UK was opened in Blanchardstown, Dublin. Further openings within Ireland are due over the upcoming financial period, the next location will be in Cork City centre. Note the store numbers for FLANNELS Ireland are reflected within the 'International' portfolio section of the report.

Looking ahead the new store activity for FLANNELS will continue in a comparable manner to prior financial years. A key opening will be another flagship planned at the Metrocentre in Gateshead. In addition to usual store openings there will be further activity relating to a conversion programme of selected Tessuti stores as well as others stores acquired from JD Sports Plc in FY23 to the FLANNELS brand.

House of Fraser (HoF):

At the end of FY23 there were 31 House of Frasers stores trading, a net decrease of eight stores after ten closures and two openings.

A notable new store was opened in Derby taking a former Debenhams unit. The Frasers store comprises a reduced format combined with separate floors housing Sports Direct.

Two new Frasers sites were opened in Ireland located in Cork and Newbridge. Both the new stores also incorporate a linked floor to Sports Direct. Note these stores in Ireland are included within the 'International' store numbers.

New Frasers stores due to open over FY24 include a new format at Norwich and a new location in Blackpool. Both sites will include other Group Brands consistent with recent new format Frasers openings.

Store Portfolio – International:

Republic of Ireland (ROI):

At the end of the financial period there were 45 stores within the Republic of Ireland (ROI), a net increase of two stores. A key opening was the first FLANNELS store outside of the UK located in Blanchardstown, Dublin. Further to this, the Frasers element of the former Debenhams units taken in Newbridge and Cork Mahon Point Shopping Centre were opened (note the Sports Direct section opened during FY22).

A refit programme elevating selected Sports Direct stores commenced over the period and will continue into the next financial year. New sites have also been secured for Sports Direct, the most significant being the former Debenhams on Henry Street, Dublin anticipated to open over FY25. An additional FLANNELS site is also due to open in Cork over FY24 with further sites being assessed.

Continental Europe:

The Group operates 286 Sports retail stores in Europe across 19 countries (excluding ROI, plus 26 non-core, speciality and outlet stores) totalling over 3.2m square feet of net sales space across our European sports fascias (including Sportland, Lillywhites, Sports World etc).

During the period, the Group opened thirteen stores across seven countries including 3 stores in France as we look to grow our presence in this strategic market.

Eight of these were elevated Sports Direct stores incorporating a USC totalling over 100k sq ft of retail space.

There were also fifteen store closures in six different countries due to either relocations, poor performance or landlords requiring the units back.

The Group is firmly committed to physical store expansion and continues to build a pipeline of store openings across the markets we operate in.

During the financial year, we further expanded our geographical coverage with the purchase of Denmark's number one Sporting Goods chain, Sportmaster. We are now integrating this business into our wider platform and will optimise the estate in the coming years focussing on bigger, better, fewer stores, showcasing our best-in-class Sporting Goods assortments to the Danish market.

Rest of World:

33 stores trading across Malaysia following 1 opening and 2 closures over FY23.

There are now 24 elevated stores with 11 USC stores incorporated, where existing space has allowed. The balance stores & factory outlets will eventually be replaced with the elevated concept as part of 3-year expansion.

Additional geographical locations across Malaysia have been identified to grow the store estate. These new locations will also include a number of Flagship sites.

The Group's business located in the United States, Bob's Stores and Eastern Mountain Sports were sold over the period ending all retail operations in the territory.

Freehold / Long Leasehold Property:

Investment in property assets remains an important aspect of the Group's estate strategy.

- Over FY23 a total of 9 properties were acquired across the UK, totalling approx. £143.0m. The most significant purchase was The Mall, Luton for a consideration of £58.0m.
- Two sites were acquired within the EU totalling approx. €60.3m, the most significant being the former Debenhams in Dublin City Centre.
- Disposal of property assets continues to be standard practice for the Group. Over the period 13 disposals completed within the UK for a total consideration of c.£207.6m. The most significant transaction was a portfolio sale of 9 retail parks for a combined price of approx. £205.0m.
- There were 5 property disposals across the EU totalling c.€39.7m, this was entirely due to another portfolio sale consisting of 5 sites acquired from Toys R Us over FY20.

Michael Murray

Chief Executive Officer

26 July 2023

FINANCIAL REVIEW

The Financial Statements for the Group for the 53 weeks ended 30 April 2023 are presented in accordance with UK-adopted International Accounting Standards (UK IAS).

Summary of Results

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
	(£m)	(£m)
Revenue	5,565.2	4,805.3
Reported profit before tax	660.7	335.6
Adjusted PBT ⁽¹⁾	478.1	339.8
Earnings per share (EPS)	Pence per share	Pence per share
Reported basic EPS	106.1	52.9
Adjusted basic EPS ⁽²⁾	70.9	53.9

(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, share schemes and the tax impact of these items. 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, share schemes and the tax impact of these items. 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 30 April 2023 and as detailed in note 30c, the Group had the following forward contracts and bought options 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 380m	FY24	1.21 – 1.26
USD / EUR	USD inventory purchases	USD 60m	FY24	1.31
EUR / GBP	Euro sales	EUR 816m	FY24 – FY26	0.99 – 1.09

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 sold currency options and unhedged forwards:

Currency	Expected use	Currency value	Timing	Rates
USD / GBP	USD inventory purchases	USD 190m	FY24	1.21 – 1.25
USD / EUR	USD inventory purchases	USD 60m	FY25	1.31
EUR / GBP	Euro sales	EUR 1,056m	FY24 – FY27	0.98 – 1.13

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 Financing Facility. 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.

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.

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
	Pence Per Share	Pence Per Share
Reported EPS (Basic)	106.1	52.9
Adjusted EPS (Basic) ⁽¹⁾	70.9	53.9
Weighted average number of shares (actual)	459,911,330	471,975,282

(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 FY23 (FY22 £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 £468.4m (FY22: £323.2m), which included £185.8m on freehold and investment properties (FY22: £121.3m) and £70.6m on warehouse automation (FY22: £36.8m).

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.

The Frasers Group's strategic investment strategy is a key enabler in the growth and success of the Group and is in the ordinary course of business.

Acquisitions

The Group acquired a number of businesses during the period, further details of these acquisitions can be found within note 32.

Related Parties

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.

Mike Ashley stepped down from the board at the AGM on 19 October 2022. Subsequent to the AGM a consultancy agreement (the "Agreement") was signed between Frasers Group plc and Mash Holdings Limited ("Mash"), a company wholly owned by Mike Ashley.

The services that can be provided under the Agreement by Mash to the Group (generally through the services of Mike Ashley as an individual), include advisory and consultancy services, including in relation to (i) strategy, strategic investments, operations, systems, activities, assets, management, and/or business of the Company and all or any Group Company, including in relation to any merger, acquisition, disposal, restructuring or any other operational or organisational need or requirement of the Company/Group Company; and (ii) such other advisory and consultancy services as the Board or the CEO or the Chair of the Company shall from time to time reasonably request of Mash.

No remuneration is payable by Frasers Group plc to Mash for these consultancy services. The Agreement can be terminated by either party giving at least four weeks prior written notice.

Other related parties are disclosed in note 34.

Taxation

Total tax contribution

The effective tax rate on profit before tax in FY23 was 24.1% (FY22: 23.5%). The Group has contributed £469m in taxes paid and collected during the year. Taxes paid by the Group of £204m are primarily business rates, corporation tax and employer's national insurance contributions. Taxes collected by the Group of £265m are primarily net VAT, PAYE and Employee's national insurance contributions.

Based on the FY22 contribution of £442m (benchmarking data is not available for FY23), the Group ranks 42 of 95 companies reporting in the 100 Group (a report prepared by PwC covering the top 100 UK companies which is published at: <https://www.pwc.co.uk/services/tax/total-tax-contribution-100-group.html>)

The Group's Tax Strategy is published at: https://frasers-cms.netlify.app/assets/files/financials/fy23-tax-strategy_.pdf

Taxes paid by country

The Group generates 88.7% of its profits in companies resident in the UK and pays 82.6% of its corporation tax liabilities to HMRC in the UK.

Plastic Packaging Taxes

During FY23 the Group has paid approx. £100k in respect of the new UK Plastics Packaging Tax.

Cash Flow and Net Debt

Net debt, as reported in Note 27, decreased by £74.3m, from £491.1m at 24 April 2022 to £416.8m at 30 April 2023 (including the securitisation facility within Studio Retail). Net interest payable (excluding IFRS16 and fair value movements) increased to £37.3m, (FY22: £14.3m) largely due to the increase in the Bank of England base rate increasing the interest on the Group financing and the full year impact of the securitisation facility within Studio Retail.

Analysis of Net Debt:

	30 April 2023	24 April 2022
	(£m)	(£m)
Cash and cash equivalents	332.9	336.8
Borrowings	(749.7)	(827.9)
Net debt	(416.8)	(491.1)

The Group enacted the one year extension to our Group facility and as at the date of reporting has a combined term loan and revolving credit facility (RCF) of £1,052.5m until November 2024 and £1,002.5m until November 2025, with the possibility to extend this by a further year.

The Group continues to operate comfortably within its banking facilities and covenants and the Board remains comfortable with the Group's available headroom.

Cash flow:

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
	(£m)	(£m)
Cash inflows from operating activities	634.9	741.8
Income taxes paid	(93.2)	(121.0)
Net cash inflows from operating activities	541.7	620.8
Lease payments	(140.7)	(176.2)
Net finance costs paid	(30.4)	(26.5)
Net capital expenditure (including sale & leasebacks)	(214.5)	(280.2)
Net proceeds from acquisition and disposal of subsidiary undertakings	18.5	0.8
Borrowings acquired through business combinations	-	(232.0)
Purchase of listed investments, net of disposal proceeds	(70.9)	40.0
Proceeds in relation to equity derivatives	66.2	117.4
Decrease/(increase) in deposits relating to equity derivatives*	53.8	(112.9)
Investment income	3.0	1.0
Exchange movement on cash balances	3.6	0.1
Purchase of own shares	(155.3)	(193.2)
Dividends paid to non-controlling interests	(0.7)	(1.3)
Decrease/(increase) in net debt	74.3	(242.2)

*Movements in deposits relating to equity derivatives have been presented as a separate line item within net cash outflows from investing activities in the current year. Following a reassessment, management have concluded that this is a more appropriate presentation of movements in these collateral deposits in line with IAS 7 Statement of Cash Flows. Prior year information has been restated on an equivalent basis, resulting in a £112.9m increase to net cash inflows from operating activities and an equal and opposite increase to net cash outflows from investing activities. The presentational adjustment does not have any impact on net decrease in cash and cash equivalents, the balance sheet, the Group's profit, or earnings per share in any of the periods presented.

Summary of Consolidated Balance Sheet

	30 April 2022 (£m)	24 April 2022 (£m)
Property, plant & equipment	1,150.7	1,011.0
Investment properties	131.3	89.2
Long-term financial assets	289.6	206.6
Intangible assets	24.1	120.6
Inventories	1,464.9	1,277.6
Net consumer credit receivables	225.9	234.2
Trade & other receivables	494.2	607.2
Trade & other payables	(711.9)	(729.8)
Provisions	(306.5)	(433.0)
Net debt	(416.8)	(491.1)
Lease liabilities	(679.9)	(620.6)
Disposal group held for sale	-	17.3
Other	(7.3)	19.4
Net assets	1,658.2	1,308.6

The majority of the increase in property, plant and equipment relates to the purchase of freehold and investment property along with the store fit outs in the period as part of the continued Elevation strategy offset by the impairments of freehold land and buildings and plant and equipment and the sale of retail parks.

IFRS 16 right of use assets have increased largely due to the acquisitions in the period offset by impairments. Lease liabilities have increased largely due to acquisitions offset by lease payments during the period.

Long-term financial assets have increased during the period largely due to the increase in the fair value of the Hugo Boss strategic investment and the addition of the N Brown strategic investment in the period.

Inventory has increased largely due to the acquisitions in the period and opportunities from brand partners.

Receivables have decreased largely due to the reduction in the reimbursement asset in relation to the Group's ongoing non-UK tax enquiries (FY23 £nil compared to FY22 £88.3m) and a reduction in the deposits in respect of derivative financial instruments (FY23 £190.1m compared to FY22: £243.9m), with the decrease mainly relating to Hugo Boss. Receivables also include £225.9m in relation to credit customer receivables within the Studio Retail business (FY22: £234.2m).

Provisions have decreased largely due to non-crystallisation of a proportion of the ongoing non-UK tax enquiries.

Summary of Company Balance Sheet (Extract)

	30 April 2023 (£m)	24 April 2022 (£m)
Investments	1,440.4	1,443.6
Debtors: amounts falling due within one year	269.9	512.8
Debtors: amounts falling due after more than one year	95.4	-
Creditors: amounts falling due within one year	(883.2)	(945.7)

Investments relate to investments in subsidiaries and long-term financial assets. The decrease is due to the impairment to the Everlast investment, offset by the increase in the fair value of the Hugo Boss strategic investment and the addition of the N Brown strategic investment in the period.

The majority of the movement in debtors relates to a decrease in collateral to cover margin requirements for derivative transactions held with counterparties. The remaining balance relates to amounts owed by Group undertakings.

Creditors largely relates to amounts owed to Group undertakings.

Chris Wootton

Chief Financial Officer

26 July 2023

NON-FINANCIAL AND SUSTAINABILITY 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	TCFD REPORT – pages 48 to 56	Environmental policy
Climate related financial disclosures	TCFD REPORT – pages 48 to 56	
Employees	ESG REPORT – pages 37 to 48	Staff Handbook Employee Data Privacy Statement Acceptable Use Policy
Community issues	ESG REPORT – pages 37 to 48	
Social Matters*	ESG REPORT – pages 37 to 48	
Human Rights	ESG REPORT – pages 37 to 48	Anti-Slavery and Human Trafficking Policy
Anti-Bribery & Corruption policy	ESG REPORT – pages 37 to 48	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 37 to 48

WORKERS' REPRESENTATIVE REPORT

I have now been the Workers Representative and Non-Executive Director for four years. During this period, my relationship with both the Executive and Non-Executive team has gone from strength to strength and I continue to have a strong rapport with all Frasers Group Colleagues.

I maintain 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 the Board or, if appropriate, in accordance with our whistleblowing policy.

The well-being of Frasers Group colleagues continues to be my priority ensuring that we are committed to our goal of making Frasers Group 'a world class place to work.' A key success of my role this year was facilitating focus groups with colleagues of varying seniority throughout the UK to ensure our people are consistently given a platform for their voices to be heard, with the findings of these shared with our Senior Leadership team.

Continuing with the focus on colleague welfare, I have monthly meetings with our Employee Relations Manager and meet bi-weekly with our Heads of Retail to certify that we are all aligned on colleague well-being. A key initiative of mine this year has been working alongside our Senior Retail Leaders to ensure the welfare of our retail team remains a priority. Together, we have created and launched new welfare KPIs to which the feedback has been overwhelmingly positive and made a huge difference to the work/life balance of our colleagues. One of our aims as a Business is to have the best team on the planet and to make this possible, we want to create the best possible environments for our people to thrive.

Frasers Group continues to place its people at the heart of its business with recognition initiatives such as our Fearless 1000 scheme, Frasers Champions and in our inaugural Frasers Festival to celebrate our top performers.

We have recently conducted our first ever Employee Engagement Survey which further highlights our commitment to creating an environment for all Frasers Group colleagues to thrive.

I now attend both the Remuneration and Nomination committees, so I have full transparency on decisions at Board level. This places me in a position to offer unique insight and to help advise on any employee benefit structures throughout the Group.

As my tenure with the Board continues, I am confident that I am adding increased value to both our Non-Executive and Executive teams.

I am looking forward to the year ahead and supporting all of our stakeholders, so that Frasers Group continues to place its people at the heart of everything we do, to deliver our aim of having the best team on the planet.

ESG REPORT

Fit for our future - ESG at Frasers Group

How we look after the environment, our social responsibilities, and our corporate governance – ESG – are key supporting elements when it comes to achieving our Group purpose and vision: to elevate the lives of the many by building the planet's most admired and compelling brand ecosystem.

Our current focus is on three areas in particular: Products, People, and Channels. Why? Because that's where we can have a significant impact. Not just on the way we operate, but on how the wider retail industry does business.

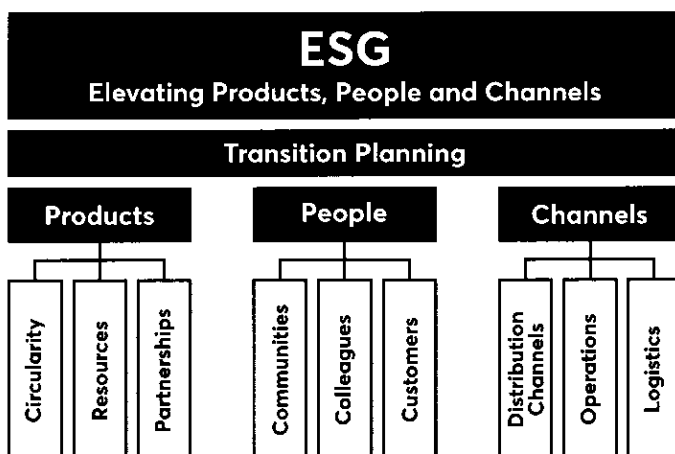
We're determined to continue to elevate not just our stores and people, but how everyone shops. Identifying and managing the environmental and social risks we face, and then future-proofing against them, is vital to that. Doing so underlines our long-term commitment to delivering shareholder value, and the continuing success of the Group.

None of this is easy. Nor should it be. We're talking about the ongoing health of our people, partners, profits, and planet, after all. But we are embracing the challenges of ESG, and we're not sitting back. We have work to do to become future fit.

Governance of ESG and the Framework

This year we established a new direction for our ESG journey by creating and defining our ESG Framework. Developed by our Sustainability team, our consultants and our Executive sponsor for Sustainability, CFO Chris Wootton, the team worked with various stakeholders across the Group to establish what ESG means to us, and how it shows up through our Group strategy.

The framework is simple, and can easily be communicated through the Group, to our partners and other key stakeholders. Built on the Products, People and Channels pillars, each then has a further three focus areas we're prioritising:



ESG Governance Structure

We have board level engagement on ESG, and an Executive sponsor of ESG, our CFO. Our growing Sustainability department is headed up by our Head of Sustainability who reports directly into our CFO.

Our Head of Sustainability reports into our quarterly Compliance and Risk Group and the Audit Committee when required, more information on our risk management framework can be found on pages 61 to 63.

With the introduction of TCFD reporting last year, our Sustainability Manager also heads up the Climate Risk Steering Group which meets twice a year to manage current or upcoming identified risks relating to climate.



Our stakeholder engagement can be found on page 80.

Greenhouse Gas Emissions and Energy Consumption

Reporting period	1 May 2022 to 30 April 2023
Baseline year	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 2023, which is aligned with the financial year of Frasers Group.
Emission factor data source	DEFRA (BEIS) 2022 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	25% of the energy data (kWh) and 20% 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

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	FY23	FY22	FY20 Baseline
Scope 1 CO ₂ emissions (tonnes)	46,789	38,913	20,987
Scope 2 CO ₂ emissions (market based) (tonnes)	35,240	40,077	68,162
Scope 3 CO ₂ emissions (tonnes)	15,516	13,081	7,550
Total Scope 1, 2 and 3 emissions (tonnes)	97,545	92,071	96,699
CO ₂ emissions (tonnes) / £m turnover	17.5	19.2	24.4
CO ₂ emissions vs turnover Index (2020 = 100)	71.9	78.7	100

65.7% of Scope 1 and 2 emissions (market based) 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	FY23	FY22	FY20 Baseline
Scope 1 consumption (kWh)	229,170,783	184,646,729	101,337,897
Scope 2 consumption (kWh)	305,547,384	305,169,539	276,618,984
Total Scope 1 and 2 consumptions (kWh)	534,718,167	489,816,268	377,956,881

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

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

Year	FY23	FY22	FY20 Baseline
Scope 1 consumption (kWh)	201,773,562	156,504,302	80,667,717
Scope 2 consumption (kWh)	229,428,266	224,494,586	195,475,533
Total Scope 1 and 2 consumptions (kWh)	431,201,828	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.

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. 274 stores across the UK and Ireland were upgraded to LED lighting as well as 83 sites across Europe.
- 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. These systems have been installed in 9 of our gyms and 47 of our large retail sites this year.
- This year we successfully trialled voltage optimisation across 8 UK sites. Voltage optimisation reduces the voltage delivered to the store, which comes with a reduction of both energy consumption and energy cost.
- Almost all of our gyms with pools have now been equipped with pool covers, which helps keep the water temperature up through the night and requires less heating the next day.
- From April 2020 until October 2022, the majority of our UK energy was procured on a renewable energy contract. Since October 2022 we have since moved to a Zero Carbon contract.

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

Partnerships | Circularity | Resources

Products

How we produce and source our products, and the lifecycle they have, has a massive impact on the planet. As a business, we're getting the visibility we need so we can develop the solutions we need to reduce our impact.

We're doing this, amongst other things, by improving our understanding of the material make up of our products, exploring new business models such as renting and take back, and learning through partnerships. We're also improving our data collection and analysis, so we can innovate in product design. The aim is to make better choices the norm for our customers every time they shop with us.

Partnerships

Collaboration as standard

For everyone in our brand ecosystem to thrive we need to work with and learn from our commercial partners, and other industry initiatives.

Textiles 2030

In 2021 Frasers Group became one of the founding signatory members of Wrap's Textiles 2030 initiative. The voluntary agreement aims to engage the majority of UK fashion and textiles organisations in collaborative climate action by setting targets to reduce carbon and water consumption in textiles and move to a more circular system.

On our first year of reporting, Textiles 2030 advised us that our carbon and water impacts had reduced against a 2019 baseline, mainly due to the reduction in units sold. With the creation of our new Preferred Materials and Processes Strategy we hope to work more on reducing the impact of textiles that we manufacture and bring our new brands on the journey with us.

Better Cotton

This year Frasers Group became a member of Better Cotton as one of the first steps in our Preferred Materials and Sourcing Strategy. Better Cotton is an organisation which aims to help cotton communities survive and thrive, whilst protecting and restoring the environment by training farmers to grow cotton more sustainably.

Monster Kick About



In July 2022 we partnered with Nike for our Monster Kickabout, a nationwide Primary School football initiative created to encourage more kids to take up football, with free resources and football equipment provided to help teachers host a week of football fun.

The goal was to help put the ALL back into football. We want ALL kids of ALL genders and ALL abilities to find their reason to LOVE the game.

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.

Circularity

Making products circular

Reusing, returning, renting. We are starting to explore initiatives around making the products we sell more circular, and the business models needed to underpin that.

Take Back

At the start of 2022 we entered a trial partnership with a local charity which aimed to provide free-of-charge clothing to people in economic difficulty. The nature of our partnership was to offer clothing drop off points in our stores for customers to return clothing they wished to donate, we also offered drop off points to staff in our head offices. We chose to run the trial in our House of Fraser fascia where we set up window displays and signage throughout our stores to indicate to customers where/how they could donate their clothing.

However, unfortunately the trial didn't take off as we would have expected. Whilst we received donations from our staff and Head Offices, customers weren't interacting with drop off points as much as we had hoped. Due to this, we decided that we would take the learnings from this trial and re-evaluate how a take back scheme could better fit with our Group's structure in the future.

Rental

This year Flannels partnered with rental platform HURR to produce our first luxury rental offering. The collection offers selections from some of our top luxury brand partners, with popular clothing and accessories available for customers to rent the latest trends for 4, 8, 10 or 20 days.

The service provides access to classics that work for all seasons, as well as stand out pieces which are less likely to be worn by individual owners on multiple occasions. Using this service, rather than many people buying the product and only wearing it a handful of times, a garment will get many wears from different renters.

So far, the service has proved very popular with over 500 rentals taken since launch. We're looking forward to extending our offering to customers in the next financial year, as well as offering in store pop ups for customers to browse and rent the collection.

Packaging

This year we reviewed and made changes to the packaging of a number of our own brand products, which will affect just over 1 million units annually*. Changes made include increasing the recycled material content or changing products which historically had plastic packaging to be made from cardboard.

For example on our Slazenger umbrellas, we determined that we could remove the unnecessary plastic

packaging whilst still maintaining its integrity during transit. For our Sondico shin guards, we worked with our suppliers to provide a 30% recycled content poly bag which can now be recycled with other soft plastics at many large supermarkets. With our Carlton table tennis bats, different models had differing packaging components. Striving for consistency, we moved all bats that were packaged in full oversized plastic blisters to a cardboard wrap, recyclable in normal house recycling.

*Based on number of units predicted to buy annually

End of Life

To avoid products unnecessarily ending up in landfill we ensure that the vast majority of faulty customer returns and samples are sold through our factory outlets, one located in the UK and one in Europe.

Resources

Doing more with less

Being smarter with resources means sourcing raw materials with a lower impact, producing higher quality, more durable products and a future without fur.

Elevation Effect

Since 2017 we have been focused on the Elevation Strategy of the Group, which enables our stores and online operations to complement each other through the improvement of our offering to customers across marketing, social media, digital, in-store and importantly – our products.

Our elevation to produce higher quality products means that higher quality fabrics and materials are used that, subsequently, have a higher cost price. This has meant that the number of units we create, ship, transfer and sell naturally decreases every year, reducing the amount of energy consumed and carbon produced for these activities – all whilst retaining or increasing our profitability as a business.

We acknowledge that with our continued merger and acquisition strategy, the overall number of units we produce and sell may increase, however we continually work to align new acquisitions to our strong operational and buying strategies that focuses on the elevation of our products and processes.

Raw Materials Sourcing

As part of our membership with Textiles 2030 we are taking several steps towards improving the materials and processes we use in our own brand products, as well as improving the visibility we have of our supply chain capabilities to help inform better decisions. Over the past few years, we have been building a database of the materials we use in our own brand products so that we have better visibility of what we use to increase the accuracy when calculating our impact.

This year we began developing our own preferred materials document for our design department to refer to so that they are able to make more informed decisions, along with creating profiles of our factories to understand the different materials and processes that they have available to allow us to explore better ways of producing our products.

This year we have developed our Preferred Materials & Processes Strategy which provides our design and sourcing departments with a framework and benchmarks to increase the share of preferred materials in our own brand products.

So far, within the first few months of this strategy we have moved 1.2 million* cotton units over to use Better Cotton certified cotton, over 150,000* units into a minimum of 20% recycled polyester and over 150,000* units into a minimum of 20% recycled nylon.

*Based on number of units predicted to buy annually

Fur

At our Annual General Meeting in October, we committed to a future without fur.

Communities | Colleagues | Customers

People

At the heart of the Group are the ideas of access and aspiration. A belief that everyone should aspire to, and be able to access, the best brands and experiences on the planet.

This is not just for our customers. It's for all the people in our ecosystem. From those at the edge of our supply chain, to colleagues on the shop floor. Whether it's well-being, hiring, keeping and developing the best people, diversity, charity sponsorship and more, it's vital that we use our scale and influence to elevate everyone we impact.

Communities

Elevating our communities

From our supply chain through to the high street, and with our charity sponsorships too, we're active in all our communities.

Investing in the High Street

The Group has been vocal about its commitment to physical retail and has demonstrated this with consistent new store openings over multiple financial years.

The nature of new store openings as part of the Group's elevation strategy are providing wider benefits to local communities; not just via the job creation associated with the store itself, but the wider impacts to the area as a footfall generator. With the Group's various brands and concepts, we have become a significant 'anchor' tenant in many schemes and are underpinning a number of

retailing locations which have experienced the well documented challenges facing physical retail.

The ability for the Group to take on such anchor stores is helping to regenerate and increase the confidence of other retailers and businesses to continue to trade in such locations. We believe this is having a meaningful socio-economic impact in many retailing locations that would have otherwise faced the burden of large vacant units being difficult to re-purpose.

More recently, the Group have invested in two Shopping Centres - one in Luton and the other in Dundee. Both are the primary retailing locations in the respective areas and play an important part in servicing the local community. In both instances, the Group is able to invest into each scheme with a range of new store concepts covering Sports (i.e. Sports Direct and Evans Cycles), Premium (i.e. Frasers and USC) and Luxury with Flannels. There is also the 'experience' side of the Group with the Everlast Gym concept and Belong gaming arenas. Such variety of retail offerings attracts a wider range of customers to each location and helps improve the vibrancy of an area, which in turn reinforces the shopping/town centre which plays a key part of its local community.

Charity Sponsorships

Sports Slam – Sports Slam is designed to shake up what in-school sport looks like and gives teachers the means to help kids enjoy sport through a sense of inclusivity, fun, and discovery. To date, we have signed up 6,019 schools up to the scheme unlocking sport to over 1 million kids across the UK by gifting £1.5m of sports equipment to schools.

Equal Play – In 2022 we launched our Equal Play initiative where we donated over 3,000 football packs to girls' football clubs. The initiative aims to close the gender gap in sports.

Sports Directory – 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 90,000 vouchers to UK schools, which equates to more than £5.6 million worth of free sports equipment.

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

More locally to our Head Office in Shirebrook, we have focused on raising funds through a variety of initiatives for several local community programmes, including Rhubarb Farm, (www.rhubarbfarm.co.uk) and BLAST (Building Lives around Shirebrook - www.blastcic.com). We have raised almost £6,000 this year, through various on-site engagement activities including Charity Bike Rides, gifts drops and raffles.

Supply Chain

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.

We continue to rationalise our factory base, enabling mutual cooperation and understanding between the Group and our supply partners. We have built strong relationships with our suppliers during our many years of partnership, and this is something that we will continue to build on in our future.

This year we worked with our leading textiles supplier to share with them the results of our climate scenario analysis as part of our first year of reporting with the TCFD initiative. We used the analysis to explore the potential futures we could expect together and discuss how we could work together to protect our business from the effects of climate change and continue our partnership for the long term. The process turned out to be an extremely fruitful discussion and so we plan to further extend this process out to our leading footwear supplier in the next financial year.

We are increasingly working on mapping our supply chain and making engagement around policies such as our Supplier Code of Practice more robust.

Colleagues

Elevating our people

The efforts of our people and our culture are central not just to our ESG efforts, but our elevation overall. This is how we're going to be supporting them.

Culture And Values

This year, aligned to our newly defined purpose, vision and mission, and having listened to feedback from our colleagues via various listening groups and surveys (including our first Employee Engagement survey, detailed below), we have also reviewed our values and underpinning principles to keep our behaviours aligned to where we are going as a business. As a result, this year, we reviewed and evolved our company values to:

- Own It
- Think Without Limits
- Be Relevant

We have aligned all of our underpinning tools and programmes across recruitment, recognition, performance, learning and leadership to these new values to ensure that they become completely ingrained in what we do and how we operate.

We also launched a set of Strategic Mindsets to provide guidance to all Frasers Group colleagues on the focus and mindset that will support both their own and the wider Group's success. These are:

- **Fewer, Bigger, Better**
 - Focus on a smaller number of things that make the biggest possible impact, and do them exceptionally
- **Sweat the Assets**
 - Get the absolute most that we can from our most important and scalable assets

We have continued with levelling up our communication across the business, launching a new company intranet, continued our roll out of MS Teams to all colleagues and building on our Monthly newsletters and biannual webinars from leadership, keeping all colleagues informed of what is happening across the business.

In October 2022 we launched our first Frasers Group engagement survey to all colleagues across the Group. This provided our colleagues with the opportunity to share feedback on topics such as our values, communication, leadership and recognition. Over 17,000 colleagues completed the survey, providing us with valuable insight into what we are doing well as an employer and what they would like to see us work to improve. We achieved an engagement score of 66, which is a positive result for our first survey. We have now made Engagement a key KPI across Frasers Group, cementing our strategic ambition to build the best team on the planet.

Engagement and progress with action plans will continue to be a focus for us, both following up with Leaders on their local actions, and regular Group wide communications sharing with colleagues our progress on improving the things they've told us are opportunities and are important to them. Our efforts to increase colleague engagement will be measured in our next annual survey in October 2023.

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.

Despite a demanding talent market, the strength of our Employer Brand, linked to our strong performance in a difficult retail landscape, we saw a significant increase in all recruitment metrics, including cost and time to hire. This was most noticeable in our new stores,

including Flannels Liverpool, where our attraction and on-boarding programmes proved particularly successful.

We also delivered one of our most successful peak recruitment periods in recent years, building a dedicated team within our Talent Acquisition function to deliver this and also introducing an elevated on-boarding programme to enhance this experience and help them get up to speed with their new roles more quickly.

Retention

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

FY23, with the uncertain economic climate, remained a challenging landscape for colleague retention, so we were pleased to hold our attrition of our UK salaried colleagues at 33% (FY22: 33%). For our Store Manager population within Sports Direct, we maintain a strong retention rate, with stability only decreasing slightly to 88% (FY22: 91%). Our Assistant Manager stability also decreased to 82% (FY22: 87%) and pleasingly our Footwear Manager stability increased to 92% (FY22: 91%).

Development

We have continued investment in the development of our talent. Our focus on high-calibre, well-trained individuals has seen a step change in our Learning & Development offering this year, with significant progress made in three key areas: Management and Leadership Development, Retail Capability, and Commercial Upskilling.

In Management and Leadership Development, demand for our Leadership Academy has been strong, with both existing and aspiring people managers across the group taking advantage of our in-house flagship management development programme Management Without Limits. In the past year, 49 participants have graduated, and 16 are currently in flight with a healthy waiting list for next year. Our Management Essentials course has also readied 58 aspiring managers for their first step into people leadership. Furthermore, our partnership with the Chartered Management Institute (CMI) in conjunction with Corndel and Imperial College's Business School has produced excellent results, with 38 of our leaders due to graduate their level 3, 5 or 7 qualifications this year.

In Retail Capability, our biggest-ever Retail Team Leader programme has been a great success. 120 participants have completed the program, underpinned by a Level 3 ILM qualification, with 51% of them having earned a promotion in that time. The 2023 edition sees another 91 of our future retail leaders begin their journey, turning jobs into careers across our retail junior management teams. Additionally, we have targeted development at our teams who are moving to elevated stores, ensuring customer experience is matched with the look and feel of our new retail space.

In Commercial Upskilling, we have created a comprehensive training experience for commercial operations, to be used both in our elevation scheme (graduates) and to help mobility in our existing colleague base across our commercial function.

We are also proud to report that our recently elevated Learning Academy facility continues to wow both our people and external visitors to the campus, providing an inclusive and engaging experience for all.

Diversity and Inclusion

Fraser's 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, 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 and we continue our activities to make our workplace that enables them to be effective and included within all of our workplaces.

The table below shows the gender diversity of our workforce at the period end. Approximately 53% of our workforce is female, and this year we saw a significant increase in the percentage of females within our senior management and their direct reports 42% (FY22: 36%). 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	42%	58%
Other employees	54%	46%

Gender Pay Gap

Our gender pay gap report for 2022 was published in April 2023. This year saw our median gender pay gap increase slightly to 2.6%. The year on year change is attributed to an increase in the number of female colleagues under the age of 20 working for Frasers Group on the snapshot date.

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. This year, the proportion of females receiving a bonus was greater than the proportion of males, and the median bonus gap reduced significantly year on year.

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

Identifying and developing our internal talent remains critical to drive high performance across our teams and to enable us to deliver our business goals. We have an annual performance review process, the Fearless Focus Reviews, this allows us to measure performance consistently and set individual objectives that will support the achievement of broader Group goals. Career conversations as part of this process help us to understand the aspirations of our colleagues and allow

us to assist them with development plans to support them in reaching their potential.

Linked to our purpose, vision and goals for FY24, we have introduced a new objective setting process called OKR's (Objectives and Key Results) across the senior levels of our business, ensuring that plans in individual business areas are aligned to the delivery of our business strategy.

To compliment the Fearless Focus Review process, we have also this year introduced a regular cycle of talent reviews. This is completed three times throughout the year so we can monitor and track performance and ensure any necessary actions are undertaken to drive performance and retain key talent.

Our Elevation Programmes continued this year, with another 27 high potential colleagues joining the Commercial programme in September 2023. This year, we have invested heavily in the technical upskilling and training that these colleagues receive, creating a highly structured and blended development programme that has seen time to competence improve dramatically, increasing confidence and enabling more time to be spent developing the skills that will see this cohort fulfil their potential. We also have a further 6 (FY22: 5) colleagues joining our Finance Elevation Programme.

We have further expanded the reach of the Elevation programme in FY23, with the introduction of three new functions. Analytics, Digital Marketing and Ecommerce Trading were launched in November 2022 and the first intakes will begin in September 2023, underpinning our Digital functions with access to high potential talent to support the focus that we have on these critical areas in the future.

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 23. We offer bonus schemes and incentives depending on the role and the fascia, and colleagues receive discounts across all fascias.

In FY23, as well as increasing the availability of staff discount across more brands via our acquisitions, we also significantly increased the amount paid out to colleagues via bonus and commission schemes, paying out approx. £23m in total this year, increased from approx. £15m in FY22.

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 evolve, to support business growth. The Company has safely operated through the post Covid-19 relaxation of regulations 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 our distribution, office and warehousing operations together with our retail team, maintained cleaning and hygiene processes, 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 continued development and integration of a bespoke online Facilities Management programme (ARMS) incorporating digital Accident and Incident reporting system, which is delivering improved accident reporting and data analytics to inform organisational learning and accident prevention;
- a restructure within our Group Health and Safety team to provide continued support across all brands, with additional expertise and support for our Retail and European colleagues;
- supporting the retail team to help implement and sustain in-store health and safety standards
- investing in our health and safety capabilities with our regional H&S team completing specialist training on fire risk assessments and starting the registration process to a professional body;
- developing additional Health & Safety knowledge within our Shirebrook facilities and operational teams incorporating the NEBOSH general Certificate in Health, Safety and Welfare;

We continue to positively engage with fire service and local authority enforcement representatives with just one Fire Enforcement notice issued within the past 12 months.

All accidents and incidents are investigated in a timely manner and, where appropriate, additional measures are implemented to prevent recurrence.

The Group's Reporting of Injuries, Disease and Dangerous Occurrences (RIDDOR) incidents in the last 12 months mainly involved over seven-day incapacitation. In total 11 incidents were reported in FY23, including two from Studio Retail and two from the Sheffield warehouse.

The accident rate for the distribution, office and store workforce was 2.9 accidents per 100,000 hours worked in FY23, an increase on the rate of 2.5 compared to FY22. We have acquired several businesses during this time which has contributed to this increase, and are working hard to integrate our Policies, Training and Procedures to prevent accidents and recurrences.

During FY23, we will pursue our continuous improvement programme to further develop and sustain effective health and safety across the business. Improved access to training and development tools via our eLearning platform will assist our managers in maintaining safe spaces for our colleagues and customers.

Well-being

As an outcome of our Engagement Survey results, we have committed to improving the company support available to our colleagues around Well-being. This year we have launched Frasers Fit, a partnership with our fitness business, Everlast Gyms to encourage colleagues to focus on improving their physical health through exercise, with access to work outs for all capabilities, information around nutrition and healthy eating.

We have continued our partnership with the Retail Trust which gives colleagues access to free and confidential well-being 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. We have seen an increase in the usage of Retail Trust services this year and we will be working closely with them in FY24 to further increase access to and awareness of the services and support available.

We have also invested in training up a team of Mental Health First Aiders. This has not only provided these colleagues with an opportunity to develop themselves but also arms the business with an invaluable resource should any of our colleagues need the support we are now equipped to provide.

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.

Customers

Delighting customers every time

World class customer contact and service, and brilliant accessibility for those who need it, is a core part of delivering the best brands and experiences on the planet.

Customer Services

We are continuing to invest in our Customer Service Operation by increasing the head count and technology being used to support customer contacts. We are expanding our team to provide more coverage into the evenings and weekends and providing specific training in resolving enquiries faster.

We are progressing development of new contact channels, improving our use of real time chat technology and embracing our customers' desire for more self-serve – all helping reduce customer contacts and response times.

Distribution channels | Operations | Logistics

Wasting less, saving more

The less we send to landfill, and the more we recycle, the more energy and money saved across our ecosystem.

Waste and Recycling

Frasers Group have always been committed to recycling as much of the waste that we produce as possible. Over the past few years we have put even more focus onto the waste and recycling operations in our Shirebrook Distribution Centre and stores to minimise as many waste streams as possible.

This year, 85% of the waste that went through our Shirebrook distribution centre was sent to our recycling facility partners. This couldn't have been achieved without an immense amount of effort and dedication from every player through the process – from our store staff, our facilities teams and our new – dedicated – waste and recycling team.

This year we began more engagement on our waste and recycling process with our stores to help them understand how the entire process works and how they can do their bit to help make us as efficient as possible. We also implemented a new hangers recycling initiative which sorted and repackaged hangers that we receive back from our stores. So far, we have managed to save 2 million hangers from being sent for recycling to keep them in circulation longer. Over the next year we plan to do more work to limit the amount of hangers we order.

We have lots more to do in-store to reach the next level of excellence in our Waste and Recycling journey – which we hope to share in the near future.

Automation

To date, we have invested over £200m into our warehouse automation, which has given us one of the largest Auto-stores in Europe. We have increased the storage capacity of our forward pick face by more than 350%, allowing us to increase our SKU count from 250,000 to 650,000. This has meant that we now process more than 215 million units annually, a 50% increase since 2016 and we need 50% less warehouse locations – taking up less of a physical footprint and ensuring all new acquisitions work to the same high standards of efficiency that our core business has built.

Distribution channels

Being resource smart

We're getting smarter about our energy consumption across our distribution channels by installing more efficient appliances, trying to use renewable sources when we can, and incentivising using less energy overall.

Energy Strategy

LEDs

Over the past few years we have had a big push to upgrade old lighting to LED lighting. This year we completed 274 stores across the UK and Ireland with LED lighting. Thanks to that, currently 670 stores, warehouses and offices operate on energy efficient LED lighting.

The same project was carried out for the EU portfolio with 83 sites fitted out, which takes us to 169 overall across mainland Europe.

Pool Covers

Almost all of our gyms with pools have now been equipped with pool covers, which helps keep the water temperature up through the night and requires less heating the next day.

Building Management Systems

To maximise efficiency and monitor energy we have installed building maintenance systems in 9 of our gyms this year, taking us to 36 gyms in total – and 47 of our large retail sites. This system automatically controls the temperature and the operation times of lighting and heating/aircon systems within the building, supporting the staff in efficient management of their stores.

The system has also been successfully trialled in our Vienna flagship store and has now been added on to standard fitout to all new stores across UK and EU above 30,000 square feet.

Voltage Optimisation Trials

Following the success of our LED lighting initiative, we are now looking for other solutions to aid in the efficiency of our energy consumption. This year we successfully trialled voltage optimisation across 8 UK sites. Voltage optimisation reduces the voltage delivered to the store, which comes with a reduction of both energy consumption and energy cost.

Incentives

Following the success of our incentive scheme 'Top of the Shops' last year, we relaunched the initiative again this year. The scheme aims to engage our stores to become more aware of their energy consumption, provide them with best practices on how to reduce and provide incentives for stores achieving the best reductions (vs their own performance in 2019).

This year we introduced Ireland and our gyms to the scheme. We have been improving our consumption data globally to enable us to extend the scheme in the future.

The implementation of all of the above measures have helped us to achieve a 15.9% reduction in electricity consumption this year vs 2020 in like for like stores. (5% reduction in FY22 vs 2020)

Energy Source

From April 2020 until October 2022, the majority of our UK energy was procured on a renewable energy contract. Since October 2022 we have since moved to a Zero Carbon contract.

Logistics

On the road to better logistics

Making sure containers don't travel half empty, and having our vehicles and couriers do fewer journeys, is smarter for the environment.

Transport Strategy

This year we began exploring how we believe the future of our transport fleet will look. We appreciate that the future of our fleet will be fossil fuel free and so we are investigating the different solutions to learn which will fit into our business best.

This year we began trialling Hydrotreated Vegetable Oil (HVO) as fuel for our onsite vehicles. Currently all our tug vehicles are fuelled using HVO, along with 8 of our 52 tractor units which are used for transportation between several of our warehouses.

At the end of this year we also received our first on site electric tug vehicle which we will trial for feasibility over the next year to determine whether we should roll out further.

Container Delivery Efficiencies

We have always endeavoured to fill containers that we ship from our manufacturers to the highest reasonable capacity, maintaining the quality and integrity of our products, whilst minimising unnecessary miles by moving inefficient half full containers.

In 2019 our Own Brand containers were filled to an average 91% fill rate. After assessing the efficiency of how we received containers from our 3rd Party partners, we embarked to share our best practices with them in an effort to maximise the efficiency of how we work and manoeuvre product around together. We trialled our method of delivery with one of our strategic brand partners and were able to halve their number of deliveries, resulting in savings in carbon emissions, waste and cost for our strategic partner. With the success of this we decided to roll out to more of our brand partners. In FY23, with our new approach, we have improved the average units per delivery by 34% with our strategic brand partners.

As a part of reviewing the delivery efficiency process, we also realised we could actually improve our own container loading – and so trialled this new method ourselves. This new method now allows us to order to a 99% container fill rate, saving even more on our own deliveries.

Couriers

We currently offer a carbon neutral delivery option through DPD on our Flannels website. This year the option saved us 82 tCO₂e.

Anti-Bribery and Corruption

The Group's Anti-Bribery and Corruption Policy is available on the Company's intranet and sets out our zero-tolerance approach to bribery and corruption at Frasers Group. Our people are encouraged to speak up if they have concerns that bribery or fraud is taking place. Any potential incidents reported are followed up and all investigations are reported to the Audit Committee. No instances of bribery, corruption or fraud have been reported during FY23.

Whistleblowing

The Group has an approved whistleblowing policy and there are processes in place to encourage workers to report concerns or suspicions about any wrongdoing. There is also a dedicated whistleblowing e-mail address which the Company Secretary has access to and is responsible for monitoring. The Whistleblowing policy is available on the Company's intranet.

The Audit Committee Report on pages 103 to 107 contains further information of the Company's whistleblowing procedures and the Audit Committee's oversight.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Frasers Group continues to support the aims of the TCFD, which we believe is an important step in tackling climate change. In compliance with the requirements of Listing Rule 9.8.6R and TCFD recommendations and recommended disclosures, below we have provided disclosure on how Frasers Group incorporates climate-related risks and opportunities to inform our future strategy, risk management approach, and the metrics and targets we use to monitor our progress.

We have taken dedicated steps to integrate the risks and opportunities throughout the business, from the individual departments to the Climate Risk Steering Group, Compliance and Risk Group, Audit Committee, all the way to the head of strategic oversight, the Board. These groups have enabled us to not only understand the risks and opportunities, but ensure we are on track towards our set targets, while assessing mitigating actions enabling planning for next steps.

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.

As reported last year, for FY23 we established our Climate Risk Steering Group to manage current or upcoming identified risks relating to climate. The Group reviews climate-related risks and opportunities and their relevant metrics and targets twice a year. The main purpose of the group is to provide direction and input into our targets and goals, ensure the continual evolution of our action plans, and maintain oversight of the delivery of our action plan and improvement roadmap, targets and emerging climate-related risks.

Our Sustainability Manager, who heads up our Climate Risk Steering Group, communicates findings from the Group into the Audit Committee and Compliance & Risk Group on a quarterly basis.

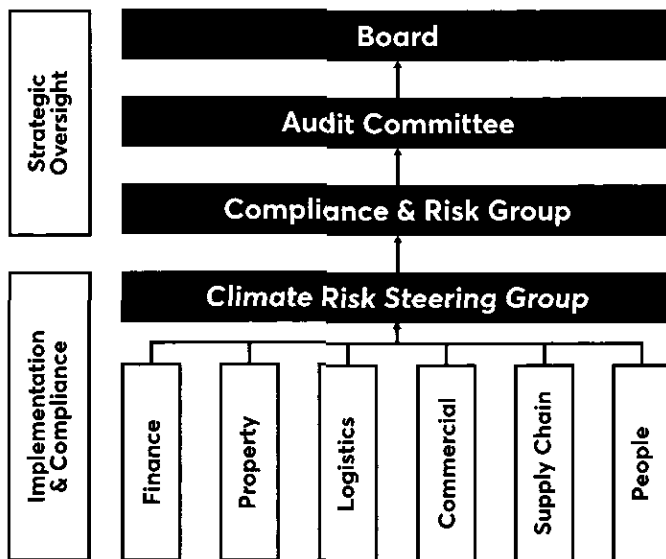
The Board has delegated its oversight of climate-related risks to the Audit Committee, which reports to the Board on these matters on a quarterly basis. Our Sustainability Manager, who heads up our Climate Risk Steering Group, reports material climate-related risks into the quarterly Compliance and Risk Steering Group, as well as the Audit Committee.

Cross functional management monitor climate risk through the functional risk registers owned by the respective business risk owners, such as finance, property, logistics, commercial trading, supply chain and people.

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. For climate-related issues our executive sponsor for ESG is our Chief Financial Officer.

In addition, the Compliance & Risk Group has a range of important roles in relation to risk management, as described on pages 61 to 63.

More information can be found on our risk management framework on pages 61 to 63 and our approach to sustainability on pages 37 to 48.



Strategy

Last year when we identified our potential physical risks, transitional risks and opportunities, we compiled the list on both a top-down and bottom-up basis, across each of our business areas. We assessed the risks and opportunities across the short (less than 5 years), medium (5 to 20 years) and long (more than 20 years) term. Our external advisers helped refine 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.

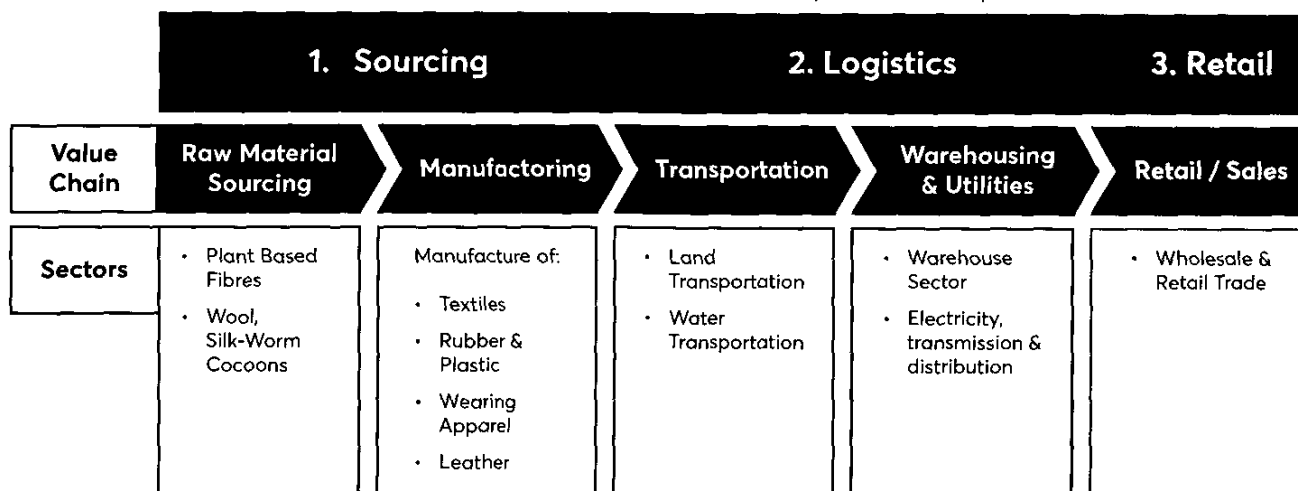
* The materiality of the climate related risks were assessed by taking into account the probability of failure and productivity loss values over time for each risk and their impact on Frasers Group locations and operations using a qualitative approach in line with our risk management framework

Physical Risks

At the start of our work with our external advisors, we identified bottom-up physical risks, transition risks and opportunities for each of our business areas. Once the findings had been discussed and consolidated during workshops, 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.



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.

Our 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. From this, there are still no significant changes expected to the Group's business model as a result of the analysis, other than considering potential other sourcing locations.

For coastal inundation, although there is uncertainty around the time horizon over which climate related risks will materialise, for our assessment, we used short, medium and long-term 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 the medium and long term, across both temperature-rise scenarios.

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.

Transition Risks

Our initial risk identification process 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.

We analysed the potential impact of rising costs of energy, raw materials and production, and the introduction of carbon taxes, using our external adviser's specialist modelling tools. This year we have continued to monitor these potential risks both internally and externally. The effect of regulatory, reporting and stakeholder changes, 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. Overall, we see these risks arising in a shorter time-frame, and continue to impact over the medium to long term.

Opportunities

We also 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.

Prioritisation of climate-related risks is assessed in the same way as we determine our principal risks; risks which pose a threat to our business model, future performance, prospects and/or reputation. Additionally for our climate-related risk assessment we prioritised by assessing each risk by likelihood and financial impact.

Please see below tables which identify the material physical risks, transitional risks and opportunities along with the impact these will have on our business and potential actions we could take to mitigate their impact:

Physical Risks

Risk	Potential impact	Mitigations available & Business response	Development actions this FY
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 (our own fleet) and water (overseas) 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.	- As part of the targets we set last year we have engaged with our top supplier to explore their risk to coastal inundation and are working with them to develop and progress their flood risk adaptation plan. - We have worked with our freight forwarders to set up quarterly updates on issues they have experienced due to flooding related issues. We plan to store a historic database of these issues.
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. Working with our suppliers and finding out from them how often they experience extreme heat where they can't function as normal. - 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.	No development actions to note this year in this area.

Transitional Risks

Risk	Potential impact	Mitigations available & Business response	Development actions this FY
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.	- We have continued exploring options for lower carbon energy solutions that will benefit the business in the short to medium term. - Exploring options to generate renewable energy on Frasers Group sites. - Complete review of our energy and utilities budgeting process to account for best and worst case scenarios.
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.	- Our commercial department reviews common raw material commodity prices regularly to understand and plan changes. - We have begun mapping Tier 2 of our supply chain. - As part of the targets we set last year we have begun counter-costing our own brand products to ensure we have multiple options should one become unavailable.
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.	This year we have been calculating our Scope 1, 2 and 3 carbon emission footprint with external consultants as part of our commitment to setting targets with the Science Based Target initiative to better understand our impact.
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.	- We regularly engage with external experts on upcoming regulation changes and reporting requirements. - We have set up regular communications with our global teams to understand and discuss regulation changes in all countries of which we operate.
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. Working with suppliers that provide more 'sustainable' options.	This year we have developed our Preferred Materials and Processes strategy which will help our design, sourcing and commercial departments move to using our identified Preferred Materials and Processes.

Opportunities

Transition opportunity	Potential impact	Potential actions	Development actions this FY
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. - Move towards to a lower carbon emission vehicle fleet - Optimise logistics and the supply chain.	- This year we trialled the use of HVO in our onsite vehicles and a number of our tractor units. - This year we acquired our first electric on-site tug vehicle. - As part of the targets we set last year we improved our container fill rate by 7.1%.
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.	No development actions to note this year in this area.
Shifting consumer preferences and supplier requirements	There may be opportunities to capitalise on the emergence of a new and growing market for more 'sustainable' and 'responsibly sourced' products.	Engage with suppliers and brands who are leaders in sustainability.	This year we developed our Preferred Materials and Processes strategy which aims to help our design, sourcing and commercial departments move to using our identified Preferred Materials and Processes.

As part of the TCFD process we engaged external consultants who worked with us to complete a climate scenario analysis which reviewed our potential physical risks, transitional risks and opportunities, against two temperature scenarios, 1.5oc and 4oc above pre-industrial levels, as suggested by TCFD recommendations for the time periods between 2020 and 2050. We use these two pathways as these were identified in our scenario analysis process as the 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 warming, which would pose a lot more physical risks such as extreme weather events. Scenarios are hypothetical in nature, describing a path of development leading to a plausible future state.

We anticipate the impact of the identified physical risks arising in the medium to long term (20 years) without mitigating actions, whereas we anticipate the transitional risks arising over a shorter time-frame (<5 years) and continuing to impact over the medium to long term. For this reason we are currently focusing action on our transitional risks, specifically around the reduction in carbon emissions, improving the visibility of our carbon emissions through our supply chain and working towards submitting our target for validation to the Science Based Target initiative as part of our wider group strategy. Frasers Group aim to complete scenario analysis at least every 5 years, as an agreed appropriate timeline for reasonable change to have occurred and a new assessment necessary.

Risk Management

The process through which we have identified and assessed our climate-related risks is detailed in the Strategy section above. Our overall risk-management framework is set out on pages 61 to 63.

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

- **Disaggregation.** Assessment of climate risks as individual physical and transition risks, across our regions and sites.
- **Cross-cutting.** Integration of climate risks into existing processes, so they can be considered alongside our other operational and business risks, including their interaction with those risks.
- **Appetite.** Set an appropriate risk appetite for each disaggregated risk.
- **Ownership.** Establish clear roles and responsibilities, from the top down.
- **Escalation.** Escalation of risks to senior management, if necessary.
- **Monitoring and evaluation.** Continuous monitoring, evaluating and reporting across the business.

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. Our Head of Sustainability, who heads up our Climate Risk Steering Group, reports material climate-related risks into the quarterly Compliance and Risk Steering Group, as well as the Audit Committee.

Climate-related risk is included within our ESG principal risk which can be found on pages 37 to 48.

Metrics and Targets

- A. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process
- B. Disclose Scope 1, Scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks
- C. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Information on our greenhouse gas emissions can be found on pages 44 to 45. 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 Science Based Targets initiative (SBTi), which has been approved. We have been working over the past financial year to calculate our scope 3 emissions which will enable us to calculate our target and submit to the SBTi for approval.

This year, we sat down with our Climate Risk Steering Group to review the risks and opportunities relevant to their department within the business. We took this time to openly discuss the effect the highlighted risks and opportunities could have on their operations and what suitable measures we could put in place to (if necessary) mitigate against them.

We've worked with our departments within our Climate Risk Steering Group to make progress on our targets set last year – please see below our progress:

Metric Category	Climate-Related Target	Climate-Related Metric	Reasoning	Review
Transition Risks	All sustainability-related mandatory reporting obligations met on time annually	% of sustainability related regulatory disclosures met within required time-frame 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.	This year we reported against TCFD. We continue to prepare for known upcoming reporting regulations.
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 mitigate 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.	This year we have successfully counter-costed 70% of our own brand lines.*
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 projected floodplain information with our manufacturers to help them mitigate their potential physical risks in their locations.	This year we met with our top manufacturer and explored the risk of flooding and how it could affect their factories in the future. We then worked with them to discuss mitigating actions and created a plan for progress to reduce the risk.
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.	By the end of FY23, 93.9% of our Sports Direct GB stores with a lease of 2 years or more and no planned fixed break have either had their full lighting fixtures changed to LED or their high-bay lighting changed to LED.
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	We achieved a 7.1% increase in container fill on our own brand lines* vs our 2020 base year.

*Own brand lines consisting of products that are designed and sourced in house at our head office. Excluding acquisitions such as Studio Sportmaster, Amara, Premium Fashion Brands acquired during the period, Giovas and Hawkes, Sofa.com, Game Game Spain, Sports Directory, Gul, Lovell, Everlast and Antigua

The table below shows our updated 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 Risk/ Opportunity	Trial a hydro boiler in one of our wet Everlast gyms by the end of FY24	Hydro boiler fitted in 1 wet gym - Y/N	As we continue exploring alternatives for low-carbon energy sources, we aim to trial new solutions throughout our portfolio to review their ability to scale.
Climate-Related Opportunities	90% of UK stores with a lease of 2 years or more and no planned fixed break to be fitted with LED lighting by the end of FY24	% of UK stores with LED lighting	LED Lighting was identified as the greatest energy reduction opportunity within our estate. Since completing our Sports Direct target last year, we have extended our target out to all eligible UK sites.
Physical Risks	Fit out 50 of our UK stores with voltage optimisation by the end of FY24	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.
Transition Risk/ Opportunity	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	Number of stores with voltage optimisation	After LED lighting, voltage optimisation is a great way for us to reduce energy consumption. We plan to trial in 50 stores to assess their performance for scale.
Transition Risk/ Opportunity	At least 50% of European portfolio with leases longer than 2 years will be fitted out with LEDs by the end of FY24	% of European portfolio with LEDs	Following the success of our LED lighting project in the UK, we plan to expand out the same practice to our European stores.

SECTION 172 STATEMENT

The Board confirms that, during FY23, 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 77 to 83 and our report on stakeholder engagement during the year is on page 80.

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 and discussions with external advisors and reports.

Principal Decisions/Steps:

The decision to continue the share buyback programme was 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. Acquisitions of Missguided, I Saw it First, Mysale and Amara expanded our digital offering and brought short lead time sourcing and further social media marketing expertise to that segment and the Frasers Group. We also acquired Gieves & Hawkes, this iconic premium luxury menswear brand being a great fit for our Elevated offering, Coventry Arena a world class exhibition, event & conference centre and in February 2023 the Group also completed the acquisition of number of fashion brands from JD Sports.

During the year, the Group disposed of Bob's Stores and Eastern Mountain Sports fascias and their corresponding e-commerce offerings.

The Bob's and EMS store estate did not include any of the new elevated stores which are core to the Frasers Group Elevation strategy. The disposal of these non-core businesses allows an even greater focus on delivering the Elevation Strategy by focusing on store experience, digital and product.

A number of freehold and long leasehold retail parks were sold for a total of £205.0m, realising a profit on disposal of £84.7m. We buy and sell properties, in the ordinary course of business, from time to time to secure attractive sites for our retail operations, and Frasers Group fascias will operate from leases within a number of these properties.

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. In September 2022, we hosted the first ever Frasers Festival which brought together approx. 1,500 colleagues, brand partners and other stakeholders for a day of assault courses, interactive brand pop ups and live entertainment. It was a hugely successful event and we will look to repeat this in 2024.

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:

The Frasers Plus, loyalty and credit facility which was initially launched in our Cruise and House of Fraser fascias and associated websites last year, has now also been rolled out to our Luxury fascias and Sports Direct.

We continue to invest in improving our customer service contact channels which include:

- Simplification of customer communications and self-help articles to remove confusion and help customers to find answers more quickly.
- Investment in Coaching, Supporting and Developing our Customer Service teams with additional training on both product and service-based enquiries.
- Additional staffing in our peak trading period to help with customer demands and improve our speed of response across all contact channels.

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

The ESG report on pages 37 to 48 details the initiatives we have undertaken in sustainability and the community.

Principal Decisions/Steps:

- In October 2022 the Group committed to cease purchasing fur products from its partners. Letters were supplied to all of our suppliers requesting no fur products are supplied to the Group.
- As part of our sustainability plans, five of our House of Frasers stores took part in a three-month scheme with the charity Sharewear which redistributed customer's unwanted clothing to 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

The Board is committed to sustaining high standards of professional conduct across the Group's businesses in accordance with both the Corporate Governance Code and industry best practice.

Principal Decisions/Steps:

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, and we have an ongoing programme of continuous review looking at changes to legislation, best practice, and ensuring compliance with the corporate governance landscape.

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. This feedback is routinely presented to the Board for consideration during its decision making and long-term planning.

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.

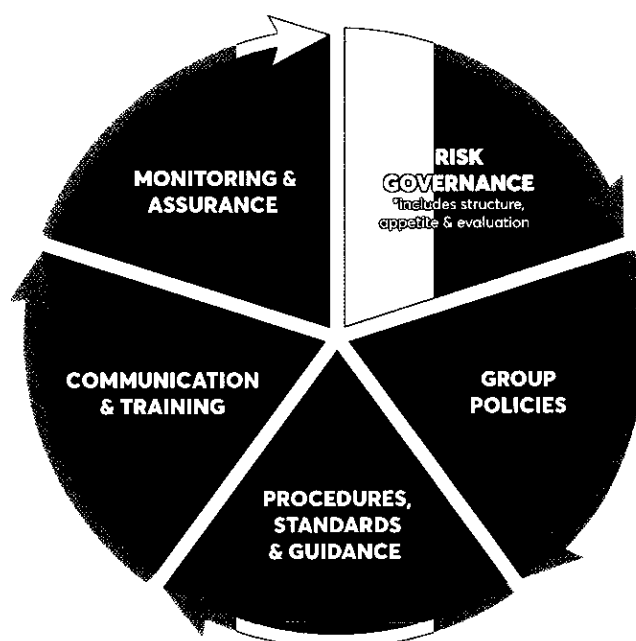
The Audit Committee supports the Board with discharging its responsibilities, under a delegated authority. The Chief Executive Officer has overall accountability for managing risks in the business, and his direct reports are accountable to him for effectively managing those risks within their remits.

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.

Emerging Risks

Our risk review process includes the identification of emerging risks. This is actioned through our Compliance & Risk Group, where risk owners are challenged to consider emerging risks and future regulatory changes to ensure we have potential mitigations in place to enable us to consider these and their potential impacts to the Group.

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, Loss Prevention 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.

Climate Risk

Climate and sustainability risks have remained an integral part of our commitment to ESG and our business operations, and is included within our ESG principal risk.

We continue to closely monitor the risks and impacts of climate change for the Group and our commitment to achieving our targets, as disclosed within our TCFD report. We have a Climate Risk Steering Group which further drives initiatives and engagement across the wider supply chain and reports through to the Board. Further details of our TCFD disclosures are found on pages 48 to 56.

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. The continued war in Ukraine, geo-political risks and the current cost of living crisis in the UK relating to but not limited to cost increases, energy prices, supply chain issues and the squeeze on consumer spending power remain a key focus for the business.

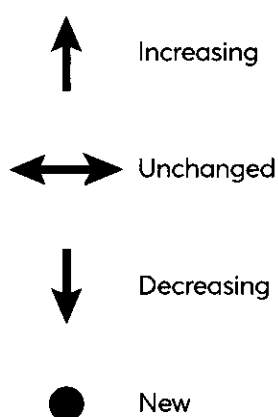
Environmental, social and governance (ESG) issues continue to feature more prominently in our disclosures. Climate and sustainability risks have remained an integral part of our commitment to ESG and our business operations.

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.

Reference To Strategy



Risk Trends



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 provide consumers with access to the World's best sports, premium and Luxury brands by providing a World leading retail eco-system.

We continue to deliver well against all aspects of our strategy, and the on-going support of our key partners and investors to 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 annual 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. Opportunities are managed through our M&A tracker and appropriate due diligence is carried out either internally or via third party firms. • Effective management of our property portfolio supports our elevated direction. All property transactions are analysed and signed off by the CFO. • 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, with the assistance of third parties providing structure to the process. • 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, to ensure the flow of product remains in line with our strategic ambition.

We continue to strengthen our brand and supplier relationships, 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, time 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.	- We have continued the successful rollout of our Electronic Data Interface (EDI) supplier portal across the majority of our suppliers. This has enabled us to build closer business relationships by providing an efficient and effective supplier on-boarding process, leading to improvements for both parties of account management and supply chain controls. - 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 builds stronger relationships with key brand partners, this continues to be an ongoing priority. - We have continued to expand our 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. - Strong stock level oversight and positive commercial relationships allow us to manage effective supply chain logistics and product availability. - Suppliers sign-up to the Group's Supplier Manual, in addition to revising our Supplier Code of Practice during the year, 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. - We have continued to build our influencer partnerships and brand collaborations to provide opportunities for own-brand growth.

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

The current geo-political events and the on-going war in Ukraine 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, although we remain cautious at all times.

The current macro-economic pressures and geo-political events occurring in Eastern Europe ensures we remain cautious around this risk and we continue to monitor these events and the potential impacts to 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 (e.g. 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.	- We ensure ongoing Financial and Commercial evaluation of economic and political change, with senior management oversight and Board reporting relating to supply chain and inflationary cost pressures. - The executive-led Compliance & Risk Group holds emerging risks discussions, with oversight reporting to the Audit Committee. - Immediate on-line closure of sanctioned countries for deliveries or trade through our web platforms were actioned during the current conflict. - We monitor UK-EU trade relationship developments and the implementation of the Trade and Co-operation Agreement via discussions at weekly leadership meetings. - Our focus on transport logistics, documentation requirements, and the flow of goods supports product availability, utilising third party formal processes.

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 refinance of our working capital to 2025.

Credit risk arises primarily in respect of online customer receivables. Frasers Group is also exposed to credit risk 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.

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.

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. • The Group Treasury function manages liquidity, interest rates and foreign exchange risks. • The Group treasury policy, with Board oversight, outlines delegated authorities for operation, monitoring and reporting. • We have increased our revolving credit facility to £1,052.5m post period end, £1,002.5m of which is available until November 2025 with the possibility to extend the term for a further year. We are working to increase this further to £1.2bn. • 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, and monitored closely on a monthly basis. • 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. • We have hedged our interest rates which has mitigated the increases seen in the last 12 months, this remains in place until 2026. • Rigorous processes are in place with regards to our credit account customers, including the use of external credit reference agencies and applying set risk criteria before acceptance, these procedures are regularly reviewed and updated. • Robust processes monitoring our debtor book and credit customers payment behaviours and credit take-up levels are in place. • The Board and Audit Committee receive regular updates throughout the year regarding customer credit business.

See Note 3 to the Financial Statements at page 156 for further detail on financial risk management.

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 continued to enhance our e-commerce offering and our customer experience, as well as our customer service and the underlying platform for our digital business. The introduction of our new Frasers Plus payment method, allows our customers to control how they spend and repay with an integrated loyalty program.

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.	• Conducting ongoing monitoring of customer insights and competitor and market trends. • Reviewing and updating our customer policies periodically 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. • Continued development and investment in our online offering in line with customer demand. • Ongoing enhancement of our ESG agendas supports our strategy, in line with our customer focus. • Introduction of Frasers Plus to the Group, allowing Customers to select a regulated credit option to enable our Customers to have further payment options and control on how they spend and repay with an integrated loyalty point scheme.

Governance, 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 retained our assessment of this risk at the same level 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.

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 advisors 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 have an ongoing programme of continuous review looking at changes to legislation, best practice, and ensuring compliance with the corporate governance landscape. • 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 advisor to the Compliance & Risk Group. • The Legal team provides bespoke training to individual departments, tailored for each area where there are key risks as well as providing training across the group utilising the e-learning platform. • The Frasers Group Intranet includes a Legal section providing FAQ's on relevant topics which is accessible to all employees.

Technology Capability and Infrastructure Renewal

We operate in a competitive and challenging customer-focused market. Our systems need to be built with Customer Experience being 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, Till EPOS 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.	• Ongoing development of a Group technology strategy aligned to the business strategy. • Forward programme of infrastructure renewal to operate our business efficiently and support our ability to compete. • Target and accelerate decommissioning of infrastructure, integrating into our business where possible, which has been procured as part of acquisitions. • Investments in our online trading capabilities, warehouse management systems and in-store technology enhance the end-to-end customer experience. • Experienced Technology team, supported by ongoing skills training, helps us to keep abreast of emerging technologies and customer-leading insights. • Development of 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 and accessible. 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.	• Strategies and policies in place to support IT security posture are reviewed and enhanced on an annual basis. • We continue to work with our trusted who provide core services which complements our in-house capabilities. Capability delivery, security and savings are core drivers. • Protection tools, including encryption, and detection tools in place to support effective monitoring and reporting are assessed, ensuring they are fit for purpose and scalable. • We have enhanced our information security capabilities and strengthened our second-line monitoring to a 24/7 alerting service, using partners where applicable. • We perform annual external assessments against our environment to assess our cyber posture. We also perform penetration testing against any key projects or major changes to our infrastructure across 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 invested in tooling to support with breach notifications should they occur. • Our in-house Legal team supports second-line monitoring and reporting of legislative compliance. • We make ongoing investments in data protection training and communications targeted to the business area (and local legislative equivalents in our overseas operations). • We routinely action and retain Data Protection Impact Assessments, and perform Records of Processing activities across all key functions across the Group.

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 within 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  	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 including a dedicated IT incident response manager working with both internal and external stakeholders with clear escalation and recovery protocols which are under continuous monitoring and 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  	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. • The Group Internal Audit team is developing third-line monitoring to support the broader internal controls framework across the Group. • Weekly leadership calls are in place with international finance teams and an annual review of all subsidiaries has been established to review financials, provide supports, streamline operations, and drive improvements.

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, recognising the investment and changes the Group has made in our people, which has allowed us to reduce the risk in this area, although we continue to remain cautious of the risks in the national labour market and in the retail sector as a whole.

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 apprenticeship 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. - Our "fearless focus" appraisal system provides expectations for performance and opportunities for development and broader succession planning. - A six pillar People Framework is in place supporting performance and talent recognition across the group. - An internal recruitment mandate operates, with improvements in on-boarding and applicant tracking. - We have revisited our core principles and a colleague value proposition which share the Group's values and ambitions for our people, with an elevated and re-energised website to attract talent. - We have a recognition and bonus structure in place, recognising and rewarding those who adopt and demonstrate the Group's 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. - We launched our first engagement survey to provide insights and drive further improvements across the organisation. - Investment in a new group intranet supports improved communications and access to company policies to all UK employees raising colleague engagement and providing greater ease of access to shared information.

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. - We have developed an ESG strategy which formalises our commitment to sustainability which continues to be embedded throughout the business and is a continued focus for the Group. - We have signed up to the Science Based Target Initiative and to further our commitment to reduce our carbon emissions we have recruited a Group Carbon Reduction Manager. - We continue to evaluate the ongoing risks and opportunities around climate change and our commitment to achieving our climate change targets as disclosed in our TCFD reporting. - 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. - Our community initiatives support the provision of vouchers to schools and organisations to allow purchases of discounted sportswear. - Review and ongoing development of our Supplier Code of Conduct, supports our values and employee engagement, and includes a standardised framework for supplier on-boarding. - We have implemented a Climate Risk Group, reporting to the Compliance and Risk Group, which further drives initiatives and engagement across the wider supply chain.

Property

The retail landscape continues to see significant changes, with a high volume of retail properties predominantly in shopping centres and high streets still vacant, due in all but the top tier schemes and destinations to the high level of retail insolvencies and retailers moving away from bricks and mortar to e-commerce.

The Group continues to see value within the High St and Shopping Centres and our continual commercial reviews of our portfolio has enabled us to reduce our assessment of this risk within the period.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
1 ↓ 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 continue to actively engage and work with our landlords to support rents that are flexible and linked to store turnover providing sensitivity should a store turnover reduce. • We aim to align rent free packages and capital contributions from landlords to reflect the elevated store fit outs to minimise the Group's capital expenditure in bricks and mortar expansion. • As property occupational costs become more affordable we continue to 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 under-performing stores. We have a very low average unexpired lease term across our core estate, allowing us to be flexible in our locations and occupation. • 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. • All purchases of new freehold property are reviewed and signed off by the CFO.

Mergers & Acquisitions

Mergers and acquisitions are a fundamental part of the Group's Elevation Strategy for growth. Whilst mergers and acquisitions can provide substantial opportunities, they can also present substantial risks.

Due to the ongoing acquisition opportunities and Strategy for the Group, we have now included this as a new principal risk for the Group.

Risk Trend and Links To Strategy	Risk	Controls and Mitigations
 	Failure to successfully identify, complete or integrate acquisitions into our existing operations could have an adverse effect on our business and financial results.	• All mergers and acquisitions are reviewed and signed off by the Senior Leadership Team and the Board. • The Legal function has robust processes in place for checking and complying with regulatory requirements. • Conservative estimation of synergies allows for any delays in the integration of a business. • Utilisation of both internal and external expertise is used to complete a thorough due diligence process prior to acquisition and following the transaction to ensure a smooth integration. • We leverage opportunities for investment through strong management oversight. • Governance and monitoring are in place for new investments, acquisitions and opportunities.

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

Chris Wootton

Chief Financial Officer

26 July 2023

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 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 30 April 2026. This period is largely covered by the Group's combined term loan and revolving credit facility, both of which expire at the end of November 2025 and it is management's expectation that the RCF facility will be extended by a further year. Management is satisfied that the 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. This model uses the same assumptions used in the Value In Use projections detailed in note 2.

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:

- taken into consideration the impact of the current cost of living crisis, including inflation on:
 - sales and margin in relation to both store and online revenue;
 - overhead costs; 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 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.

Assumptions:

- assumptions for declines in store revenue for FY24, FY25 and FY26 worsen by 1.5 times more than the base case reduction.
- all online revenue growth assumption has been reduced by 2.5% pa.

Scenario 2:

Our supply chain continues to be affected across the Group by the impact of 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. Operating costs increase ahead of forecasts due to macro-economic conditions worsening.

Assumptions:

- the gross margin percentage reduces by a multiple of 1.5 times more than the base case reduction across the Group.
- across the Group, operating costs grow by an additional 1.5% pa.

Scenario 3 & 4:

Levels of market uncertainty and factors outside of the Group's control have a significant impact on share prices across the Group's strategic investments.

Assumptions:

- the share price of strategic investments decreases by 50%. This causes our strategic investment options to exercise resulting in additional shares being purchased.
- accelerated payment of provisions to £75m pa for 2 years.

Scenario 5:

- this is a combination of all scenarios above and is seen as the worst-case and is not considered plausible.

This scenario testing indicated that the business could withstand the combined effect of the above scenarios 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. The Group enacted the one year extension to our Group facility and now have a combined term loan and revolving credit facility (RCF) of £1,052.5m as at the reporting date with £1,002.5m available until November 2025, with the possibility to extend this by a further year.

The Group has consistently created strong operating cash flows from underlying trading and has an appropriate hedging strategy to meet currency risks. We have factored in post balance sheet investments to our cashflow forecasting and modelling with no material risks noted.

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 reducing inventory cover.

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 three years to 30 April 2026.

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

Chris Wootton

Chief Financial Officer

26 July 2023

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 pages 42 to 58.

The Board and Audit Committee have worked with the sustainability team as well as external advisors in relation to TCFD reporting. The Board and Committees 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 pages 59 to 67.

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 77.

David Daly

Non-Executive Chair of the Board

26 July 2023

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 30 April 2023. 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 pages 108 to 114 and in the Nomination Committee Report on pages 87 to 89.

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 30 April 2023. The Company was not fully compliant with 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 of £15 as relevant maintained for 30 dealing days and achieving an adjusted PBT of at least £500m) are attained within 4 years of the commencement of the plan.

Board Leadership and Company Purpose

The Board

There was one change to the Board during the year. Mike Ashley resigned as a Director, being replaced by Michael Murray in May 2022. We continue to review the Board's size, composition and skillset on a regular basis, including interviewing a number of candidates, to ensure that it remains fit for purpose and address areas where we can make the most effective changes.

Our strategy is to provide consumers with access to the World's best sports, premium and luxury brands by building the planet's most admired and compelling brand 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. Further details of the Group's purpose can be found within the Our Strategy section on pages 14 to 17.

Business Model

Further information on the Group's business model and strategy can be found in the Strategic Report on page 12.

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. Our culture is defined by our values Think Without Limits, Own It, Be Relevant which connect our colleagues and push them to achieve more. The first employee survey allowed the Board to monitor and assess the Group's culture and, as a result of the survey, the Board agreed to make Engagement a key KPI across Frasers Group, thereby cementing our strategic ambition to build the best team on the planet.

Further information on the Group's culture and our approach to investing and rewarding the workforce can be found on page 42.

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 to each of our stakeholders is contained in the s.172 statement on page 57.

Employees

Please see the Directors' report for details of employee engagement on pages 108 to 114.

Shareholders

The AGM provides shareholders with an avenue to have direct access to the Board and senior leadership and ask questions at the meeting. The Chair is present at our annual and half year results presentations and met with several major shareholders throughout the year.

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 of 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 also have access to other key representatives of the Group by using the investor relations contact on the Group's website.

Feedback from shareholders during the year focused on the following key points:

- The importance of the elevation strategy and its role in enhancing relationships with key brand partners.
- The approach to strategic investments.
- The steps being taken to enhance corporate governance processes and Board diversity.

The Chair ensured that these views were shared with the whole Board. The Group has recently employed an Investor Relations Director to further improve communication with shareholders.

Customers

The Group are continuing to invest in our Customer Service Operation by increasing the head count and technology being used to support customer contacts. We are expanding our team to provide more coverage into the evenings and weekends and providing specific training in resolving enquiries faster. Investment continues in developing our international contact centre as we prepare to support the international territories. We are progressing development of new contact channels, improving our use of real time chat technology and embracing our customers desire for more self-serve – all helping reduce customer contacts and response times.

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 long-standing relationship.

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.

The Group enacted the one year extension to our Group facility and now have a combined term loan and revolving credit facility (RCF) of £1,052.5m until November 2024 and £1,002.5m until November 2025, with the possibility to extend this by a further year.

Community

Details of our engagement with the community can be found in our ESG report on pages 37 to 48.

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, which the Company Secretary has access to and is responsible for monitoring, if they have concerns around wrongdoing. 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 and appropriate follow up action agreed as required.

Colleagues also have access to confidential well-being 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.

Corporate Governance Framework

The Group has continued with the elevation of its corporate governance framework. The Board is responsible for keeping the effectiveness of systems for risk management under review. 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 FY24 financial year, reviewing various different departments to ensure internal controls are appropriate. Further details in relation to internal audit focus are included within the Audit Committee Report on pages 103 to 107.

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 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 prior to Michael becoming Chief Executive, 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 the Chair 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

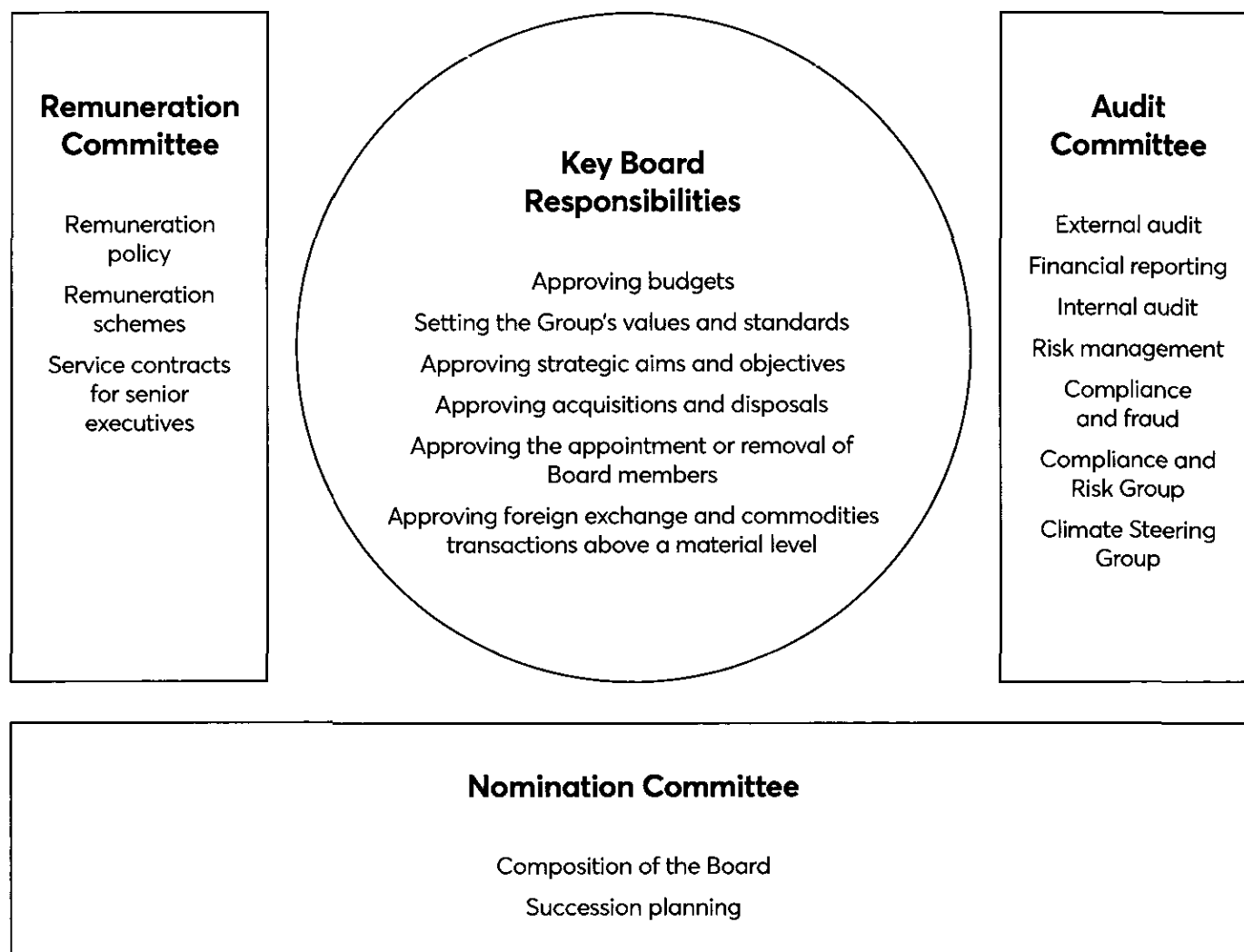
The Non-Executive Directors have extensive experience from a wide range of sectors. Their role is to understand the Group in its entirety, to constructively challenge strategy and management performance, set executive remuneration and ensure appropriate succession planning is in place. The Non-Executive 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 two Executive Directors. 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](https://www.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 and are also available on the Group's website.



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 has been completed in FY23 and it will be used as a tool in our succession planning when recruiting new directors.

There was a thorough independent external evaluation of the Board and its committees in FY21 and an internal evaluation carried out in the current year. The board evaluation highlighted the need to increase diversity on the Board and steps are being taken to address this as discussed in the Nomination Committee Report on pages 103 to 106. 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.

In addition to the evaluation of the Non-Executive Directors, the performance of the Executive Directors was also reviewed by the Chair and the Non-Executive Directors 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 95.

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.

The schedules of responsibilities for the Chair, Chief Executive and the Senior Independent Director are regularly reviewed and published on our corporate website.

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, this generally involved the CFO presenting a topic for discussion or approval, often relating to acquisitions, by the Non-Executive Directors.

	Board Meetings Scheduled	Board Meetings Unscheduled	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
Michael Murray	5/6 (attended 5/5 meetings during his tenure)	6/6	-	-	-
David Brayshaw	6/6	6/6	4/4	3/3	3/3
David Daly	6/6	5/6	4/4	2/3	3/3
Nicola Frampton	4/6	4/6	4/4	3/3	2/3*
Richard Bottomley	6/6	4/6	4/4	3/3*	3/3
Cally Price	5/6	5/6	-	3/3*	2/3*
Chris Wootton	6/6	6/6	4/4*	-	-
Michael Ashley**	1/6 (attended 1/1 meetings during his tenure)	1/6 (attended 1/1 meetings during his 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 FY23, 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 106. 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 pages 10 to 75. Detailed information on the financial position and performance can also be located in the Group Financial Statements located on pages 128 to 132.

As a result of its findings, the Board has adopted a going concern statement for FY23, and full details of this can be found in the Directors' Report at page 108. The Directors have also assessed the prospects of the Group over a three-year period and the Viability Statement can be found at page 75.

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.

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

Appointed: 1 May 2022

Previous roles:

Prior to his appointment as CEO, Michael began working with Frasers Group in 2015, advising on property and retail strategy. His role quickly evolved and having re-thought the Group's entire proposition, culture, retail and brand strategy, he became Group Head of Elevation.

Key skills, experience and contribution:

During his time, Michael has shaken up the industry by driving the ongoing elevation strategy; investing and innovating brands, retail environments, 360 digital innovation and the group's acquisition portfolio. His strategic and unrivalled vision allows the group to continue its uniquely impressive trajectory and pioneer the business' development.

Michael will continue to accelerate the group's strategy to achieve its vision of building the planet's most admired and compelling brand ecosystem.

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 to the new CEO in his first year in role. Chris is a key driver of the Group's accounting principles, namely being conservative, consistent and simple. He continues to play a leading role in the banking relationships of the Group and was instrumental in increasing the facility to now stand at over £1bn.

Chris also has a leading role in our investment and M&A strategy, including the strategic investment in Hugo Boss and various acquisitions in the year including the purchase of various companies from the JD Sports Fashion plc Group.

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: Frasers Group Workers' Representative

Key skills, experience and contribution:

Cally has been with the Group for 15 years, beginning her career as a Casual assistant working her way up to Store Manager. Cally continues to work across our retail division which allows her a unique insight into any challenges our Retail colleagues may face.

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. Richard was a Non-Executive Director of Newcastle Building Society, where he chaired the Audit Committee and until recently was Chairman of the Greggs Plc final salary pension scheme.

Present roles:

Richard is a Non-Executive Director of MSL Property Care Services Ltd, Marsden Packaging Limited, Jessgrove Limited and is partner in a consultancy business providing business and financial advice.

Key skills, experience and contribution:

Richard has strong experience in corporate governance, corporate finance and strategy. As a senior partner at KPMG, he provided advice to the boards of many UK and overseas companies on a wide range of financial and strategic issues, including M&A, shareholder engagement and corporate governance. Richard is a Fellow of the Institute of Chartered Accountants in England and Wales.

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 Committee and Remuneration Committee to which Nicola was appointed to the role of Chair from 1 May 2023.

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 ten years working in the professional services industry, most recently as a Director at Deloitte.

Present roles:

Nicola has spent the majority of her career in senior executive management roles with the last two years serving as the Chief Operations Officer at Domino's Pizza Group plc where she has primary responsibility for the group's franchisee relationships, delivery of system wide store operational standards and the brand's customer service and experience.

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.

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 within the remit of its duties, 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 84 to 86.

The Nomination Committee usually meets formally twice a year, although additional meetings take place when appropriate. The Committee formally met three times during FY23. All members of the Nomination Committee are Non-Executive Directors and, with the exception of the Committee 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 Cally Price and David Brayshaw.
- The Committee considered and recommended the re-election of all Directors wishing to stand for re-election, 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, experience and diversity. The Committee has prepared a skills matrix which has identified key areas in which the Board members have experience and the areas in which board knowledge could be strengthened. The results will be used to influence future Board appointments as detailed below.

Annual Performance Appraisals

All Board members, both Executive and Non-Executive, went through an annual performance review during FY23 and each Director engaged fully in the process. This included setting objectives for each individual and ensuring that each non-executive director has sufficient time to dedicate to their role. 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.

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. 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, being on a comply and explain basis. With this in mind, the Board has engaged external recruitment agents, Odgers Berndtson and Heads! International, to seek to appoint two additional Directors with the purpose of addressing the gender and ethnic diversity requirements, as well as addressing opportunities to fill identified skills gaps on the Board. Neither agent has any other connection with the Company or individual directors.

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 requirements.

The Group is working towards achieving its Diversity policy objective in respect of gender and ethnicity, by having a strong gender balance in senior management and their direct reports. When reviewing candidates who may become potential Board members, the Committee has regard to factors including professional experience, skills, education, gender, ethnicity, background and age, to ensure a variety of perspectives are represented at Board level. As discussed above, we have been working with recruitment agents specialising in diverse candidates in order to meet the new FCA requirements on gender and ethnicity. 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. During the period we increased the gender diversity of our senior management team with the appointment of two females to the roles of Chief Marketing Officer and Managing Director of Sport. With two of the three appointees to the senior management team being aged under 35, we have not only increased diversity of age on the senior management team but now also have representation from every age group between 30 through to 60 plus.

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. There is a varied representation of ages within senior management and a number of 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 Head of UK Finance.

Approximately 53% of our workforce is female, including 42% of our senior management (FY22: 46% UK workforce and 36% of senior management). 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. There have been no changes to the Board composition between the period end and the 27 July 2023 that affect the statistics stated in the table below.

	Number of Board members	% of the Board	Number of senior positions on the Board, Chair, SID, CEO and CFO	Number in executive management	% of executive management
Male white British or other white (inc. non-minority white groups)	5	71%	4	4	50.0%
Female white British or other white (inc. non-minority white groups)	2	29%	-	3	37.5%
Male mixed/multiple ethnicity group	-	-	-	1	12.5%
Female mixed/multiple ethnicity group	-	-	-	-	-
Asian/British Asian	-	-	-	-	-
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnicity including Arab	-	-	-	-	-
Not specified prefer not to say	-	-	-	-	-

Gender Pay

Our latest Gender Pay gap report published in April 2023 had a gender pay gap of 2.6% for 2022 (2021: 0% gender pay gap). The year on year increase is attributed to an increase in the number of female colleagues under the age of 20 working for the Group on the snapshot date. The proportion of females receiving a bonus this year was greater than the proportion of males and the median bonus gap continues to reduce significantly year on year.

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

Succession Planning

The Committee has reviewed the succession plan for directors and senior management noting that there is a strong executive pipeline for senior executive positions, and also taking into account the prospective recruitment of new non-executive directors supports developing a diverse pipeline.

Other matters

The Committee has reviewed its terms of reference and minor amendments have been made in line with best practice. The Committee also reviewed feedback from proxy advisory services on the 2022 Nomination Committee report and noting that these focused on improvement of diversity, the steps being taken to improve diversity at Board level are set out above.

David Daly

Chair of the Nomination Committee

26 July 2023

DIRECTORS' REMUNERATION REPORT

Dear Shareholder,

Following my appointment as Chair of the Remuneration Committee in May 2023, having served in the Committee since 1 October 2018, I am pleased to present the Directors' Remuneration Report for the period ended 30 April 2023. I would like to thank my colleague Non-Executive Director David Brayshaw for his work as the previous Chair and I am grateful that David continues to serve on the Remuneration Committee.

This report is split into three parts: this Annual Statement, a summary of our current Directors' Remuneration Policy 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 2022 AGM. Each of the two AGM resolutions, which were to approve our Directors' Remuneration Report and to approve amendments to the Executive Share Scheme ('ESS') was approved by shareholders at levels of voting which indicated strong support from both our full shareholder base and also by our independent shareholders who voted.

Actions Taken in FY23 and Impacts on Pay

Michael Murray became our new Chief Executive Officer on 1 May 2022. As announced in an RNS on 26 September 2022, Michael Murray decided to waive his salary for FY23, in order to focus on achieving the ESS award targets and to align with shareholders' interests. As in FY23, Michael Murray will waive his salary for FY24. The Remuneration Committee agreed that this was appropriate given the current economic challenges in retail, various integrations of acquired businesses, and other cost efficiency initiatives within the group. As a Committee, we recognise the leadership our CEO has demonstrated through this action.

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 exercises of discretion by the Committee save as detailed in this report.

In addition, the Committee considered that Directors' remuneration was appropriate and that the remuneration policy operated as intended, taking into account company performance and quantum.

Colleague Reward

Our management team have taken a number of steps to assist colleagues with the negative impacts from inflationary pressures and cost of living increases during FY23, including the following:

- implemented increases to hourly rates, including maintaining a base rate that is 8p above the national minimum wage;
- paid out aggregate bonus' and commissions worth approx. £23m to colleagues (FY22: approx. £15.0m) - a significant proportion of these payments were made to our casual retail workers;
- increased awareness of grants and aid available for retail colleagues via the Retail Trust;

In FY24, we will also be launching a well-being strategy across the Group focussing on physical, psychological and financial well-being to further support colleagues.

Operation of Remuneration Policy in FY24

It is the Committee's intention to operate the Remuneration Policy in FY24 consistent with how the policy was operated in FY23, as follows:

- our Executive Directors' salaries for FY24 are unchanged (CEO: £1,000,000; CFO £250,000) but noting that Michael Murray will waive his salary for FY24 in order to focus on achieving the ESS award targets and to align with shareholders' interests
- in line with our shareholder approved Directors' Remuneration Policy, our FY24 annual bonus for our Executive Directors will be operated with a maximum pay-out potential of 200% of base salary, being £2,000,000 in respect of Michael Murray and £500,000 in respect of Chris Wootton; and
- there will be no further ESS awards made to the Executive Directors in FY24.

**Format of the Report and Matters to be Approved
at Our 2023 AGM**

At the FY23 AGM, shareholders will be asked to approve the Directors' Remuneration Report for FY23. 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 support of the resolution to approve the Directors' Remuneration Report to be tabled at the FY23 AGM. The Remuneration Committee is happy to receive feedback from shareholders at any time in relation to our remuneration policies and will be available at the AGM to answer any questions you may have.

Nicola Frampton

Chair of the Remuneration Committee

26 July 2023



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 56 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. We have also made a number of minor textual changes to remove out-of-date references to Mike Ashley as a full-time Executive Director.

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.	Although salaries for Executive Directors 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, 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. 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 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.

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 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.	Awards will vest subject to an absolute share price target of £15. The share price must be over the target for any period of 30 consecutive dealing days during the four-year performance period and an additional vesting target of achieving an adjusted PBT of at least £500m was added at the 2022 AGM. The Committee may set additional performance conditions on awards under the Executive Share Scheme, as it considers appropriate. For information: there are three 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.

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
Michael Murray	20/09/2022	6 months	England & Wales
Chris Wootton	06/03/2017	6 months	England & Wales

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 100 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 2024 ⁽¹⁾
Nicola Frampton	Non-executive Director	1 October 2018	30 September 2024
Richard Bottomley	Non-executive Director	1 October 2018	30 September 2024
Cally Price	Non-executive Workforce Director	6 October 2020	5 October 2024 ⁽¹⁾

(1) The original three year terms of appointment for David Brayshaw and Cally Price have been extended for a further two 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 (FY22: £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 FY23 the Group paid awards and incentives to colleagues of approx. £23m (FY22: approx. £15m). 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.

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.

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 FY23. 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 30 April 2023 and how our Directors' Remuneration Policy will be applied in the year commencing 1 May 2023.

Base Salary and Fees

Michael Murray will waive his £1,000,000 per annum salary for FY24 (noting that Michael waived his salary for FY23, in order to focus on achieving the ESS award targets and to align with shareholders' interests.) Chris Wootton's salary will remain at £250,000 per annum (FY23: £250,000).

Fees for the Chair and Non-Executive Directors are normally reviewed annually. In respect of fees for FY24, David Daly will receive an annual fee of £200,000 (FY23: £200,000) for his role as Chair. Richard Bottomley will receive £75,000 for his role as Senior Independent Director (FY23: £75,000). David Brayshaw and Nicola Frampton will each receive a fee of £65,000 (FY23: £65,000) for their roles as Non-Executive Directors.

Cally Price will receive a fee of £20,000 (FY23: £20,000) 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 (FY22: none).

Annual Bonus Scheme

Michael Murray and Chris Wootton will be eligible to earn a bonus in respect of FY24. 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. Due to issues of commercial sensitivity, the Committee does not believe it is in shareholders' interests to disclose any further details of these performance metrics and/or targets on a prospective basis. The Committee will provide appropriate and relevant levels of retrospective disclosure of the assessed criteria applied to the FY24 bonus in next year's Directors Remuneration Report.

Any such bonus shall be of up to 200% of salary, noting that Michael Murray's potential bonus will be determined by reference to his contractual salary, despite his decision to waive his salary for FY24. This means the Executive Directors will be eligible for a maximum pay-out potential of £2,000,000 in respect of Michael Murray and £500,000 in respect of Chris Wootton, and any bonus earned in excess of 100% of salary may be subject to deferral.

Long-Term Incentives

Michael Murray and Chris Wootton have both received awards under the 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 in FY23.

Awards under the Executive Share Scheme are due to vest after a four-year performance period ending in October 2025, subject to a stretching absolute share price performance target of £15 (for at least 30 consecutive trading days).

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

- satisfactory performance ratings for the Executive Director during the term of the award;
- anticipated delivery of the Company's Elevation strategy; and
- achieving adjusted PBT of at least £500m in a single financial year.

Single Figure Table (Audited)

The aggregate remuneration provided to individuals who have served as Directors in the period ended 30 April 2023 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	
	FY23	FY22	FY23	FY22	FY23	FY22	FY23	FY22	FY23	FY22		FY23	FY22	FY23	FY22
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Executive Directors															
Michael Murray ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chris Wootton	250	250	-	-	-	-	-	-	1	1	251	251	251	251	-
Mike Ashley ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Executive Directors															
David Daly	200	150	-	-	-	-	-	-	-	-	200	150	200	150	-
David Brayshaw	65	65	-	-	-	-	-	-	-	-	65	65	65	65	-
Nicola Frampton	65	65	-	-	-	-	-	-	1	1	66	66	66	66	-
Richard Bottomley	75	65	-	-	-	-	-	-	-	-	75	65	75	65	-
Cally Price	20	15	-	-	-	-	-	-	-	-	20	15	20	15	-
Anouska Kapur ⁽⁴⁾	-	22	-	-	-	-	-	-	-	-	-	22	-	22	-
Total	675	632	-	-	-	-	-	-	2	2	677	634	677	634	-

(1): Pensions are provided via a defined contribution to the Company stakeholder pension scheme (see note 37)

(2): Michael Murray waived his salary for FY23 (normally £1m per annum)

(3): Mike Ashley stepped down from the Board on 19 October 2022

(4): Anouska Kapur stepped down from the Board on 21 December 2021

Further Information on the FY22 Annual Bonus (Audited)

Michael Murray received no bonus in respect of FY23.

Chris Wootton received no bonus in respect of FY23 (FY22: £nil).

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 FY23 (FY22: 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 30 April 2023 (or if earlier the date of leaving the Board)	Ordinary Shares held at 24 April 2022 (or if earlier the date of leaving the Board)
Mike Ashley (1)	330,000,000	330,000,000
Michael Murray (2)	-	N/A
Chris Wootton	-	-
David Daly	34,680	31,563
Nicola Frampton	5,732	5,732
David Brayshaw	31,611	31,611
Richard Bottomley	10,000	10,000
Cally Price	-	-

(1): Mike Ashley stepped down from the Board on 19 October 2022.

(2): As at 30 April 2023 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

There has been no change to the interests reported above between 30 April 2023 and 26 July 2023 (being the latest possible date for inclusion in the 2023 Annual Report). The Company did not receive any notifications under DTR 5

between 30 April 2023 and 26 July 2023.

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

Executive Director	Awards held at 24 April 2022	Awards granted during the year ⁽¹⁾	Awards lapsed during the year	Awards held at 30 April 2023
Michael Murray	-	6,711,409	-	6,711,409
Chris Wootton ⁽²⁾	600,000	-	-	600,000

(1) The award to Michael Murray was granted on 19 October 2022 in the form of a nominal share option and has a face value of £43.15m, based on a closing share price of 643 pence per share on the date of grant.

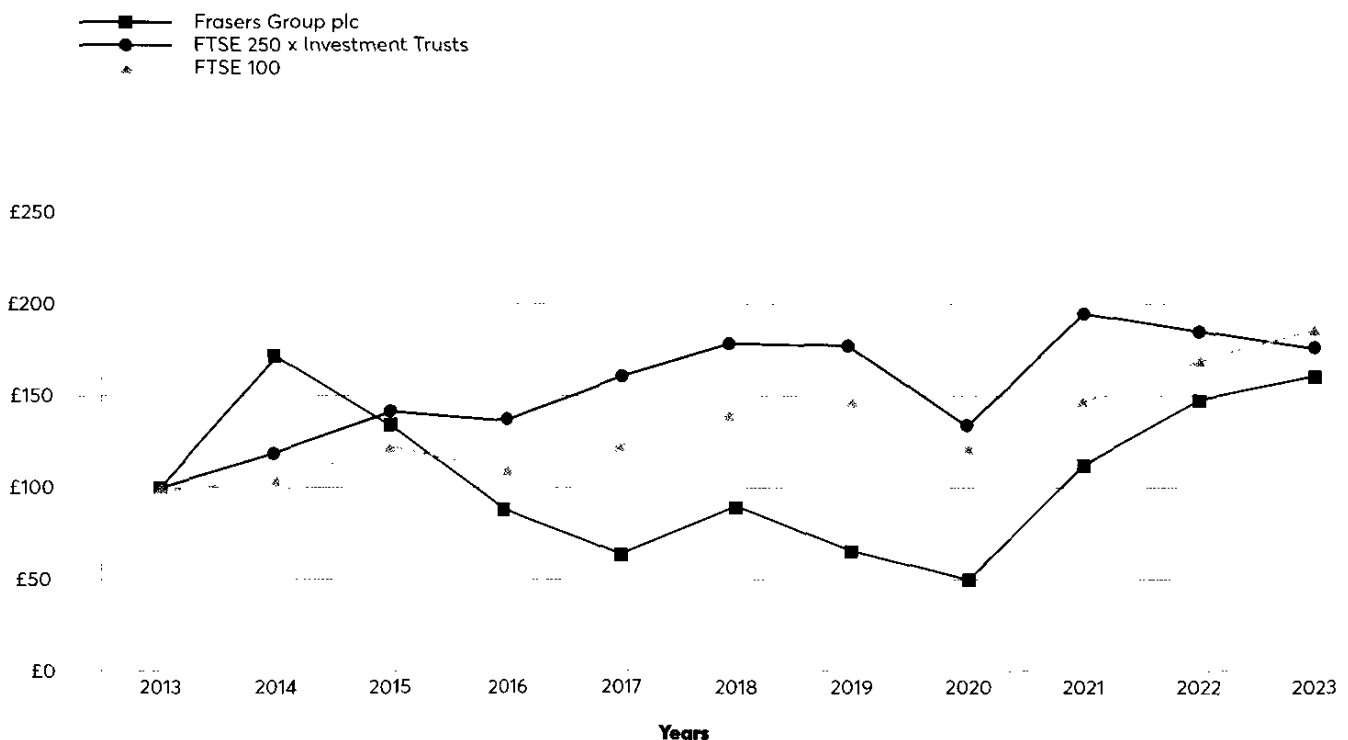
(2) Award granted to Chris Wootton is in the form of a conditional share award.

Awards under the Executive Share Scheme are subject to a stretching share price target measured over a four-year performance period to October 2025. The awards to the Executive Directors are subject to a share price target of £15 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;
- ii. anticipated delivery of the Company's Elevation strategy; and
- iii. achieving adjusted PBT of at least £500m in a single financial year.

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
FY23 - Michael Murray ⁽¹⁾	Nil	N/A
FY23 - Mike Ashley ⁽¹⁾	Nil	N/A
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 ⁽²⁾	Nil	N/A
FY17 - Dave Forsey ⁽³⁾	£62,500	N/A
FY16 - Dave Forsey	£150,000	N/A
FY15 - Dave Forsey	£150,000 ⁽⁴⁾	0% ⁽⁴⁾
FY14 - Dave Forsey	£150,000	N/A

(1) Michael Murray was appointed as Chief Executive with effect from 1 May 2022 and reflects his remuneration from this date. Mike Ashley stood down as Chief Executive from 1 May 2022.

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

(3) 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.

(4) In the FY15 Annual Report, this chart included a total remuneration figure for FY15 of £6760,000 and 100% vesting of the Executive Share Scheme, reflecting the satisfaction of the performance conditions for an award over 1,000,000 shares due to vest in 2017. On 6 June 2016 Dave Forsey informed the Company and the Committee of his decision to forego this award. Accordingly, the chart above has been updated to reflect the decision to forego the award.

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 Michael Murray, who was the CEO during FY23, chose to waive his salary for FY23.

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 FY22 and FY23, FY21 and FY22 and between FY20 and FY21.

	% Change From FY22 To FY23			% Change From FY21 To FY22			% Change From FY20 To FY21		
	Salary or fees	Benefits	Bonus	Salary or fees	Benefits	Bonus	Salary or fees	Benefits	Bonus
Employees	14%	22%	35%	23%	31%	1%	(13%)	(21%)	8%
Executive Directors									
Michael Murray	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mike Ashley	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chris Wootton	0%	0%	0%	67%	0%	(100%)	70%	0%	100%
Non-Executive Directors									
David Daly	33%	N/A	N/A	50%	N/A	N/A	0%	(100%)	(100%)
Nicola Frampton	0%	N/A	N/A	30%	N/A	N/A	0%	0%	N/A
David Brayshaw	0%	N/A	N/A	30%	N/A	N/A	0%	(100%)	N/A
Richard Bottomley	15%	N/A	N/A	30%	N/A	N/A	0%	(100%)	N/A
Cally Price	33%	N/A	N/A	N/A	N/A	N/A	50%	N/A	N/A

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 for each of the financial years from 2020 onwards 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 FY23 and FY22) and the Company's share price (calculated as at the close of business on the last dealing day of FY23 and FY22). 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.

	FY23	FY22	Percentage change
Distributions to shareholders by way of dividends and share buybacks	£155,300,000	£193,200,000	(19.6%)
Investment*	£605,600,000	£504,200,000	20.1%
Group-wide expenditure on pay for all employees	£657,000,000	£532,900,000	23.3%
Share price (pence)**	768.5	690	11.4%

* Comprises of increases in working capital, acquisitions and capital expenditure in the year (see Consolidated Cash Flow Statement) as the Board believes these to be the most relevant measures of the Group's investment in future growth

** For these purposes, the share price for FY23 and the share price for FY22 are calculated at the close of business on 28 April 2023 and 22 April 2022 respectively being the last dealing days prior to the period ends.

Remuneration Committee

During FY23, 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 83.

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

Michael Murray, the Chief Executive, Chris Wootton, the Chief Financial Officer, and other senior executives have advised or materially assisted the Committee throughout FY23 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') were appointed by and 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 £35,912 plus VAT have been paid for its services during the year (FY22: £75,889 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:** 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 Directors' 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.

What Has the Committee Done During the Year?

- Approved proposed amendments to the Executive Share Scheme for the CFO, COO and CCO to increase the share price target to £15 (aligned with the target for the CEO award) and include an adjusted PBT target of at least £500m in a single financial year.
- Monitored implementation of the Fearless 1000 share scheme to ensure that points are allocated regularly by senior executives.
- Reviewed and considered comments from investors regarding remuneration arrangements for senior executives.
- Approved updated terms of reference for the Remuneration Committee.
- Monitored pay and benefit arrangements for colleagues, and the impact on retention and recruitment.

The Remuneration Committee meets several times a year, with 3 formal meetings and a number of ad hoc meetings held during FY23.

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 FY23; and
- taking into consideration Company performance during FY23 and feedback from the Non-Executive Workforce Director regarding pay and employment conditions of colleagues, 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 24 April 2022 at the 2022 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 24 April 2022	383,427,320	87.77	53,427,652	12.23	436,854,972	2,968
Directors' Remuneration Policy	385,510,465	84.92	68,480,849	15.08	453,991,314	15,650

Nicola Frampton

Chair of the Remuneration Committee
on Behalf of the Board

26 July 2023

AUDIT COMMITTEE REPORT

Dear Shareholder

I am pleased to present the report of the Audit Committee (the Committee) for the 53-week period ended 30 April 2023. The report sets out the Committee's work and areas of focus during the year, which has continued to include the ongoing war in Ukraine and the 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 since their appointment in 2019 as our External Auditor and we value the integrity, strength and depth of their audit and approach.

We have continued to make strong progress against our continuous improvement assurance agenda across governance, risk and control. We are pleased that the Government's response on strengthening the UK's audit corporate reporting and corporate governance systems have been published and we look forward to the time-frames of these changes taking place in the year ahead.

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 113) and that the Group is viable over its assessment period (see page 75).

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 84 to 86 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 four times during the year. 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.

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;
- monitoring climate related risks; 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;
- reviewed its Terms of Reference; and
- together with the Board, considered the Committee's own effectiveness.

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 60. 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:

- key legislative and regulatory obligations, including data protection and oversight of the Government's response for audit and governance reform - strengthening controls over financial reporting;
- cyber risk and data loss prevention, including strengthening of our information security capability;
- reviewing the risks around our People, reviewing the key performance indicators of Attract, Retain, Develop, Engage and Perform;
- continued updates on the governance policies review and reporting;
- reviewing significant accounting judgements and estimates;
- the valuation of assets and inventory 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;
- warehouse inventory controls;
- the Group's banking arrangements.

The Committee has reviewed the Group's internal controls and concluded they are effective.

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 Government's response to changes in Audit and Corporate Governance and we look forward to the dates of these changes being announced in due course.

External Auditor

The Committee was pleased to recommend the reappointment of RSM as External Auditor for FY24 following a robust external audit review of FY23. The length of tenure of RSM as external auditors is four years. The last audit tender was conducted in FY20.

RSM has reported to the Committee that, in its professional judgment, 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. During FY23 RSM undertook a working capital review and performed agreed upon procedures in relation to the interim financial statements. The non-audit services provided are in line with Group policy.

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 53 weeks ended 30 April 2023. 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 30 April 2023, 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.

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, inflation and the broader economic downturn. The Group enacted the one year extension to our Group facility and now have a combined term loan and revolving credit facility (RCF) of £1,052.5m until November 2024 and £1,002.5m until November 2025, with the possibility to extend this by a further year. 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.
Impairment of right-of-use assets; property, plant & equipment; freehold property and related property provisions	The Committee has reviewed and challenged management's impairment testing, including the key assumptions and methodologies used. The projected cash flows and discount rates were considered appropriate, within the context of the changes in consumer behaviour and economic uncertainties.
Impairment of intangible assets	The Committee has reviewed and challenged management's impairment of intangible assets, including the key assumptions and methodologies used. The projected cash flows and discount rates were considered appropriate, within the context of the current anticipated performance of each of the cash generating units.
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.
Impairment allowance on trade receivables	The Committee has challenged management's judgements and estimates on provisioning levels. The Committee is satisfied the underlying approach is consistent with Studio Retail's prior periods provisioning 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.
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.
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. The Committee is satisfied that the disclosures and approach are appropriate.
Business combination accounting	The Committee has reviewed the work performed by management in respect of the acquisitions in the year, specifically, in relation to the valuation of net assets at the date of acquisition. The Committee is satisfied that the acquisitions, and presentation of these, represents a true and fair view and that the date of control, estimates and judgements used by management are appropriate.

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 FY24. I monitor and assess the effectiveness of the Committee regularly as Chair and invite input from the External Auditor on this.

Key Objectives for FY24

The Committee's key objectives for FY24 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

26 July 2023

DIRECTORS' REPORT

The Directors of Frasers Group Plc present their Annual Report and Accounts for the period ended 30 April 2023. The Group's Corporate Governance Statement is set out on page 77 and forms part of the Directors' Report.

Principal Activities and Business Review

The Chief Executive's Report and Business Review on page 20 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 59. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are described in the Financial Review on page 31. The Strategic Report on pages 10 to 75 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;
- offering UK customers a flexible repayment proposition
- 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 20.

Results for the Period and Dividends

Revenue for the 53 weeks ended 30 April 2023 was £5,565.2m and profit before tax was £620.7m compared with £4,805.3m and £335.6m 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 20 and 31 respectively.

The Board has decided not to propose a dividend in relation to FY23 (FY22: 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 27 July 2023 and the period end, there were 640,602,369 ordinary shares of 10p in issue and fully paid, of which 183,115,526 were held in treasury. As at the period end there were 173,127,025 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 £15,915,926 (being approx. one third of the then issued share capital) for the period expiring at the end of the 2023 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 £31,831,852, in connection with a rights issue.

An authority to allot shares up to a maximum nominal value of £2,387,389 (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 £2,387,389 (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.

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 71,573,916, representing 14.99% of the Company's issued ordinary share capital at the 2022 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 30 April 2023, the Company purchased 21,886,851 ordinary shares under the Share buyback programmes that commenced on 25 April 2022 and 20 February 2023. The nominal value of the shares purchased was 10p for a consideration of £155.3m (3.4% of total share capital). 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 30 April 2023, 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	70.58%	Indirect
Phoenix Asset Management Partners Limited ⁽²⁾	35,727,677	7.0%	Direct
Odey Asset Management LLP ⁽³⁾	14,366,192	3.0%	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 (64.92% of the issued ordinary share capital of the Company) and 26,492,540 ordinary shares (5.67%) of the issued ordinary share capital of the Company, respectively

(2) On 25 May 2023 the Company was advised of a decrease in the shareholding of Phoenix Asset Management Partners Limited to 23,189,019 (4.96%), being the last date on which the Company was notified of a change in the percentage of shares

(3) These figures are as at 21 December 2022, being the last date on which the Company was notified of a change in the percentage of shares

Between 30 April 2023 and 26 July 2023 (being the latest practicable date prior to the publication of this Report) Mike Ashley's shareholding increased to 330,069,000 held via MASH Beta Limited and MASH Holdings Limited, which hold 303,507,460 ordinary shares (64.92% of the issued ordinary share capital of the Company) and 26,561,540 ordinary shares (5.68% 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 Depositary 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 90. 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. 32,000 colleagues in its stores, offices and warehouses.

We have continued with levelling up our communication across the business, launching a new company intranet, continued our roll out of MS Teams to all colleagues *and building on our Monthly newsletters and bi annual webinars from leadership, keeping all colleagues informed of what is happening across the business.*

In October 2022 we launched our first Frasers Group engagement survey to all colleagues across the Group. This provided our colleagues the opportunity to share feedback on topics such as our values, communication, leadership and recognition. Over 17,000 colleagues completed the survey, providing us with valuable insight into what we are doing well as an employer and what they would like to see us work to improve. We achieved an engagement score of 66, which is a positive result for our first survey. We have now made Engagement a key KPI across Frasers Group, cementing our strategic ambition to build the best team on the planet.

The Company has elected a Workers' Representative, Cally Price, who attends all Board meetings as a non-executive director and provides feedback from employees to the Board. During the year the "Ask Cally" app was launched. The App allows any employee to submit a question or raise an issue directly with the Non-executive Workforce Director, Cally Price, and receive a personal response. The Company has recently introduced CEO sessions where employees are invited to interactive face to face sessions to discuss different facets of the business with Michael Murray and senior management.

Engagement and progress with action plans will continue to be a focus for us, both following up with Leaders on their local actions, and regular Group wide communications sharing with colleagues our progress on improving the things they've told us are opportunities and are important to them. Our efforts to increase colleague engagement will be measured in our next annual survey in October 2023.

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 104 colleagues were 'Frasers Champions' in the year.

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 Strategic Report on page 10 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 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 43.

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 £6.0k (2022: £6.6k) 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 (2022: 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 100 to 102. The membership of the Board of Directors has largely remained the same throughout FY23 with the exception that Mike Ashley resigned as a director on 19 October 2022 and Michael Murray was appointed as CEO 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 30 April 2023, and at the date of this Report, are shown in the Directors' Remuneration Report on page 90.

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.

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 FY23 questionnaire.

The Company has entered into a Relationship Agreement with Mike Ashley, whose wholly-owned companies, MASH Holdings Limited and MASH Beta Limited, hold approx. 5.66% and 64.92% respectively of the issued share capital of the Company (excluding treasury shares) as at 30 April 2023. This agreement is described in the Directors' Report on page 108.

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 as at the date of this report.

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 30 April 2023 nor for the period ended 24 April 2022.

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	Page 99
(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 109
(12) Shareholder waivers of dividends	Page 108
(13) Shareholder waivers of future dividends	N/A
(14) Agreements with controlling shareholders	Page 109

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 2025 with a one-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.

Furthermore, as per the outlook statement, the Directors are confident of achieving an Adjusted PBT of between £500m to £550m during FY24. 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 116 detailing its reporting responsibilities. The Directors fulfil their responsibilities, and these are set out in the Directors' Responsibilities Statement on page 115.

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 36 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.

Carbon And Energy Reporting

Carbon and Energy reporting is discussed in the ESG report on pages 37 to 48.

By Order of the Board

Robert Palmer

Company Secretary

26 July 2023

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 84 to 86 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

26 July 2023

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 30 April 2023 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 significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 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 30 April 2023 and of the group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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 regulatory provisions
- Impairment of Studio Retail trade receivables
- Accounting for business combinations

Group – event driven risks

Materiality

Group

- Overall materiality: £15.3m (2022: £17.0m)
- Performance materiality: £10.0m (2022: £11.0m)

Parent Company

- Overall materiality: £14.5m (2022: £5.4m)
- Performance materiality: £9.4m (2022: £3.5m)

Scope

Our audit procedures covered 86% of revenue (2022: 83%), 91% of total assets (2022: 86%) and 92% of profit before tax (2022: 91%).

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group 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 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 30 April 2023, the Group Consolidated Balance Sheet records inventory of £1,464.9m (2022: £1,277.6m). This amount is net of an inventory provision of £220.6m (2022: £236.7m).

As described in note 2 to the financial statements, management used an inventory provisioning model which calculated a provision by category of inventory based on historical experience, pricing and discounting strategies and management's assessment of risk. This model was a revised model when compared with previous years.

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. This included consideration of the appropriateness of the new provision model in addressing the risk associated with the inventory population.
- Critically challenged the assumptions made in the inventory provision model in respect of the expected level of future losses anticipated to be incurred in respect of current stock, including:
 - The basis on which expected losses were calculated and whether the assumptions included in the calculations were realistic based on historical experience and the current trading environment.
 - The level of current and continuity inventory which was expected to roll into the out of season category based on historical experience and the current trading environment.
 - The assumption that inventory which is sold when the product is current season or continuity inventory does not generate losses.
 - Whether different assumptions and estimates should be applied for different fascias given the differentiated product mix.
- Considered management's assumptions in respect of inventory obtained via recent acquisitions to determine whether inventory provisions were sufficient based on the expected route for selling this inventory.

As a result of our findings from challenging management's model, we independently developed an alternative model that applied the results of our testing of management's model to the inventory population. This included forming 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

We are satisfied with the estimates and judgements made by management and the resulting inventory provisions and related disclosures are appropriate.

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 of £23.9m (2022: £106.5m), right of use assets of £43.1m (2022: £76.8m) and related PPE of £32.2m (2022: £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.
- Sensitising the assumptions in management's impairment models.
- Testing 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

We are satisfied that the judgements and estimates applied, the impairment charges recorded and the related disclosures in the financial statements 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 £123.5m (2022: £230.2m) relating to legal and regulatory matters, £16.0m (2022: £41.6m) in relation to financial services regulatory matters and £166.7m (2022: £161.2m) relating to property provisions which principally comprise provisions for dilapidations on leasehold properties. 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, regulatory and other commercial claims and significant judgement is required in determining whether a provision should be recorded and for what amount. Regulatory provisions include amounts in respect of non-UK tax matters and financial services regulatory matters relating to the Studio Retail business. 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 regulatory 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 regulatory matters. • Utilising experts to assist the audit team in understanding the completeness of amounts included within regulatory provisions relating to non-UK tax matters • Auditing the movement in provisions, including amounts released during the year and checking for completeness through the review of ongoing claims for dilapidations and through circularisation of legal advisors in relation to legal and regulatory matters.
Key observations	We are satisfied that the judgements and estimates applied in determining property, legal and regulatory provisions and the associated disclosures are appropriate.

Impairment of Studio Retail trade receivables

Key audit matter description	Studio Retail Limited (SRL) has significant trade receivables as a result of credit facilities which are offered to customers. These are recovered through instalments. As detailed in note 23 to the financial statements, the Consolidated Balance Sheet includes gross credit customer receivables of £326.0m (2022: £372.7m) with an associated expected credit loss provision recognised of £100.1m (2022: £138.5m). 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 reviewing and challenging the work of the component auditor, assessing the validity of the provision 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 acceptable.

Accounting for business combinations

Key audit matter description	During the period ended 30 April 2023 the group completed nine business acquisitions with a combined total consideration of £120.0m. There is a risk of material misstatement to the financial statements from the application of IFRS 3 'Business combinations' and the related fair value measurement of the consideration paid, assets acquired and the liabilities assumed in accordance with IFRS 13: Fair Value Measurement. An impairment charge of £47.5m has been recognised in the period in respect of the goodwill and separately identifiable intangible assets which arose as a result of the business combination accounting, following management's review of the recoverable amount of these assets. We therefore identified the business combination accounting and the subsequent impairment of the goodwill and separately identifiable intangible assets as a key audit matter for both the accuracy and valuation assertions.
How the matter was addressed in the audit	Our audit work in relation to the business combination accounting, included:- • Obtaining and reviewing management's accounting papers to assess whether the acquisition accounting and fair value adjustments are appropriate and in accordance with the financial reporting framework. • Agreeing the consideration paid to purchase agreements and bank statements. • Obtaining and reviewing management's assessment of the date at which control was obtained and obtaining appropriate evidence to support this. • Critically challenging management's judgements in relation to fair value adjustments and recognition of separately identifiable intangible assets including the rationale for subsequent impairments. • Considering whether the financial statement disclosures in relation to the • acquisition provide users with an accurate and balanced understanding of the transaction.
Key observations	Based on the procedures performed we consider that the Group's accounting for business combinations, fair value adjustments and related disclosures are acceptable.

There were 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 acquisition of the trade and certain assets (including credit impaired assets) of Studio Retail Group. Following the finalisation of the business combination accounting during the period, we no longer consider this 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	£15.3m (2022: £17.0m)	£14.5m (2022: £5.4m)
Basis for determining overall materiality	Materiality for the Group financial statements as a whole was set at £15.3m (2022: £17.0m). The metric used to determine materiality was normalised profit before tax. Our assessment of normalised profit before tax of £338.8m was based on the Group's disclosed adjusted profit before tax of £478.1m as disclosed in note 4 to the financial statements and subtracting the profit on sale of properties (£95.4m) and the gain on the sale of discontinued operations (£43.9m). We adjusted for these items as they do not represent the normal continuing operations of the group. Our group materiality is equivalent to 2.3% of reported profit before tax and 4.5% of normalised profit before tax as calculated above. (2022: 5% of profit before tax)	Materiality for the Parent company as a whole was set at 1% of total assets (capped at 95% of overall Group materiality). (2022: 1% of total assets capped at an allocation of overall Group materiality)
Rationale for benchmark applied	We considered a range of profit-based measures when determining a materiality benchmark. We used normalised profit before tax because, in our professional judgement this resulted in a materiality level that was, in our view, more reflective of the underlying recurring profit generation of the Group. The overall materiality level applied is lower than that which would have been determined with reference to a statutory profit before tax measure. We applied a lower level of materiality to the audit of components and, in accordance with ISA (UK) 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	£10.0m (2022: £11.0m) 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.	£9.4m (2022: £3.5m) 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 (2022: 65% of overall materiality)	65% of overall materiality (2022: 65% of overall materiality)
Reporting of misstatements to the Audit Committee	Misstatements in excess of £0.8m (2022: £0.8m) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £0.7m (2022: £0.56m) 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:

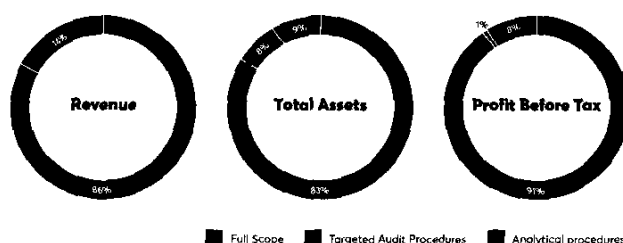
- Evaluation of identified components to assess the significance of each component and to determine the planned audit response based on a measure of materiality. This included significance as a percentage of the Group's revenue, total assets and adjusted profit before tax;
- For those components that 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 the Baltics, Denmark, Ireland, Malaysia and the United States, we engaged RSM member firms and other component auditors to perform full scope component audits. Additionally, component auditors attended inventory counts in a number of locations.
- In relation to Studio Retail Limited, component auditors were engaged to perform full scope audit procedures.
- 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 86% of consolidated revenues, 83% of total assets and 91% of profit before tax.

The operations that were subject to targeted audit procedures made up 0% of consolidated revenues, 8% of total assets and 1% of profit before tax; and

The remaining operations of the Group, for which the results are highly disaggregated across a large number of non-significant components, 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 14% of consolidated revenues, 9% of total assets and 8% of profit before tax.

The coverage achieved by our audit procedures was:



Full scope audits were performed for 11 components (some of which included a number of legal entities which were combined for group reporting purposes), targeted audit procedures for 4 components and analytical procedures at group level for the remaining components.

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	11	86%	83%	91%
Targeted audit procedures	4	0%	8%	1%
Total	15	86%	91%	92%

Analytical procedures at group level were performed for the remaining components.

The Group team visited three component locations in the UK and a component location in Malaysia, and attended video conference calls and performed remote file reviews for components in the Baltics, Denmark, 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.

The Impact of Climate Change on the Audit

In planning our audit, we considered the potential impact of the possible risks arising from climate change on the Group's and Parent Company's business and financial statements and obtained an understanding of how management identifies and responds to climate-related risks. Further information on the Group's commitments is provided in the Group's Task Force for Climate-Related Financial Disclosures ("TCFD") disclosures on page 48.

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 Parent Company and the sector within which they operate, to understand the extent of the potential impact of climate change on the financial statements.

Taking account of the nature of the business, our findings in respect of impairment testing and review of the director's going concern and viability assessments, to changes in regulation, weather patterns and business activities, we have not assessed climate-related risk to be significant to our audit. There was also no impact on our key audit matters.

In accordance with our obligations with regards to other information, we have read the Group's TCFD statement 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-related risk disclosures set out on pages 48 to 56 within 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:-

- 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 director's 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.

- 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 30 April 2023 actual figures
- Checking management's covenant compliance calculations to determine whether there is a risk of breach and assessing whether the assumptions in management's base model appeared realistic, achievable and consistent with other internal and external evidence

Other Information

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

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

We have nothing to report in this regard.

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
- the Strategic Report and the Directors' Report 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 and 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 113;
- Directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 75;
- 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 113;
- Directors' statement on fair, balanced and understandable set out on page 106;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 59;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 83; and,
- The section describing the work of the Audit Committee set out on page 103.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 115, 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:

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 effectiveness 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 a component auditor 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.

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;
- reviewing the design and implementation of 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:- UK-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 period ending 26 April 2020 and subsequent financial periods.

The period of total uninterrupted consecutive appointments is 4 years, covering the periods ending 26 April 2020 to 30 April 2023.

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 in accordance with ISAs (UK).

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.

Mark Harwood (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP,
Statutory Auditor

Chartered Accountants

25 Farringdon Street
London
EC4A 4AB

27 July 2023

CONSOLIDATED INCOME STATEMENT

For the 53 weeks ended 30 April 2023

		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	Note	53 weeks ended 30 April 2023 (£'m)	53 weeks ended 30 April 2023 (£'m)	53 weeks ended 30 April 2023 (£'m)	52 weeks ended 24 April 2022 (£'m)	52 weeks ended 24 April 2022 (£'m)	52 weeks ended 24 April 2022 (£'m)
Revenue		5,441.3	8.5	5,449.8	4,672.9	114.2	4,787.1
Credit account interest		115.4	-	115.4	18.2	-	18.2
Total revenue (including credit account interest)	4	5,556.7	8.5	5,565.2	4,691.1	114.2	4,805.3
Cost of sales		(3,175.5)	(4.4)	(3,179.9)	(2,647.2)	(56.1)	(2,703.3)
Impairment losses on credit customer receivables		(15.5)	-	(15.5)	(13.3)	-	(13.3)
Gross profit	4	2,365.7	4.1	2,369.8	2,030.6	58.1	2,088.7
Selling, distribution and administrative expenses		(1,968.0)	(4.0)	(1,972.0)	(1,557.3)	(31.5)	(1,588.8)
Other operating income	5	41.0	0.1	41.1	45.4	2.6	48.0
Property related impairments	17, 18	(99.6)	-	(99.6)	(227.0)	-	(227.0)
Exceptional items	6	97.1	-	97.1	(1.3)	-	(1.3)
Profit on sale of properties	7	95.4	-	95.4	10.8	-	10.8
Operating profit	4,8	531.6	0.2	531.8	301.2	29.2	330.4
Gain on sale of subsidiaries/ discontinued operations	16,20	17.6	26.3	43.9	-	-	-
Investment income	10	112.6	-	112.6	43.8	-	43.8
Investment costs	11	(4.6)	-	(4.6)	(19.7)	-	(19.7)
Finance income	12	46.1	-	46.1	30.3	-	30.3
Finance costs	13	(69.0)	(0.1)	(69.1)	(48.9)	(0.3)	(49.2)
Profit before taxation		634.3	26.4	660.7	306.7	28.9	335.6
Taxation	14	(159.3)	(0.1)	(159.4)	(75.5)	(3.2)	(78.7)
Profit for the period	4	475.0	26.3	501.3	231.2	25.7	256.9
ATTRIBUTABLE TO:							
Equity holders of the Group		461.7	26.3	488.0	224.1	25.7	249.8
Non-controlling interests		13.3	-	13.3	7.1	-	7.1
Profit for the period	4	475.0	26.3	501.3	231.2	25.7	256.9
		Pence per share	Pence per share	Pence per share	Pence per share	Pence per share	Pence per share
Basic earnings per share	15	100.4	5.7	106.1	47.5	5.4	52.9
Diluted earnings per share	15	100.4	5.7	106.1	47.5	5.4	52.9

Discontinued operations relate to the Group's US retail businesses which were disposed of during the year. See note 16. The accompanying accounting policies and notes form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 53 weeks ended 30 April 2023

	Note	53 weeks ended 30 April 2023 (£'m)	52 weeks ended 24 April 2022 (£'m)
Profit for the period	4	501.3	256.9
OTHER COMPREHENSIVE (LOSS)/INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Fair value movement on long-term financial assets	21	9.9	(8.1)
Remeasurements of defined benefit pension scheme	37	(0.5)	(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	13.4	6.8
Foreign exchange impact of disposal of discontinued operations	26	(1.6)	-
Fair value movement on hedged contracts - recognised in the period	26,30	6.5	52.1
Fair value movement on hedged contracts - recognised time value of options		0.7	-
Fair value movement on hedged contracts - reclassified and reported in sales	26,30	(24.6)	-
Fair value movement on hedged contracts - reclassified and reported in inventory/cost of sales	26,30	(38.5)	7.5
Fair value movement on hedged contracts - taxation taken to reserves	26,30	14.6	(15.8)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX		(20.1)	22.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		481.2	279.3
ATTRIBUTABLE TO:			
Equity holders of the Group		467.9	272.2
Non-controlling interest		13.3	7.1
		481.2	279.3

The total comprehensive income relating to discontinued operations is £24.7m (2022: £25.7m).

The accompanying accounting policies and notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET

As at 30 April 2023

Company number: 06035106

	Note	30 April 2023 (£'m)	24 April 2022 (£'m)
ASSETS - NON CURRENT			
Property, plant and equipment	17	1,150.7	1,011.0
Investment properties	18	131.3	89.2
Intangible assets	19	24.1	120.6
Long-term financial assets	21	289.6	206.6
Investment in associate undertakings	20	16.9	-
Retirement benefit surplus	37	0.8	2.2
Deferred tax assets	28	82.1	100.8
		1,695.5	1,530.4
ASSETS - CURRENT			
Inventories	22	1,464.9	1,277.6
Trade and other receivables	23	720.1	841.4
Derivative financial assets	30	79.3	116.5
Cash and cash equivalents	24	332.9	336.8
		2,597.2	2,572.3
Assets in disposal groups classified as held for sale	16	-	40.0
TOTAL ASSETS		4,292.7	4,142.7
EQUITY			
Share capital	25	64.1	64.1
Share premium		874.3	874.3
Treasury shares reserve		(644.2)	(488.9)
Permanent contribution to capital	26	0.1	0.1
Capital redemption reserve	26	8.0	8.0
Foreign currency translation reserve	26	47.4	35.6
Reverse combination reserve	26	(987.3)	(987.3)
Own share reserve	26	(66.8)	(66.8)
Hedging reserve	26	14.0	55.3
Share based payment reserve		33.1	14.1
Retained earnings		2,275.5	1,778.1
Issued capital and reserves attributable to owners of the parent		1,618.2	1,286.6
Non-controlling interests		40.0	22.0
TOTAL EQUITY		1,658.2	1,308.6
LIABILITIES - NON CURRENT			
Lease liabilities	27	560.3	503.6
Borrowings	27	749.7	827.9
Retirement benefit obligations		1.7	1.6
Deferred tax liabilities	28	15.7	40.4
Provisions	29	290.2	433.0
		1,617.6	1,806.5
LIABILITIES - CURRENT			
Derivative financial liabilities	30	66.5	107.2
Trade and other payables	31	711.9	729.8
Lease liabilities	27	119.6	117.0
Provisions	29	16.3	-
Current tax liabilities		102.6	50.9
		1,016.9	1,004.9
Liabilities in disposal groups classified as held for sale	16	-	22.7
TOTAL LIABILITIES		2,634.5	2,834.1
TOTAL EQUITY AND LIABILITIES		4,292.7	4,142.7

The accompanying accounting policies and notes form part of these Financial Statements. The Financial Statements were approved by the Board on 26 July 2023 and were signed on its behalf by:

Chris Wootton

Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

For the 53 weeks ended 30 April 2023

	Note	53 weeks ended 30 April 2023 (£'m)	52 weeks ended 24 April 2022 (restated) (£'m)
Profit before taxation		660.7	335.6
Net finance cost		23.0	18.9
Net investment income		(108.0)	(24.1)
Gain on disposal of subsidiaries/discontinued operations		(43.9)	-
Operating profit		531.8	330.4
Depreciation of property, plant and equipment		262.3	246.6
Depreciation of investment properties		10.2	5.9
Amortisation of intangible assets		6.9	7.5
Impairment of tangible assets, intangible assets and investment properties		239.7	232.7
Gain on modification/remeasurement of lease liabilities		(26.8)	(28.3)
Profit on disposal of property, plant and equipment		(95.4)	(10.8)
Fair value gain on recognition of associated undertaking		(16.9)	-
Gain on bargain purchase	32	(56.1)	(4.8)
Share based payment charge in equity (excluding deferred tax)		19.0	9.2
Pension contributions less income statement charge		0.9	(1.6)
Operating cash inflow before changes in working capital		875.6	786.8
Decrease in receivables		95.8	79.6
Increase in inventories		(71.6)	(155.0)
(Decrease)/increase in payables		(132.4)	7.5
(Decrease)/increase in provisions		(132.5)	22.9
Cash inflows from operating activities		634.9	741.8
Income taxes paid		(93.2)	(121.0)
Net cash inflows from operating activities		541.7	620.8
Proceeds on disposal of property, plant and equipment and investment property		32.0	5.9
Proceeds from sale and leaseback transactions		185.6	9.5
Proceeds on disposal of listed investments ⁽¹⁾	21	172.4	238.4
Proceeds in relation to equity derivatives ⁽²⁾		66.2	117.4
Disposal of subsidiary undertakings	16	46.5	1.0
Purchase of subsidiaries, net of cash acquired	16, 32	(28.0)	(0.2)
Purchase of property, plant and equipment and investment property	17, 18	(469.4)	(323.2)
Purchase of listed investments	21	(243.3)	(198.4)
Decrease/(increase) in deposits relating to equity derivatives ⁽²⁾	23	53.8	(112.9)
Investment income received		3.0	1.0
Finance income received		20.1	6.3
Net cash outflows from investing activities		(178.3)	(229.1)
Lease payments		(140.7)	(176.2)
Finance costs paid		(50.5)	(32.8)
Borrowings drawn down	27	616.8	1,374.4
Borrowings repaid	27	(695.0)	(1,484.4)
Proceeds from sale and leaseback transactions		54.5	1.5
Dividends paid to non-controlling interests		(0.7)	(1.3)
Purchase of own shares		(155.3)	(193.2)
Net cash outflows from financing activities		(370.9)	(512.0)
Net decrease in cash and cash equivalents including overdrafts		(7.5)	(120.3)
Exchange movement on cash balances		3.6	0.1
Cash and cash equivalents including overdrafts at beginning of period		336.8	457.0
Cash and cash equivalents including overdrafts at the period end	24	332.9	336.8

(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.

(2) Movements in deposits relating to equity derivatives have been presented as a separate line item within net cash outflows from investing activities in the current year. Following a reassessment, management have concluded that this is a more appropriate presentation of movements in these collateral deposits in line with IAS 7 Statement of Cash Flows. Prior year information has been restated on an equivalent basis, resulting in a £112.9m increase to net cash inflows from operating activities and an equal and opposite increase to net cash outflows from investing activities. The presentational adjustment does not have any impact on net decrease in cash and cash equivalents, the balance sheet, the Group's profit, or earnings per share in any of the periods presented.

The accompanying accounting policies and notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 53 weeks ended 30 April 2023

	Share capital	Share premium ⁽¹⁾	Treasury shares	Share-based payment reserve	Foreign currency translation	Own share reserve	Retained earnings	Other ⁽²⁾	Total attributable to owners of parent	Non-controlling interests	Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
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-based payments	-	-	-	12.8	-	(0.1)	0.1	-	12.8	-	12.8
Purchase of own shares	-	-	(193.2)	-	-	-	-	-	(193.2)	-	(193.2)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1.3)	(1.3)
Transactions with owners in their capacity as owners	-	-	(193.2)	12.8	-	(0.1)	2.0	-	(178.5)	(3.2)	(181.7)
Profit for the financial period	-	-	-	-	-	-	249.8	-	249.8	7.1	256.9
Other comprehensive income											
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	-	-	-	-	-	-	(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
Exchange differences on translation of foreign operations	-	-	-	-	6.8	-	-	-	6.8	-	6.8
Total comprehensive income for the period	-	-	-	-	6.8	-	221.6	43.8	272.2	7.1	279.3
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
Acquisitions	-	-	-	-	-	-	-	-	-	4.0	4.0
Share-based payments	-	-	-	19.0	-	-	-	-	19.0	-	19.0
Purchase of own shares	-	-	(155.3)	-	-	-	-	-	(155.3)	-	(155.3)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	0.7	0.7
Transactions with owners in their capacity as owners	-	-	(155.3)	19.0	-	-	-	-	(136.3)	4.7	(131.6)
Profit for the financial period	-	-	-	-	-	-	488.0	-	488.0	13.3	501.3
Other comprehensive income											
Cashflow hedges - recognised in the period	-	-	-	-	-	-	-	6.5	6.5	-	6.5
Cashflow hedges - recognised time value of options	-	-	-	-	-	-	-	0.7	0.7	-	0.7
Cashflow hedges - reclassified and reported in sales	-	-	-	-	-	-	-	(24.6)	(24.6)	-	(24.6)
Cashflow hedges - reclassified and reported in inventory/cost of sales	-	-	-	-	-	-	-	(38.5)	(38.5)	-	(38.5)
Cashflow hedges - taxation	-	-	-	-	-	-	-	14.6	14.6	-	14.6
Fair value adjustment in respect of long-term financial assets	-	-	-	-	-	-	9.9	-	9.9	-	9.9
Remeasurements of defined benefit pension scheme	-	-	-	-	-	-	(0.5)	-	(0.5)	-	(0.5)
Foreign exchange impact of disposal of discontinued operations	-	-	-	-	(1.6)	-	-	-	(1.6)	-	(1.6)
Exchange differences on translation of foreign operations	-	-	-	-	13.4	-	-	-	13.4	-	13.4
Total comprehensive income for the period	-	-	-	-	11.8	-	497.4	(41.3)	467.9	13.3	481.2
At 30 April 2023	64.1	874.3	(644.2)	33.1	47.4	(66.8)	2,275.5	(965.2)	1,618.2	40.0	1,658.2

(1) The share premium account is used to record the excess proceeds over nominal value on the issue of shares.

(2) Other reserves comprise 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 26).

The accompanying accounting policies and notes form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the 53 weeks ended 30 April 2023

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. The consolidated Financial Statements have been prepared under the historical cost convention, as modified to include fair valuation of certain financial assets, derivative financial instruments and non-controlling interests.

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.

The financial statements are prepared in sterling, which is the functional currency of the Group. The numbers presented in the Financial Statements have been rounded to the nearest million, unless otherwise stated.

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 2025 with a one 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 strategic investment 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 selling strategic investments at a discount to the market price if a significant share price fall occurred, reducing capital expenditure, putting on hold discretionary spend, liquidating certain assets on the Balance Sheet and paying down the Group Financing 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 COVID-19 pandemic to require mitigating actions or a relaxation of covenants. 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.

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 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, debit card or credit account. 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 FY23 is £54.2m (FY22: £47.4m) and is recognised in the UK Sports 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.

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. The new Frasers Plus loyalty program currently includes points that do not expire however the Group may introduce an expiry at a late time including in respect of pending or active points already earned.

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 Frasers Group Financial Services Limited (formerly 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.

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.

Finance Costs

Finance costs are recognised on an accruals basis in the period in which they are incurred using the effective interest method.

Taxation

Tax expense comprises 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. 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 and other assets allocated to the CGU. 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 over 15 years straight line, other than the land element which is not depreciated.

Fair values of the investment properties are disclosed. See Note 18 for further details.

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 and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention and ability to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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 is 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, and 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. 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, and/or 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.

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 the Group's credit customers 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 and options 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.

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. The level of ineffectiveness is assessed as part of the valuation process undertaken at each half year end date. As part of this we consider the qualitative assessments that were made on inception, as detailed above, and also quantitatively measure the ineffectiveness of the hedge. In order to measure actual ineffectiveness which should be recorded in profit or loss, a hypothetical derivative is constructed on each review date to model the change in the fair value of the hedged item. The terms of the hypothetical derivative match that of the contract with a fair value of £nil at inception. 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 held in the hedging reserve is transferred immediately to profit or loss.

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 in accordance with the terms of lease agreements, following advice from chartered surveyors and based on 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 recognised as part of the cost of the right of use asset and 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.

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.

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.

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 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:

- Annual Improvements to IFRS Standards 2018-2020 Cycle - amendments to IAS 1, IFRS 9 and IFRS 16
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before intended use
- Amendment to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract
- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

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 30 April 2023 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.

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.

Mulberry Group Plc

During the period the Group has held greater than 20% of the voting rights of Mulberry Group Plc. Management consider that the Group does not have significant influence over this entity for combinations of the following reasons:

- The Group does not have any representation on the board of directors of the investee.
- 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 the investee company.
- There has been no interchange of managerial personnel.
- No non-public essential technical management information is provided to the investee.

Four (Holdings) Limited

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 £60m (£26.8m 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.

Tymit Limited

The Group holds 25% of the share Capital of Tymit Limited. This holding is accounted for as an associate under IAS 28, although the carrying value of the investment is £nil as a result of management's assessment of future trading prospects of the business. Management has advanced Tymit convertible loans of £7.2m at 30 April 2023, which have been fully provided for, and is committed to loaning a further £3.6m post-year end. Management has considered whether any of the rights attaching to the loan notes could give rise to control and concluded that this was not the case.

Kangol LLC

During the current period, the Group sold 51% of its shareholding in Kangol LLC to Bollman Hat Company for £17.6m, retaining a 49% stake. Management considered the criteria set out in IFRS 10 when assessing whether or not it retains control of the entity or significant influence as defined by IAS 28. It was concluded that the Group has significant influence by virtue of its holding more than 20% of the voting power of the investee, but not control since Bollman holds 51% of total voting rights. Consequently, the Group's 49% shareholding has been accounted for as an associate under IAS 28. Refer to note 20 for details.

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 accordingly 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 the growth assumptions within them and are satisfied that forecasts on 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 £14.0m (FY22: £55.3m) would be shown in Finance Income.

Adjustment to Regulatory Provisions in Studio

As a regulated business, Frasers Group Financial Services Limited has an obligation to proactively review its business to ensure that appropriate outcomes were delivered to customers. At 24 April 2022, a provision of £41.6m was recognised in respect of the probable costs of remediating customers who may have been adversely impacted by legacy decisions. Since the approval of the prior year's consolidated financial statements, the receipt of new information, which was not available at the point the prior year financial statements were approved, has enabled management to refine the relevant customer cohorts who were potentially impacted by these legacy decisions and complete detailed analysis of the financial implications. This has enabled a revision to management's best estimate of the likely costs of remediation and has resulted in a reduction in the amount provided of approximately £25m. The remaining provision is expected to be utilised within 12 months of the balance sheet date.

Management considered whether or not the reduction in provision should result in an adjustment to the amounts recognised in the acquisition balance sheet in accordance with the requirements of IFRS 3.45 and IFRS 3.47 and concluded that the release should be treated as a prospective change in accounting estimate under IAS 8.34 since it arose as a result of new information which has come to light since the acquisition date. It is the Group's policy to present items that "merit separate presentation" by reference to their "their size, nature and infrequency of the events giving rise to them" as exceptional items. Given the unusual size, nature and infrequency of movements in provisions of this nature, management has disclosed the income statement impact within exceptional items in the consolidated income statement.

Sale and Leaseback transactions

During the current period, the Group disposed of a number of freehold properties by means of the sale of shares in the limited companies that owned the relevant properties but accounted for these as sale and leaseback transactions under IFRS 16 Leases ("IFRS 16"). Management exercised judgment in determining whether or not these sales should be treated as a loss of control of subsidiaries under IFRS 10 Consolidated Financial Statements or sale and leaseback transactions as defined by IFRS 16, paying due consideration to the IFRS Interpretations Committee's tentative agenda decision on this topic from September 2020.

Key Estimates

Inventory provisioning

The Group carries significant amounts of inventory, against which there are provisions for expected losses to be incurred in the sale of slow moving, obsolete and delisted products. At 30 April 2023 a provision of £220.6m (2022: £236.7m) was held against a gross inventory value of £1,685.5m (2022: £1,514.3m).

In the current year, management has changed the methodology applied in calculating an appropriate level of inventory provision owing to changes in the mix of the Group's inventory holding, driven in large part by the growth of the Premium Lifestyle segment and various acquisitions.

In assessing the level of provision required, management has applied its experience and industry knowledge to divide the core UK inventory holding into separate categories based on internal management classifications and behavioural characteristics, taking account of experience by fascia, as follows:

- Continuity inventory – inventory that is considered to be perennial and therefore exhibits limited risk of obsolescence.
- Current season inventory – inventory that has been purchased specifically for seasons in the current calendar year.
- Out of season inventory (including inventory previously classified as continuity) – inventory that has moved out of the two categories above because of its age, range development or because it is being sold at below cost to clear warehouse/store space.

An adjusted rate of loss is then calculated based on losses incurred on the sale of out of season inventory over the past three years (being management's assessment of the time taken to clear through out of season inventory), with any inventory remaining on hand after three years of being classified as out of season being assumed to require a 100% provision rate. The historical rate is sensitised to reflect management's best estimate of future performance by making assumptions around changes to sales prices achieved on the sale of out of season inventory vs. those achieved in the past three years and the level of inventory remaining after three years of being classified as out of season. In the current period, management have estimated that selling prices will need to reduce by a further 10% to clear an equivalent volume of out of season inventory and that approximately twelve times as much Premium Lifestyle out of season inventory will remain on hand at the end of the three-year period of assessment than has typically been the case historically, requiring a 100% provision rate, reflecting the different profile of this inventory to Sports inventory.

In addition, management has applied a provision rate of 100% against a portion of the inventory holding that is either currently being sold at a loss or exhibits an unusually high level of obsolescence risk. The 100% provision rate reflects the costs associated with clearing and disposing of this inventory.

The adjusted rate of loss is applied to the gross value of inventory in each of the categories above as follows:

- **Continuity inventory** – the adjusted loss rate is applied to 30% of the gross holding (representing the proportion of inventory in this category that is expected to roll into the out of season category based on historical experience).
- **Current season inventory** – the adjusted loss rate is applied to 30% of the gross holding (representing the proportion of inventory in this category that is expected to roll into the out of season category based on historical experience).
- **Out of season inventory** (including inventory previously classified as continuity) – the adjusted loss rate is applied to this population, excluding those specific items that carry at 100% provision rate based on the analysis detailed above.

The provisioning calculations require a high degree of judgement, given the significant level of estimation uncertainty, in the classification of inventory lines and the roll rates between classifications, as well as the use of estimates around future sales prices and the remaining inventory holding for out of season inventory. Sensitivity analysis relating to these key assumptions is set out below.

% of inventory rolling into out of season (including inventory previously classified as continuity) category	
Base assumption	30%
Sensitised assumption	35%/25%
Increase/(decrease) to provision	£7.2m/(£7.2m)
Decrease in sales prices on out of season inventory	
Base assumption	-10%
Sensitised assumption	-5%/-15%
(Decrease)/Increase to provision	(£5.7m)/£7.0m
Increase in out of season Premium Lifestyle inventory on hand after three-years	
Base assumption	12 times historical rate
Sensitised assumption	10 times historical rate/14 times historical rate
(Decrease)/Increase to provision	(£7.0m)/£6.4m

These sensitivities reflect management's assessment of reasonably possible changes to key assumptions which could result in adjustments to the level of provision within the next financial year.

Property Related Provisions – note 29

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 – note 29

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 (FY22: £100,000) for large leasehold stores, £50,000 (FY22: £50,000) for smaller leasehold stores (£25,000 per store for Game UK and Game Spain stores) and \$/€50,000 (FY22: \$/€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. The annual movement in the dilapidations provisions is considered to be immaterial.

A 10% increase in dilapidation cost per store would result in an approx. £9.0m (FY22: £8.5m) reduction in profit before tax.

Legal and regulatory provisions – note 29

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 reflect management's best estimate of the potential costs arising from the settlement of outstanding disputes of a commercial and regulatory nature. A substantial portion of the amounts provided relates to ongoing legal claims and non-UK tax enquiries. Further details can be found in note 29. Management have made a judgement to consider all claims collectively given their similar nature. In accordance with IAS37.92, management have concluded that it would prejudice seriously the position of the entity to provide further specific disclosures in respect of amounts provided for non-UK tax enquiries and legal claims.

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.

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 FY23	UK	Europe	Rest of World
Up to 5 years	1.4% - 5.1%	0.3% - 4%	1.5% - 5.3%
Greater than 5 years and up to 10 years	2.0% - 5.7%	0.5% - 4%	1.5% - 5.3%
Greater than 10 years and up to 20 years	2.2% - 5.7%	0.8% - 4%	1.5% - 5.4%
Greater than 20 years	2.5% - 5.9%	1.1% - 4%	1.5% - 5.6%
Lease Term FY22	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 £66.1m (FY22: £115.9m) due to the impact of ongoing challenges in the retail sector on the forecast cash flows of the CGUs, including the ongoing cost of living squeeze on customers. This is broken down as follows:

- £43.1m (FY22: £76.8m) against right-of-use assets; and
- £23.0m (FY22: £39.1m) against plant and equipment.

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 (FY22: £nil) being recognised in the period. Further detail is given below.

A sensitivity analysis has been performed in respect of sales, margin, the new store exemption and operating costs 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 5%	(19.8)
Sales decline year 1	10% reduction to 15%	24.9
Existing gross margin year 1 > 40%	100bps - improvement	(3.7)
Existing gross margin year 1 > 40%	100bps - reduction	3.8
New store exemption ⁽¹⁾	Change from 1 to 2 years	(41.5)
Operating costs increase year 1	Change from 3% to 6%	4.5

(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 as to 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 £33.5m (FY22: £111.1m) due to the ongoing challenges in the retail sector on the forecast cash flows of the CGU. This is broken down as follows:

- £24.1m (FY22: £106.5m) against freehold land and buildings, including £0.2m (FY22: £2.0m) in relation to long leasehold properties;
- £9.2m (FY22: £1.6m) plant and equipment; and
- £0.2m (FY22: £1.0m) investment property.

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 (FY22: £nil) being recognised in the period.

Value In Use (VIU)

The value in use is calculated based on five year cash flow projections. These are formulated by using the Group's forecast cash flows for each individual CGU, taking into account historic performance of the CGU, and then adjusting for the Group's current views on future profitability for 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 FY23	Year 1	Year 2	Year 3	Year 4	Year 5
Sales decline	-5%	-4%	-3%	-2%	-2%
Existing gross margin > 40%	-175bps	-150bps	-125bps	-100bps	-75bps
Operating costs increase per annum	3%	3%	3%	3%	3%
Discount rate	8.5%	8.5%	8.5%	8.5%	8.5%

Terminal growth rate of 2%

Key assumptions FY22	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, margin and operating costs as these are considered to be the most sensitive of the key assumptions.

Forecast:	Impact of:	Impairment increase / (decrease) (£'m)
Sales decline year 1	10% improvement to 5%	(5.0)
Sales decline year 1	10% reduction to 15%	6.4
Existing gross margin year 1 > 40%	100bps - improvement	(0.7)
Existing gross margin year 1 > 40%	100bps - reduction	1.6
Operating costs increase year 1	Change from 3% to 6%	1.8

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 into 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 £3.4m (FY22: £5.0m).

The total recoverable amount of the assets that were impaired at the period end was £72.2m (FY22: £105.9m), with £60.5m (FY22: £47.3m) of this being based on their fair value less costs of disposal and £11.7m (FY22: £58.6m) being based on their value in use.

Impairment reversals

In accordance with IAS 36.110 management has assessed whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased. Key triggers considered by management include store (i.e., CGU) EBITDA showing a material year-on-year improvement, significant changes in property valuations, and whether any new, wider economic factors may impact the forecast performance. Based on the criteria set by management, an impairment reversal of approximately £11.0m was considered. However, management concluded that in light of the challenging economic outlook and the unprecedented level of uncertainty in the retail market, it would not be appropriate to record a reversal at this stage, only to "re-impair" at a later date.

Credit Customer Receivables

The Group's credit customer receivables are recognised on balance sheet at amortised cost (i.e., net of provision for expected credit loss). At 30 April 2023, trade receivables with a gross value of £326.0m were recorded on the balance sheet, less a provision for impairment of £100.1m.

Fair value considerations

Management has concluded that the fair value of trade receivables acquired as part of the Studio Retail Limited acquisition in FY22 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 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.

Macroeconomic scenarios

The principal macroeconomic driver factored into the impairment model is unemployment. The latest economic scenarios used in the model along with the probably weighting applied to each are summarised as follows:

Scenario	Qualitative explanation	Probability weighting applied
Upside	Inflation recedes leading to cuts in interest rates to 3.25% by end-2024. Unemployment falls to 3.5% whilst wage growth remains strong and supportive of high growth.	0%
Baseline	Unemployment rate peaks at approximately 4.5% and remains at this level for most of 2024. Inflation begins to fall by mid-2024.	50%
Downside	Interest rates continue to rise and unemployment peaks at 6.5% in mid-2024	30%
Stress	Inflation continues to rise leading to sharp increases in interest rates. Unemployment peaks at 8% in 2024.	20%

Post model adjustment

As noted in the prior year, 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 Studio'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, whilst the adverse impact payment and arrears performance has been less severe than anticipated to date, it will continue to be felt in future. Judgement has therefore been exercised in applying a post model adjustment of £6.6m (April 2022: £40.0m) to the output of the impairment model in arriving at the provision. This reflects management's best estimate based on the information available to them at the current time.

Valuation of assets acquired in business combinations

During the current period, the Group has recognised net assets acquired in business combinations with a fair value of £121.2m including goodwill of £35.6m and a gain on bargain purchase of £56.1m. Management make use of estimates when calculating the fair value of assets and liabilities acquired in business combinations and make use of both internal and external information in doing so.

In the current year, on the acquisition of JD premium brands, the principal estimate was around the fair value of inventory acquired. The fair value of inventory, which primarily includes finished goods was estimated at £73.4m, a reduction of £6.9m on the carrying value prior to the acquisition. The fair value adjustment relates only to finished goods and was calculated as the estimated selling price less costs to complete and sell the inventory, associated margins on these activities and holding costs. The fair value adjustment is expected to amortise over approximately the first 12 months post acquisition, in line with revenues.

Management also notes that a gain on bargain purchase arose on the acquisition of JD premium brands. In light of this, management has considered the fair values attributed to the acquired assets and liabilities and concluded that they are appropriate. If the fair value of assets and liabilities recognised were to increase/decrease by £5m, there would be a corresponding increase/decrease to the gain on bargain purchase by an equivalent amount.

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 and options 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 manages liquidity risk by reviewing the maturity profiles of financial assets and liabilities. The Group has sufficient liquid resources and suitable financing facilities to meet its short- and medium-term requirements 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 reviews forecasts and considers risks and equivalent mitigating actions to ensure there is adequate headroom on the facilities and to ensure the Group is operating within its financial covenants.

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 2022 Annual Report with the exception of merging the European Retail and Rest of World Retail segments into a new International Retail segment. The prior period numbers have been re-categorised for this change.

Management considers operationally that the UK Retail divisions (UK Sports Retail and Premium Lifestyle) are currently run as one business unit in terms of allocating resources, inventory management and assessing performance. Under IFRS 8 we have not as at 30 April 2023 met the required criteria with enough certainty to aggregate these operating segments. We will continually keep this under review at subsequent reporting dates.

European and other international 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 market 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 which were disposed of during the period, 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, Frasers Group Financial Services Limited, 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 the related websites, the Misguided and I Saw it First websites, and freehold property owning companies where trading is purely from Premium Lifestyle fascias.
2. International Retail - includes all of the Group's sports retail stores, management and operating in Europe and Asia, including the Group's European Distribution Centres in Belgium and Austria, European freehold property owning companies, GAME Spain stores, and Baltics & Asia e-commerce offerings. The MySale acquisition will be reported in this segment. International Retail also includes the results of the US based retail activities until the disposal in May 2022.
3. Wholesale & Licensing - includes the results of the Group's portfolio of internationally recognised brands such as Everlast, Karrimor, and Slazenger.

Planned changes to segmental reporting

The Group currently intends to revise its segmental reporting based on planned changes in how the Group will report performance and allocate resources going forwards. Following the acquisition of Frasers Group Financial Services Limited (formerly known as Studio Retail Limited) and the launch of the Group's consumer credit offering, Frasers Plus, as well as recent acquisitions of larger properties, it is expected to lead to the Group's financial services and property businesses being disclosed as separate reporting segments. The Group also currently intends to consolidate UK Sports Retail and Premium Lifestyle into one UK Retail segment. The underlying businesses within the Wholesale & Licensing segment will be consolidated into the appropriate retail segments. Since these changes have taken place post year-end, it is intended that the revised segmental presentation will take effect from FY24 onwards.

Segmental information for the 53 weeks ended 30 April 2023:

	UK Sports	Premium Lifestyle	UK Retail Total	International Retail	Total Retail	Wholesale & Licensing	Eliminations	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Sales to external customers	3,080.6	1,212.9	4,293.5	1,083.4	5,376.9	188.3	-	5,565.2
Sales to other segments	-	-	-	-	-	69.9	(69.9)	-
Revenue	3,080.6	1,212.9	4,293.5	1,083.4	5,376.9	258.2	(69.9)	5,565.2
Gross profit	1,381.7	471.8	1,853.5	438.8	2,292.3	77.5	-	2,369.8
Operating profit before foreign exchange, exceptional items, property and other related impairments, profit on sale of properties and gain on sale of subsidiaries/discontinued operation	341.0	50.1	391.1	69.4	460.5	(52.8)	-	407.7
Foreign exchange realised	35.8	0.1	35.9	(6.5)	29.4	1.8	-	31.2
Property and other related impairments	(26.6)	(47.9)	(74.5)	(25.1)	(99.6)	-	-	(99.6)
Profit/(loss) on sale of properties	84.0	(1.4)	82.6	12.8	95.4	-	-	95.4
Exceptional items	25.0	55.2	80.2	-	80.2	16.9	-	97.1
Operating profit	459.2	56.1	515.3	50.6	565.9	(34.1)	-	531.8
Gain on sale of subsidiaries/discontinued operations	17.6	-	17.6	26.3	43.9	-	-	43.9
Investment income	112.4	-	112.4	0.2	112.6	-	-	112.6
Investment costs	(4.6)	-	(4.6)	-	(4.6)	-	-	(4.6)
Finance income	41.1	0.9	42.0	4.1	46.1	-	-	46.1
Finance costs	(58.9)	(1.8)	(60.7)	(8.3)	(69.0)	(0.1)	-	(69.1)
Profit before taxation	566.8	55.2	622.0	72.9	694.9	(34.2)	-	660.7
Taxation	-	-	-	-	-	-	-	(159.4)
Profit for the period								501.3

Sales to external customers in Frasers Group Financial Services Limited includes credit account interest of £115.4m, and gross profit includes impairment losses on credit customer receivables of £15.5m, both of which are recognised in the UK Sports segment.

Other segment items included in the income statement for the 53 weeks ended 30 April 2023:

	UK Sports	Premium Lifestyle	UK Retail Total	International Retail	Total Retail	Wholesale & Licensing	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Property, plant & equipment depreciation	132.3	41.4	173.7	11.8	185.5	1.6	187.1
Property, plant & equipment impairment	20.2	28.7	48.9	7.4	56.3	-	56.3
IFRS 16 ROU depreciation	37.3	6.4	43.7	31.5	75.2	-	75.2
IFRS 16 ROU impairment	6.2	19.2	25.4	17.7	43.1	-	43.1
Investment property depreciation	10.2	-	10.2	-	10.2	-	10.2
Investment property impairment	0.2	-	0.2	-	0.2	-	0.2
IFRS 16 disposal and modification/remeasurement of lease liabilities	(17.6)	(0.8)	(18.4)	(8.2)	(26.6)	(0.2)	(26.8)
Intangible amortisation	-	-	-	0.4	0.4	6.5	6.9
Intangible impairment	4.9	20.5	25.4	26.8	52.2	87.9	140.1

Information regarding segmental assets and liabilities as at 30 April 2023 and capital expenditure for the 53 weeks then ended:

	UK Sports (£'m)	Premium Lifestyle (£'m)	UK Retail Total (£'m)	International Retail (£'m)	Total Retail (£'m)	Wholesale & Licensing (£'m)	Eliminations (£'m)	Group Total (£'m)
Total assets	5,587.7	1,859.4	7,447.1	846.0	8,293.1	536.5	(4,536.9)	4,292.7
Total liabilities	2,762.4	1,796.5	4,558.9	878.6	5,437.5	23.0	(2,826.0)	2,634.5
Tangible asset additions	336.1	26.3	362.4	105.3	467.7	0.7	-	468.4
Right of use asset additions	62.8	23.0	85.8	51.1	136.9	3.3	-	140.2
Intangible asset additions	-	-	-	1.0	1.0	-	-	1.0

The segment assets and liabilities above include intercompany balances which eliminate on consolidation but appear in the information presented to the Chief Operating Decision Maker (CODM). Eliminations primarily relate to the elimination of intercompany balances on consolidation, intangible assets arising on consolidation, defined benefit pension surplus as well as current tax balances and deferred tax. These are shown in eliminations in the information presented to the CODM.

Segmental information for the 52 weeks ended 24 April 2022⁽¹⁾:

	UK Sports (£'m)	Premium Lifestyle (£'m)	UK Retail Total (£'m)	International Retail (£'m)	Total Retail (£'m)	Wholesale & Licensing (£'m)	Eliminations (£'m)	Group Total (£'m)
Sales to external customers	2,640.1	1,056.6	3,696.7	940.5	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	940.5	4,637.2	248.2	(80.1)	4,805.3
Gross profit	1,136.8	474.8	1,611.6	414.0	2,025.6	63.1	-	2,088.7
Operating profit before foreign exchange, exceptional items and property and other related impairments	278.7	124.0	402.7	144.1	546.8	6.9	-	553.7
Foreign exchange realised	(1.1)	(0.1)	(1.2)	(3.7)	(4.9)	(0.9)	-	(5.8)
Property and other related impairments	(103.4)	(103.5)	(206.9)	(20.1)	(227.0)	-	-	(227.0)
Profit on sale of properties	10.7	-	10.7	0.1	10.8	-	-	10.8
Gain on sale of discontinued operations	-	-	-	-	-	-	-	-
Exceptional items	(1.3)	-	(1.3)	-	(1.3)	-	-	(1.3)
Operating profit	183.6	20.4	204.0	120.4	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	36.8	-	36.8	2.0	38.8	-	(8.5)	30.3
Finance costs	(42.8)	(10.0)	(52.8)	(4.9)	(57.7)	-	8.5	(49.2)
Profit before taxation	201.7	10.4	212.1	117.5	329.6	6.0	-	335.6
Taxation	-	-	-	-	-	-	-	(78.7)
Profit for the period								256.9

(1) The FY22 results have been re-categorised due to changes in the reporting segments, with European retail stores, management and operations from European Retail and Rest of the World being merged into International Retail

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 24 April 2022:

	UK Sports (£'m)	Premium Lifestyle (£'m)	UK Retail Total (£'m)	International Retail (£'m)	Total Retail (£'m)	Wholesale & Licensing (£'m)	Group Total (£'m)
Property, plant & equipment depreciation	122.2	22.9	145.1	22.6	167.7	1.3	169.0
Property, plant & equipment impairment	51.7	94.0	145.7	3.5	149.2	-	149.2
IFRS 16 ROU depreciation	47.8	6.4	54.2	23.0	77.2	0.4	77.6
IFRS 16 ROU impairment	50.7	9.5	60.2	16.6	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)	(10.2)	(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

(1) The FY22 results have been re-categorised due to changes in the reporting segments, with European retail stores, management and operations from European Retail and Rest of the World being merged into International Retail

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	International Retail	Total Retail	Wholesale & Licensing	Eliminations	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Total assets	4,161.9	1,002.1	5,164.0	569.9	5,733.9	349.7	(1,940.9)	4,142.7
Total liabilities	(2,908.9)	(1,098.9)	(4,007.8)	(673.8)	(4,681.6)	(93.4)	1,940.9	(2,834.1)
Tangible asset additions	228.1	63.6	291.7	30.7	322.4	0.8	-	323.2
Right of use asset additions	27.8	25.0	52.8	47.7	100.5	0.4	-	100.9
Intangible assets acquired	7.0	-	7.0	-	7.0	-	-	7.0

The segment assets and liabilities above include intercompany balances which eliminate on consolidation but appear in the information presented to the CODM. Eliminations primarily relate to the elimination of intercompany balances on consolidation, intangible assets arising on consolidation, defined benefit pension surplus as well as current tax balances and deferred tax. These are shown in eliminations in the information presented to the CODM.

Geographic Information

Segmental information for the 53 weeks ended 30 April 2023:

	UK	Europe	USA	Asia	Oceania	Eliminations	Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Segmental revenue from external customers	4,309.4	1,024.6	136.5	77.8	16.9	-	5,565.2
Total capital expenditure	362.4	104.5	0.7	0.8	-	-	468.4
Non-current segment assets*	1,045.1	237.7	35.8	3.8	1.4	-	1,323.8
Total segmental assets	8,062.8	554.6	155.8	46.7	9.7	(4,536.9)	4,292.7

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

Material non-current segmental assets – by a non-UK country:

	USA	Belgium	Austria	Estonia	Ireland	Spain	Denmark
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
FY23	35.8	47.6	21.7	20.9	90.4	15.1	13.9
FY22	126.0	58.4	19.5	0.7	13.3	33.4	-

Material segmental revenue from external customers – by a non-UK country:

	USA	Belgium	Austria	Estonia	Ireland	Spain	Denmark	Malaysia
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
FY23	136.5	120.4	41.1	142.2	186.4	282.3	86.5	68.0
FY22	223.0	113.3	38.3	118.5	172.6	229.4	-	36.0

Note the Group has no individual customer which accounts for more than 10% of revenue in the current or prior period.

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 53-week period ended 30 April 2023:

	UK Sports (£'m)	Premium Lifestyle (£'m)	UK Retail Total (£'m)	International Retail (£'m)	Total Retail (£'m)	Wholesale & Licensing (£'m)	Group Total (£'m)
Reported PBT	566.8	55.2	622.0	72.9	694.9	(34.2)	660.7
Exceptional items	(25.0)	(55.2)	(80.2)	-	(80.2)	(16.9)	(97.1)
Fair value adjustment to derivative financial instruments	(32.5)	-	(32.5)	-	(32.5)	-	(32.5)
Fair value gains and profit on disposal of equity derivatives	(41.1)	-	(41.1)	-	(41.1)	-	(41.1)
Realised FX loss / (gain)	(35.8)	(0.1)	(35.9)	6.5	(29.4)	(1.8)	(31.2)
Share based payments	14.6	-	14.6	-	14.6	4.7	19.3
Adjusted PBT	447.0	(0.1)	446.9	79.4	526.3	(48.2)	478.1

Reconciliation of Reported PBT to Adjusted PBT for the 52 week period ended 24 April 2022⁽¹⁾:

	UK Sports (£'m)	Premium Lifestyle (£'m)	UK Retail Total (£'m)	International Retail (£'m)	Total Retail (£'m)	Wholesale & Licensing (£'m)	Group Total (£'m)
Reported PBT	201.6	10.4	212.0	117.6	329.6	6.0	335.6
Exceptional items	1.3	-	1.3	-	1.3	-	1.3
Fair value adjustment 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 / (gain)	1.1	0.1	1.2	3.7	4.9	0.9	5.8
Share based payments	10.4	-	10.4	-	10.4	4.2	14.6
Adjusted PBT	196.9	10.5	207.4	121.3	328.7	11.1	339.8

(1) The FY22 numbers have been re-categorised due to changes in the reporting segments, with European retail stores management and operations from European Retail and Rest of the World being merged into International Retail

5. OTHER OPERATING INCOME

	53 weeks ended 30 April 2023 (£m)	52 weeks ended 24 April 2022 (£m)
Rent receivable	30.3	27.3
Other	10.8	20.7
	41.1	48.0

Other operating income relates to charges for aircraft, lease surrender premiums, ad hoc income and sundry charges to third parties.

6. EXCEPTIONAL ITEMS

	53 weeks ended 30 April 2023 (£m)	52 weeks ended 24 April 2022 (£m)
Impairments	-	(1.3)
Fair value gain on associate	16.9	-
Adjustment to Studio regulatory provision	25.0	-
Gain on bargain purchase	55.2	-
	97.1	(1.3)

The gain on bargain purchase in the current period relates to acquisition of JD brands. See note 32 for further details.

The adjustment to the Studio regulatory provision is detailed in note 29.

The fair value gain on associate arose as a result of the disposal of 51% of Kangol LLC, following the loss of control. See note 20 for further details.

7. PROFIT ON SALE OF PROPERTIES

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
	(£m)	(£m)
Profit on sale of properties	95.4	10.8

The profit on the sale of properties in the current period includes gains on the sale of UK and European properties (FY22: UK properties).

8. OPERATING PROFIT FOR THE PERIOD

Operating profit for the period is stated after charging/(crediting):

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
	(£m)	(£m)
Foreign exchange (gain)/loss	(31.2)	5.8
Depreciation and amortisation of non-current assets:		
- Depreciation of property, plant & equipment (incl. right-of-use asset)	262.3	246.6
- Impairment of property, plant & equipment (incl. right-of-use asset)	99.4	226.0
- Depreciation of investment properties	10.2	5.9
- Impairment of investment properties	0.2	1.0
- Amortisation of intangible assets	6.9	7.5
- Impairment of intangible assets	140.1	5.7
IFRS 16 leases:		
(Profit) on disposal and modification/ remeasurement of lease liabilities	(26.8)	(28.3)
Variable lease payments*	15.4	14.0
Short term and low value lease expenses*	33.3	25.0

*These are recorded in selling, distribution and administrative expenses in the consolidated income statement

Services Provided by the Group's Auditor

The remuneration of the auditors, RSM UK Audit LLP, and associated firms, was as detailed below:

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
	(£m)	(£m)
AUDIT SERVICES		
Audit of the Group and company - recurring	2.0	1.8
Audit of the Group and company - non-recurring	-	-
Audit of subsidiary companies	1.1	1.0
	3.1	2.8

During the current period, RSM UK Audit LLP and associated firms provided reporting accountant services and fees amounted to £0.3m. No non-audit services were provided in the prior period.

9. PAYROLL COSTS

The average monthly number of employees, including Executive Directors, employed by the Group during the period was:

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
Retail stores	24,763	23,971
Distribution, administration and other	7,718	6,382
	32,481	30,353

The increase in employees is mainly due organic growth of the business offset by the centralisation of previously acquired businesses and sale of Bobs.

The aggregate payroll costs of the employees, including Executive Directors, were as follows:

	53 weeks ended 30 April 2023 (£m)	52 weeks ended 24 April 2022 (£m)
Wages and salaries	606.8	491.5
Social security costs	41.7	34.9
Pension costs	8.5	6.5
	657.0	532.9

Aggregate emoluments of the Directors of the Company are summarised below:

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
Aggregate emoluments	0.7	0.6

Further details of Directors' remuneration are given in the Directors' Remuneration Report. Details of key management remuneration are given in note 34.

10. INVESTMENT INCOME

	53 weeks ended 30 April 2023 (£m)	52 weeks ended 24 April 2022 (£m)
Profit on disposal of equity derivatives	-	23.2
Premium received on equity derivatives	63.9	13.2
Fair value gain on equity derivatives	45.7	6.4
Dividend income	3.0	1.0
	112.6	43.8

The profit on disposal of equity derivatives in the prior year 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 written Hugo Boss options.

11. INVESTMENT COSTS

	53 weeks ended 30 April 2023 (£m)	52 weeks ended 24 April 2022 (£m)
Loss on disposal of equity derivatives	4.6	-
Fair value loss on equity derivatives	-	19.7
	4.6	19.7

The fair value loss on equity derivatives in the prior period mainly relates to Hugo Boss contracts for difference. The loss on disposal of equity derivatives relates to ASOS and Next options.

12. FINANCE INCOME

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
	(£m)	(£m)
Bank interest receivable	9.7	4.5
Interest on retirement benefit obligations	-	0.1
Other finance income	3.9	1.7
Fair value adjustment to derivatives*	32.5	24.0
	46.1	30.3

*Includes £8.4m from interest rate swaps

13. FINANCE COSTS

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
	(£m)	(£m)
Interest on bank loans and overdrafts	41.4	13.6
Other interest	9.5	7.0
Interest on retirement benefit obligations	-	-
IFRS 16 lease interest	18.2	12.2
Fair value adjustment to derivatives	-	16.4
	69.1	49.2

14. TAXATION

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
	(£m)	(£m)
Current tax	145.2	86.2
Adjustment in respect of prior periods	(1.0)	(5.7)
Total current tax	144.2	80.5
Deferred tax	39.7	(8.5)
Adjustment in respect of prior periods	(24.5)	6.7
Total deferred tax (see note 28)	15.2	(1.8)
	159.4	78.7
Profit before taxation	660.7	335.6
Taxation at the standard rate of tax in the UK of 19.5% (2022: 19.0%)	128.8	63.8
Non-taxable income	(17.9)	(14.4)
Expenses not deductible for tax purposes	70.9	62.4
Other tax adjustments	3.1	(15.6)
Adjustments in respect of prior periods - current tax	(1.0)	(5.7)
Adjustments in respect of prior periods - deferred tax	(24.5)	6.7
Changes in deferred tax rate	-	(18.5)
	159.4	78.7

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.

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, 459,911,330 (FY22: 471,975,282), is adjusted to assume conversion of all dilutive potential ordinary shares under the Group's share schemes, being nil (FY22: nil), to give the diluted weighted average number of shares of 459,911,330 (FY22: 471,975,282). There is therefore no difference between the Basic and Diluted EPS calculations for both periods. Shares bought back into treasury are deducted when calculating the weighted average number of shares below.

Basic and Diluted Earnings Per Share

	53 weeks ended 30 April 2023	53 weeks ended 30 April 2023	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022	52 weeks ended 24 April 2022	52 weeks ended 24 April 2022
	Basic and diluted, continuing operations (£'m)	Basic and diluted, discontinued operations (£'m)	Basic and diluted, total (£'m)	Basic and diluted, continuing operations (£'m)	Basic and diluted, discontinued operations (£'m)	Basic and diluted, total (£'m)
Profit for the period	461.7	26.3	488.0	224.1	25.7	249.8
	Number in thousands	Number in thousands	Number in thousands	Number in thousands	Number in thousands	Number in thousands
Weighted average number of shares	459,911	459,911	459,911	471,975	471,975	471,975
	Pence per share	Pence per share	Pence per share	Pence per share	Pence per share	Pence per share
Earnings per share	100.4	5.7	106.1	47.5	5.4	52.9

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 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.

	53 weeks ended 30 April 2023	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022	52 weeks ended 24 April 2022
	Basic (£'m)	Diluted (£'m)	Basic (£'m)	Diluted (£'m)
Profit for the period	488.0	488.0	249.8	249.8
Pre-tax adjustments to profit / (loss) for the period for the following items:				
Exceptional items	(97.1)	(97.1)	1.3	1.3
Fair value adjustment to derivatives included within finance (income)	(32.5)	(32.5)	(7.6)	(7.6)
Fair value gains and profit on disposal of equity derivatives	(41.1)	(41.1)	(9.9)	(9.9)
Realised foreign exchange loss/ (gain)	(31.2)	(31.2)	5.8	5.8
Share based payments	19.3	19.3	14.6	14.6
Share based payments	19.3	19.3	14.6	14.6
Tax adjustments on the above items	20.8	20.8	0.3	0.3
Adjusted profit for the period	326.2	326.2	254.3	254.3
	Number in thousands	Number in thousands	Number in thousands	Number in thousands
Weighted average number of shares	459,911	459,911	471,975	471,975
	Pence per share	Pence per share	Pence per share	Pence per share
Adjusted Earnings per share	70.9	70.9	53.9	53.9

16. DISCONTINUED OPERATIONS

On 24 May 2022, the Group disposed of its US retail businesses trading as Bobs Stores and Eastern Mountain Sports for net cash consideration of approximately £43.6m. The disposal took place through the 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 International operating segment.

As per IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, this disposal group was classified as held for sale and as a discontinued operation in FY22. A profit on disposal of £26.3m has been recognised in the Consolidated Income Statement in the current year.

The following major classes of assets and liabilities relating to the disposal group were classified as held for sale in the Consolidated Balance Sheet as of 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 reconciliation of the transaction is detailed below:

	30 April 2023 (£'m)
Net assets disposed of (including FX revaluation)	(18.9)
Cash received, net of transaction costs and cash disposed of	43.6
Gain on sale before income tax and reclassification of foreign currency translation reserve	24.7
Reclassification of foreign currency translation reserve	1.6
Income tax expense on gain	-
Gain on sale after income tax	26.3

The Consolidated Cash Flow Statement includes the following amounts relating to this discontinued operation:

	53 weeks ended 30 April 2023 (£m)	52 weeks ended 24 April 2022 (£m)
Operating activities	(2.2)	4.2
Financing activities	(0.5)	(6.1)
Net cash outflow from discontinued operations	(2.7)	(1.9)

During the current period, consideration of £2.9m was received in respect of the Group's disposal of a 51% shareholding in Kangol LLC to Bollman Hat Company. Further details can be found in note 20. Total proceeds received from disposals of discontinued operations and subsidiaries in the current period was therefore £46.5m.

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 25 April 2021	669.1	905.4	153.3	127.4	878.8	2,734.0
Acquisitions	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 ⁽¹⁾	(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
Acquisitions (see note 32)	43.0	-	15.7	-	7.6	66.3
Additions	116.7	97.5	6.0	1.1	275.5	496.8
Eliminated on disposals	(111.2)	(60.1)	(34.3)	-	(65.6)	(271.2)
Reclassifications / Remeasurements	7.6	(1.5)	-	-	-	6.1
Exchange differences	12.6	(13.3)	0.6	0.3	18.6	18.8
At 30 April 2023	755.3	926.6	143.7	126.5	1,231.9	3,184.0
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
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 ⁽¹⁾	-	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)
Charge for the period	(75.2)	(43.8)	(11.4)	(1.7)	(130.2)	(262.3)
Impairment	(43.1)	(23.9)	(0.2)	-	(32.2)	(99.4)
Eliminated on disposals	110.8	16.7	11.6	(0.9)	57.0	195.2
Reclassifications / Remeasurements	-	0.2	-	-	-	0.2
Exchange differences	(9.4)	4.3	(0.3)	(0.3)	(5.1)	(10.8)
At 30 April 2023	(508.8)	(467.0)	(63.3)	(124.3)	(869.9)	(2,033.3)
NET BOOK VALUE						
At 30 April 2023	246.5	459.6	80.4	2.2	362.0	1,150.7
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

(1) In FY22 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 prior 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. £49m (FY22: approx. £33m). It is expected that future cash flows will not be materially different to the FY23 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

	Freehold land and Buildings (£'m)
COST	
At 25 April 2021	38.2
Additions	42.0
Reclassifications ⁽¹⁾	43.4
At 24 April 2022	123.6
Additions	88.3
Disposals	(43.4)
Reclassifications	1.5
As at 30 April 2023	170.0
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
As at 25 April 2021	(24.1)
Charge for the period	(5.9)
Impairment	(1.0)
Reclassifications ⁽¹⁾	(3.4)
As at 24 April 2022	(34.4)
Charge for the period	(10.2)
Impairment	(0.2)
Disposals	6.3
Reclassifications	(0.2)
As at 30 April 2023	(38.7)
NET BOOK VALUE	
At 30 April 2023	131.3
At 24 April 2022	89.2
At 25 April 2021	14.1

(1). In FY22 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 prior period as reclassifications.

The fair values of the Group's investment properties as at 30 April 2023 and 24 April 2022 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.

The rental income from Investment Properties recognised in the consolidated income statement for the year was £23.7m (2022: £9.0m).

19. INTANGIBLE ASSETS

	Goodwill (£'m)	Trademarks and licenses (£'m)	Brands (£'m)	Customer related (£'m)	Total (£'m)
COST					
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
Acquisitions (note 32)	35.6	11.7	-	-	47.3
Additions	-	1.0	-	-	1.0
Disposals	(0.2)	(2.3)	-	-	(2.5)
Exchange adjustments	2.5	0.3	1.8	-	4.6
At 30 April 2023	214.7	101.8	88.8	5.7	411.0
AMORTISATION AND IMPAIRMENT					
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)
Amortisation charge	-	(0.9)	(6.0)	-	(6.9)
Impairment	(71.7)	(11.7)	(52.0)	(4.7)	(140.1)
Disposals	0.4	2.3	-	-	2.7
Exchange adjustments	(1.1)	(0.3)	(1.2)	-	(2.6)
At 30 April 2023	(204.8)	(97.9)	(78.5)	(5.7)	(386.9)
At 30 April 2023	9.9	3.9	10.3	-	24.1
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

Amortisation is charged to selling, distribution and administrative expenses in the Consolidated Income Statement.

Goodwill, trademarks and licenses and brands are acquired in a business combination are allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. After recognition of impairment losses, the carrying amount of these assets at the start and end of the current period are allocated as follows:

30 April 2023					
	Goodwill (£'m)	Trademarks and licenses (£'m)	Brands (£'m)	Customer related (£'m)	Total (£'m)
Wholesale & Licensing (excl. Everlast)	9.9	-	-	-	9.9
Everlast	-	3.3	10.3	-	13.6
Studio Retail	-	-	-	-	-
	9.9	3.3	10.3	-	23.5
24 April 2022					
	Goodwill (£'m)	Trademarks and licenses (£'m)	Brands (£'m)	Customer related (£'m)	Total (£'m)
Wholesale & Licensing (excl. Everlast)	9.9	-	-	-	9.9
Everlast	34.5	3.8	67.7	-	106.0
Studio Retail	-	-	-	4.7	4.7
	44.4	3.8	67.7	4.7	120.6

Acquisitions

During the current period, goodwill and trademarks with a fair value of £47.3 were recognised as part of business combinations. See note 32 for details. Following a review of the trading performance of these businesses, the goodwill and intangibles assets were fully impaired as their recoverable amount on a value in use basis was estimated to be £nil.

In the prior period, a customer related intangible asset with a fair value of £5.7m was allocated the Studio Retail CGU following the acquisition of the business. This has been fully impaired in the current period following a review of the trading performance of the business, which indicated that the carrying value was not supportable.

Amortisation

The brands, trademarks & licenses allocated to the Everlast CGU are being amortised over a 15-year period. The amortisation charge in the current period is £6.5m (FY22: £6.5m) and is disclosed within selling, distribution and administrative expenses in the Consolidated Income Statement. The remaining useful economic life of these assets is 11 years (FY22: 12 years).

Impairment review

The Group tests the carrying amount of goodwill and intangible assets with an indefinite life for impairment annually 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 indicator of impairment.

The recoverable amounts of the Wholesale & Licensing (excl. Everlast) and Everlast CGUs have been determined by reference to value in use calculations. The recoverable amounts were then compared to the carrying value of the assets allocated to each CGU to assess the level impairment required, if any.

Significant judgements, assumptions and estimates

In determining the value in use of CGUs it is necessary to make a series of assumptions to estimate the present value of future cash flows. In each case, these key assumptions have been made by management reflecting past experience, current trends, and where applicable, are consistent with relevant external sources of information. The key assumptions are as follows:

	30 April 2023		24 April 2022	
	Wholesale & Licensing (excl. Everlast)	Everlast	Wholesale & Licensing (excl. Everlast)	Everlast
5-year average annual forecast sales (decline)/growth	(3.0%)	(2.6%)	(4.4%)	0.8%
Discount rate	8.5%	14.2%	7.5%	13.5%
Terminal growth rate	2.0%	2.0%	2.0%	2.0%

Management has prepared cash flow forecasts for a five-year period derived from the actual results for financial year 2022/23. These forecasts include assumptions around sales prices and volumes, specific customer relationships and operating costs and working capital movements.

The material reduction in revenue growth assumptions for the Everlast CGU from an average growth rate of 0.8% pa in the prior year to a decline of 2.6% pa in the current year is reflective of the failure of commercial negotiations with prospective wholesale partners that were factored into the cashflow forecasts in the prior year. In addition, the business has significantly underperformed in financial year 2022/23 vs. the forecast performance assumed in the prior year impairment review partly as result of a challenging US retail market and a failure to maintain the trading momentum seen during the Covid-19 pandemic. Management has revisited the FY22 impairment assessment and are satisfied that the assessment remains appropriate based on the facts and information that were available at the time.

The pre-tax rates used to discount the forecast cash flows are shown above and are derived from the Group's weighted average cost of capital as adjusted for the specific risks related to each CGU.

To forecast beyond the detailed cash flows into perpetuity, a long-term average growth rate of 2.0% (2022: 2.0%) has been used. This is not greater than the published International Monetary Fund average growth rate in gross domestic product for the next five-year period in the territories where the CGUs operate. The growth rate was assessed separately for each CGU however the 2.0% rate was deemed appropriate in both cases.

Results

The recoverable amount of the Wholesale & Licensing (excluding Everlast) CGU exceeds its carrying value by approximately £82m and as such no impairment was required.

The carrying value of the Everlast CGU was determined to be higher than the recoverable amount, primarily as a result of the revised sales assumptions noted above, and consequently an impairment loss of £87.9m was recognised. The impairment loss was allocated first to goodwill (£35.9m) and then to brands (£52.0m) and has been disclosed within selling, distribution and administrative expenses in the Consolidated Income Statement.

Sensitivity Analysis

Following the impairment loss recognised in respect of the Everlast CGU, the recoverable amount is equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to a further impairment.

The table below shows changes to the terminal growth rate, risk adjusted discount rate and forecast operating cash flow assumptions used in the calculation of value in use for the Everlast CGU and the change to the level of impairment indicated by reasonably possible changes in these assumptions:

	Everlast
Impairment recorded	£87.9m
Recoverable amount	£43.7m
Additional impairment required as a result of changes to key assumptions	
Current Terminal Growth Rate	2.0%
Revised Terminal Growth Rate	1.8%
Additional impairment required	£0.5m
Current Discount Rate	14.2%
Revised Discount Rate	15.6%
Additional impairment required	£4.1m
Current 5-year average annual forecast sales decline	(2.6%)
Revised 5-year average annual forecast sales decline	(2.8%)
Additional impairment required	£7.9m

Based on the results of the impairment test for the Wholesale & Licensing (excluding Everlast) CGU and the immaterial carrying value of the remaining goodwill, management are satisfied that there is sufficient headroom against the carrying value such that a reasonably possible change in assumption would not lead to an impairment. Consequently, no sensitivity analysis has been disclosed for this CGU.

Climate Change

Management considered the impact of climate change when conducting its impairment review and concluded that it was unlikely to have a material impact on the assumptions based on the following:

- The relevant tangible assets have relatively short useful economic lives and are not considered to be in locations that will be materially impacted by climate change (i.e., they are in the USA – a developed country).
- The forecasts include estimates for ongoing capital expenditure, which management consider to be sufficient to make any essential climate change related acquisitions (e.g., solar panels or building energy management systems).

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 24 April 2022	-
Gain on revaluation	16.9
At 30 April 2023	16.9

The Group currently holds a 49.0% share of Four (Holdings) Limited (FY22: 49.0%), the carrying amount of this investment is £nil (FY22: £nil). Detailed disclosures have not been presented as the results are immaterial. The Group is owed £37.9m from the group of companies headed by Four (Holdings) Limited (£4.5m net of amounts recognised in respect of loss allowance) (FY22: £62.4m, £24.0m net of loss allowance), see note 23 for further details. The group of companies headed by Four (Holdings) Limited made a profit of £4.7m in the period (FY22: profit of £11.5m).

During the current period, the Group sold 51% of its shareholding in Kangol LLC to Bollman Hat Company for £17.6m, retaining a 49% stake. A gain on disposal (loss of control) of £17.6m has been recognised in the gain on disposal of subsidiaries/discontinued operations line in the consolidated income statement. A fair value gain of £16.9m has also been recognised within exceptional items reflecting the recognition of the fair value of the Group's investment in an associate (£16.9m reflecting the fair value of the remaining 49% stake). Detailed disclosures as to Kangol's performance have not been presented as the results are immaterial.

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:

	30 April 2023 (£m)	24 April 2022 (£m)
At beginning of period	206.6	263.3
Additions	243.3	198.4
Disposals	(172.4)	(238.4)
Amounts recognised through other comprehensive income	9.9	(8.1)
Exchange differences	2.2	(8.6)
	289.6	206.6

Included within long-term financial assets at the period ended 30 April 2023 are the following direct interests held by the Group:

- 36.9% (FY22: 36.9%) interest in Mulberry Group plc
- 17.6% (FY22: Nil%) interest in N Brown Group plc
- 5.5% (FY22: 2.0%) interest in ASOS plc
- Various other interests, none of which represent more than 5.0% of the voting power of the investee

The following table shows the fair value of each of the Group's long-term financial assets (all listed):

	30 April 2023 (£m)	24 April 2022 (£m)
Mulberry Group plc	53.2	65.3
N Brown Group plc	23.5	-
ASOS plc	40.5	-
Other*	172.4	141.3
At end of period	289.6	206.6

*Other relates to interests which do not represent more than 50% of the voting power of the investee as at 30 April 2023

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

	53 weeks ended 30 April 2023 (£m)	52 weeks ended 24 April 2022 (£m)
Goods for resale	1,464.9	1,277.6

As at 30 April 2023, goods for resale include a right of return asset totalling £6.9m (FY22: £3.2m). Amounts written off in the period relating to stock was £54.0m (FY22: £59.8m).

The following inventory costs have been recognised in cost of sales:

	53 weeks ended 30 April 2023 (£m)	52 weeks ended 24 April 2022 (£m)
Cost of inventories recognised as an expense	3,179.9	2,703.3

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 30 April 2023. Overall provisions have decreased from £236.7m in FY22 to £220.6m as at 30 April 2023, with this £16.1m change in provision being recognised as a credit in cost of sales.

23. TRADE AND OTHER RECEIVABLES

	53 weeks ended 30 April 2023 (£m)	52 weeks ended 24 April 2022 (£m)
Gross credit customer receivables	326.0	372.7
Allowance for expected credit loss on credit customer receivables	(100.1)	(138.5)
Net credit customer receivables	225.9	234.2
Trade receivables	65.6	56.4
Deposits in respect of derivative financial instruments	190.1	243.9
Amounts owed by related parties (see note 34)	4.7	24.2
Other receivables	122.3	170.2
Prepayments	111.5	112.5
	720.1	841.4

Following the acquisition of Frasers Group Financial Services Limited (formerly known as Studio Retail Limited) in the prior year, 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. Following the acquisition of Frasers Group Financial Services Limited (formerly known as Studio Retail Limited) in the prior year, 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), the financial institutions' assessment of the Group's creditworthiness and further purchases / sales of underlying investments held.

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 34.

Exposure to credit risk of trade receivables:

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
	(£m)	(£m)
Current	29.1	24.2
0-30 days past due	18.5	14.2
30-60 days past due	3.5	4.6
60-90 days past due	2.6	3.0
Over 90 days past due	11.9	10.4
	65.6	56.4

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:

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
	(£m)	(£m)
Opening position	74.9	68.3
Amounts charged to the income statement	14.8	6.6
Amounts written off as uncollectable	(0.4)	-
Amounts recovered during the period	(5.7)	-
Closing position	83.6	74.9

Included in the below table is the loss allowance movement in amounts due from related parties as follows:

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022
	(£m)	(£m)
Opening position	38.4	38.4
Amounts charged to income statement	5.6	-
Closing position	44.0	38.4

The gross carrying amount of the balance due from related parties is £48.7m (FY22: £62.6m). The charge in the period was recorded in Selling, distribution and administrative expenses. £11.2m 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 (FY22: £17.6m 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.

Credit Customer Receivables

Certain of the Group'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 £256.4m (2022: £287.2m) were eligible to be funded via the securitisation facility, and the facilities utilised were £161.6m (2022: £143.6m).were £143.6m.

Other information

The average credit period taken on sales of goods is 222 days (2022: 219 days). On average, interest is charged at 3.4% (2022: 3.5%) per month on the outstanding balance.

The Group 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. The Group 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. The Group 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, the Group 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 21,395 accounts (2022: 24,711) with total gross balances of £14.3m (2022: £16.2m) on repayment plans. Provisions are assessed as detailed above.

During the current period, overdue receivables with a gross value of £56.0m (24 February to 24 April 2022: £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 30 April 2023:

	30 April 2023			24 April 2022		
	Trade receivables (£'m)	Trade receivables on forbearance arrangements (£'m)	Total (£'m)	Trade receivables (£'m)	Trade receivables on forbearance arrangements (£'m)	Total (£'m)
Ageing of trade receivables						
Not past due	242.5	13.0	255.5	272.1	14.3	286.4
Past due:						-
0 - 60 days	23.4	1.3	24.7	36.7	1.8	38.5
60 - 120 days	9.6	0.0	9.6	20.0	0.1	20.1
120+ days	36.2	-	36.2	27.7	-	27.7
Gross trade receivables	311.7	14.3	326.0	356.5	16.2	372.7
Allowance for expected credit loss	(90.2)	(9.9)	(100.1)	(127.3)	(11.2)	(138.5)
Carrying value	221.5	4.4	225.9	229.2	5.0	234.2

	25 April 2022 to 30 April 2023			
	Stage 1 (£'m)	Stage 2 (£'m)	Stage 3 (£'m)	Total (£'m)
Gross trade receivables	166.3	103.9	55.8	326.0
Allowance for doubtful debts:				
Opening balance	(60.4)	(25.7)	(52.4)	(138.5)
Impairment (charge)/release	28.6	(26.4)	(24.4)	(22.2)
Utilisation in period	14.6	14.9	31.1	60.6
Closing balance	(17.2)	(37.2)	(45.7)	(100.1)
Carrying value	149.1	66.7	10.1	225.9

Analysis of impairment charge:

	25 April 2022 to 30 April 2023 (£'m)	24 February 2022 to 24 April 2022 (£'m)
Impairment charge impacting on provision	(22.2)	(14.2)
Recoveries	9.2	1.1
Other	(2.5)	(0.2)
Impairment charge	(15.5)	(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 £2.3m.

A 1% increase/decrease in the assumed recoveries rate would result in the impairment provision decreasing/increasing by approximately £1.0m.

Changing the weighting of macro-economic scenarios

so that the severe-case scenario's weighting is halved to 10% (with both upside and downside increasing to 5% and base remaining at 50%) would result in the impairment provision reducing by approximately £0.6m.

24. CASH AND CASH EQUIVALENTS

	30 April 2023	24 April 2022
	(£m)	(£m)
Cash in bank and in hand - Sterling	81.0	135.4
Cash in bank and in hand - US dollars	61.7	(4.7)
Cash in bank and in hand - Euros	160.7	176.4
Cash in bank and in hand - Other	29.5	29.7
Cash and cash equivalents including overdrafts at period end	332.9	336.8

25. SHARE CAPITAL

	30 April 2023	24 April 2022
	(£m)	(£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 30 April 2023 and At 24 April 2022	64.1	64.1

The Group holds 173,127,025 ordinary shares in treasury (FY22: 151,240,174).

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 depository.

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 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.

The Group holds 17,386,913 shares in the Own Share Reserve as at period end (FY22: 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, Chief Operating Officer and the Chief Commercial Officer) 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 four year vesting period. 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, 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. 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. At the 2021 AGM, the vesting dates were extended by one year, which was communicated to employees. 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.

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 5 year vesting 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.

For the equity-settled element of the FY21 Fearless 1000 plan, a charge in the Consolidated Income Statement of £4.1m (FY22 £4.1m) has been recognised in the period in relation to the scheme with an equivalent £4.1m (FY22 £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 £1.7m (FY22 £2.4m) has been recognised in the period along with a corresponding increase in liability.

Executive Share Schemes

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. At the 2022 AGM, the share price hurdle was increased from £12 to £15 and an additional requirement of achieving £500m Adjusted PBT was agreed. The share price must stay above £15 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 327.82p per share for the 4 year vesting period and 331.6p 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: 42.38%
- expected dividend yield: 0%
- risk-free interest rate: 3.52%

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.

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 £1.5m (FY22: £0.8m) has been recognised in the period in relation to the scheme with an equivalent £1.5m (FY22: £0.8m) being recognised in equity.

At the annual general meeting in October 2022, our shareholders gave approval for the CEO Executive Share Scheme. Under this scheme shares may be issued by the Group to Michael Murray (CEO) for no cash consideration. Under the scheme, 6,711,409 shares are awarded to the CEO if certain market conditions are achieved. The share price must stay above £15 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. Awards are also subject to an adjusted PBT performance condition and no awards vest unless an adjusted PBT of £500 million is achieved during a complete financial

year of the Group that falls within the performance period. 50% of the shares are granted after 3 years and the remaining 50% after 4 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 30 April 2023 was 233.03p per share for the 3 year vesting period and 233.66p per share for the 4 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 30 April 2023 included:

- exercise price: £nil
- grant date: 19 October 2022
- expiry date: 7 October 2025 and 7 October 2026
- share price at grant date: 643p
- expected price volatility of the company's shares: 42.38%
- expected dividend yield: 0%
- risk-free interest rate: 3.52%

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 £2.4m (FY22: £nil) has been recognised in the period in relation to the scheme with an equivalent £2.4m (FY22: £nil) 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 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)
Cash flow hedges					
- recognised in the period	-	-	-	6.5	6.5
- recognised time value of options	-	-	-	0.7	0.7
- reclassified and reported in inventory / cost of sales	-	-	-	(38.5)	(38.5)
- reclassified in the period and reported in the sales	-	-	-	(24.6)	(24.6)
- Taxation	-	-	-	14.6	14.6
At 30 April 2023	0.1	8.0	(987.3)	14.0	(965.2)

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 (FY22: 17,386,913).

The non-controlling interests of the Group mostly relates to Sportland International Group AS and its subsidiaries and Sports Direct Malaysia Sdn. Bhd.

Sportland International Group AS 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 £4.0m profit (FY22: £5.6m) 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 £22.0m (FY22: £18.0m). A dividend of £0.7m was paid to the non-controlling interest in the period (FY22: £1.3m). The group of companies headed by Sportland International Group AS has total assets of £110.4m (FY22: £68.6m) and total liabilities of £42.8m (FY22: £23.4m).

Sports Direct Malaysia Sdn. Bhd. is incorporated in Malaysia with the principal places of business being a number of countries across Asia. The non-controlling interests hold 49% of the share capital of Sports Direct Malaysia Sdn. Bhd. During the period £6.2m profit (FY22: £1.5m) has been allocated to the non-controlling interests of Sports Direct Malaysia Sdn. Bhd., resulting in an accumulated non-controlling interests at the end of the period of £10.8m (FY22: £4.6m). No dividend was paid to the non-controlling interest in the period (FY22: £nil). The group of companies headed by Sports Direct Malaysia Sdn. Bhd. has total assets of £31.4m (FY22: £18.7m) and total liabilities of £5.8m (FY22: £5.1m).

27. BORROWINGS

	30 April 2023 (£m)	24 April 2022 (£m)
Current:		
Lease liabilities	119.6	117.0
Non-Current		
Bank and other loans	749.7	827.9
Lease liabilities	560.3	503.6
	1,429.6	1,448.5

An analysis of the Group's total borrowings other than bank overdrafts is as follows:

	30 April 2023 (£m)	24 April 2022 (£m)
Borrowings - sterling	749.7	827.9

Group borrowings (excluding Frasers Group Financial Services Limited) are at a rate of interest of 2.0% (FY22: 2.0%) over the interbank rate of the country within which the borrowing entity resides. The securitisation loan relating to Frasers Group Financial Services Limited had a balance at 30 April 2023 of £161.6m (FY22: £143.6m). The average interest rate paid on the securitisation loan was 5.41% (FY22: 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 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	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
Cash-flows:			
- Borrowings drawn down	616.8	-	616.8
- Borrowings repaid	(695.0)	-	(695.0)
Lease liability:			
- IFRS 16 Lease Liabilities - cash-flows	-	(140.7)	(140.7)
- IFRS 16 Lease Liabilities - modifications/remeasurements, transfers from non-current to current, and foreign exchange adjustments	(121.4)	101.8	(19.6)
- IFRS 16 Lease Liabilities - new leases	137.1	35.2	172.3
- IFRS 16 Lease Liabilities - acquired through business combinations (note 32)	41.0	6.3	47.3
At 30 April 2023	1,310.0	119.6	1,429.6

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 was extended by one year and the facility increased to £1,052.5m as at the reporting date until November 2024 and £1,002.5m until November 2025. Given the revolving credit facility is available for a minimum of 2 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:

	30 April 2023 (£m)	24 April 2022 (£m)
Borrowings	(1,429.6)	(1,448.5)
Add back:		
- Lease liabilities	679.9	620.6
Cash and cash equivalents	332.9	336.8
Net debt	(416.8)	(491.1)

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 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
Acquired through business combinations (see note 32)	-	-	0.9	-	-	-	-	-	0.9
Credited/(charged) to the income statement	11.0	(17.2)	(23.5)	2.4	-	9.0	-	3.1	(15.2)
Charged to reserves	-	-	-	6.2	-	(0.5)	-	-	5.7
Charged to hedging reserves	-	-	-	-	14.6	-	-	-	14.6
At 30 April 2023	64.2	2.1	-	14.3	(8.2)	(6.9)	(0.6)	1.5	66.4

	30 April 2023 (£m)	24 April 2022 (£m)
Deferred tax assets	82.1	100.8
Deferred tax liabilities	(15.7)	(40.4)
Net deferred tax balance	66.4	60.4

The tax rate used to measure the deferred tax assets and liabilities was 25% (FY22: 25%), on the basis that this was the tax rate that was 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. £166m of taxable losses not recognised as a deferred tax asset (approx. £42m deferred tax asset) (FY22: approx. £122m taxable losses and approx. £30m deferred tax asset).

29. PROVISIONS

	Legal and regulatory (£m)	Property related (£m)	Financial services related (£m)	Other (£m)	Total (£m)
At 25 April 2021	215.8	144.1	-	1.3	361.2
Amounts provided	17.7	53.7	-	-	71.4
Acquired through business combinations (see note 32)	7.1	2.7	42.4	-	52.2
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
Acquired through business combinations (see note 32)	-	6.0	-	-	6.0
Amounts provided	1.3	69.7	-	0.8	71.8
Amounts utilised / reversed	(108.0)	(70.2)	(25.6)	(0.5)	(204.3)
At 30 April 2023	123.5	166.7	16.0	0.3	306.5

Financial services related and other provisions are categorised as current liabilities, while legal and regulatory and property related provisions are non-current.

Legal and regulatory provisions

Legal and regulatory provisions reflect management's best estimate of the potential costs arising from the settlement of outstanding disputes of a commercial and regulatory nature.

A substantial portion of the amounts provided relates to ongoing legal claims and non-UK tax enquiries. On the basis of a review of the facts and circumstances prevailing at the balance sheet date in relation to these matters, management has reassessed its best estimate of the amounts provided at 30 April 2023 which has resulted in a reduction in amounts provided of approximately £95m compared to the prior year. In accordance with IAS37.92, management have concluded that it would prejudice seriously the position of the Group to provide further specific disclosures in respect of amounts provided for legal claims and non-UK tax enquiries.

Also included within legal and regulatory provisions are amounts relating to appeals by Studio Retail against decisions of HMRC with regard to the setting of a 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 30 April 2023, the Group held a provision of approximately £2.5m (FY22: £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 Studio Retail's quarterly VAT returns or paid to HMRC pending appeal. 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.

The timing of the outcome of legal claims and non-UK tax inquiries 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.

Property related provisions

Included within property related provisions are provisions for dilapidations in respect of the Group's retail stores and warehouses. Further details of management's estimates are included in note 2.

Financial services provisions

As a regulated business, Frasers Group Financial Services Limited has an obligation to proactively review its business to ensure that appropriate outcomes were delivered to customers. At 24 April 2022, a provision of £41.6m was recognised in respect of the probable costs of remediating customers who may have been adversely impacted by legacy decisions. Since the approval of the prior year's consolidated financial statements, the receipt of new information which was not available at the point the prior year financial statements were approved, has enabled management to refine the relevant customer cohorts who were potentially impacted by these legacy decisions and complete detailed analysis of the financial implications. This has enabled a revision to management's best estimate of the likely costs of remediation and has resulted in a reduction in the amount provided of approximately £25m. The remaining provision is expected to be utilised within 12 months of the balance sheet date.

Management considered whether or not the reduction in provision should result in an adjustment to the amounts recognised in the acquisition balance sheet in accordance with the requirements of IFRS 3.45 and

IFRS3.47 and concluded that the release should be treated as a prospective change in accounting estimate under IAS8.34 since it arose as a result of new information which has come to light since 24 April 2022. It is the Group's policy to present items that "merit separate presentation" by reference to their "their size, nature and infrequency of the events giving rise to them" as exceptional items. Given the unusual size, nature and infrequency of movements in provisions of this nature, management has disclosed the income statement impact within exceptional items in the consolidated income statement.

Other provisions

Other provisions relate to provisions for restructuring and employment (non-retirement related).

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:

	Level 1 (£'m)	Level 2 (£'m)	Level 3 (£'m)	Other (£'m)	Total (£'m)
FINANCIAL ASSETS - 30 April 2023					
Amortised cost:					
Trade and other receivables*	-	-	-	603.9	603.9
Cash and cash equivalents	-	-	-	332.9	332.9
Amounts owed by related parties	-	-	-	4.7	4.7
FVOCI:					
Long Term Financial Assets (Equity Instruments)	289.6	-	-	-	289.6
Derivative financial assets (FV):					
Foreign forward purchase and sales contracts	-	49.9	-	-	49.9
Foreign currency options	-	0.7	-	-	0.7
Interest rate swaps	-	28.7	-	-	28.7
	-	79.3	-	-	79.3
FINANCIAL LIABILITIES - 30 April 2023					
Amortised cost:					
Non-current borrowings	-	-	-	(749.7)	(749.7)
Trade and other payables**	-	-	-	(701.5)	(701.5)
IFRS 16 Lease liabilities	-	-	-	(679.9)	(679.9)
Derivative financial liabilities (FV):					
Foreign forward and written options purchase and sales contracts	-	(22.7)	-	-	(22.7)
Derivative financial liabilities - contracts for difference & equity options	-	(43.8)	-	-	(43.8)
	-	(66.5)	-	-	(66.5)

*Prepayments of £111.5m are not included as a financial asset

**Other taxes including social security costs of £10.4m are not included as a financial liability.

	Level 1 (£'m)	Level 2 (£'m)	Level 3 (£'m)	Other (£'m)	Total (£'m)
FINANCIAL ASSETS - 24 April 2022					
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)	206.6	-	-	-	206.6
Derivative financial assets (FV):					
Foreign forward purchase and sales contracts	-	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	-	(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 £8.1m 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.

	GBP & Other	USD	EUR	Total	SENSITIVITY			
					USD		EUR	
					-5%	+5%	-5%	+5%
FY23:								
Trade and Other Receivables	548.2	22.1	33.6	603.9	(1.1)	1.1	(1.6)	1.6
Cash and cash equivalents	227.3	32.1	73.5	332.9	(1.5)	1.5	(3.5)	3.5
Trade and Other Payables	(579.0)	(19.4)	(103.1)	(701.5)	0.9	-0.9	4.9	-4.9
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	(3.7)	3.7
Trade and Other Payables	(614.0)	(15.0)	(92.7)	(721.7)	0.8	(0.8)	4.6	-4.6

There is no difference between fair value and carrying value of the above financial instruments (FY22: £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 (FY22: £nil) and derivative financial liabilities balance of £43.8m (FY22: £75.9m). The equity derivative financial assets and equity derivative financial liabilities as at 30 April 2023 relate to strategic investments held of between 0.1% and 25.6% 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 30 April 2023 and at 24 April 2022 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 £48.7m (FY22: £62.6m).

C. Derivatives: Foreign Currency Forward Contracts

(c)(i) Hedging

The most significant exposure to foreign exchange fluctuations relates to transactions denominated in foreign currencies, principally purchases made in US Dollars and online sales receipts 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 and options, taking into account any foreign currency cash flows. The Group does not hold or issue derivative financial instruments for trading purposes. 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 **30 April 2023** was:

	30 April 2023 (£m)	24 April 2022 (£m)
Assets		
US Dollar purchases - GBP	0.7	32.9
US Dollar purchases - EUR	7.1	54.2
Euro sales	37.7	12.8
Total	45.5	99.9
Liabilities		
US Dollar purchases - GBP	2.2	-
US Dollar purchases - EUR	-	-
Total	2.2	-

The details of hedged forward foreign currency purchase contracts, options and contracted forward rates were as follows:

	30 April 2023 (£'m)		24 April 2022 (£'m)	
	Currency	GBP	Currency	GBP
US Dollar purchases	380.0	306.5	480.0	340.4
Contracted rates USD / GBP		1.21 - 1.257		1.41
Weighted average contracted rates USD / GBP		1.24		1.41
US Dollar purchases	60.0	40.1	120.0	78.6
Contracted rates USD / EUR		1.31		1.26-1.31
Weighted average contracted rates USD / EUR		1.31		1.28
Euro sales	(816.0)	(771.1)	(600.0)	(574.5)
Contracted rates EUR / GBP		0.98-1.09		0.99-1.08
Weighted average contracted rates EUR / GBP		1.058		1.04

The timing of the contracts is as follows:

Currency	Hedging against	Currency value	Timing	Rates
USD/GBP	USD inventory purchases	USD 380m	FY24	1.21 - 1.26
USD/EUR	USD inventory purchases	USD 60m	FY24	1.31
EUR/GBP	Euro sales	EUR 816m	FY24-FY26	0.98-1.09

The foreign currency forwards and options are denominated in the same currency as the highly probable 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.

	30 April 2023 (£m)	24 April 2022 (£m)
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	(14.7)	(77.5)
Change in value of hedged item used to determine hedge ineffectiveness	(41.3)	(104.9)

	30 April 2023 (£'m)	24 April 2022 (£'m)
	Change in the fair value of the currency forward	Change in the fair value of the hedged item
US Dollars purchases - GBP	(2.7)	2.7
US Dollars purchases - EUR	0.8	(0.8)
Euro sales	7.7	(7.7)

At 30 April 2023, £771.1m of forward sales contracts (FY22: £574.5m) and £346.7m of purchase contracts (FY22: £419.0m) qualified for hedge accounting and the gain on fair valuation of these contracts of £7.2m (FY22: £52.1m) has therefore been recognised in other comprehensive income.

At 30 April 2023, no hedged purchase contracts had a maturity of greater than 12 months (FY22: £38.6m of purchase contracts) and £576.0m of hedged sales had a maturity of greater than 12 months (FY22: £332.1m of sales contracts).

As a result of the changes above there is no ineffectiveness to recognise in profit or loss.

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 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
Recognised	6.1	7.5	(6.4)	7.2	-	7.2
Reclassified in sales	-	(24.6)	-	(24.6)	-	(24.6)
Reclassified in inventory / cost of sales	(33.0)	-	(5.5)	(38.5)	-	(38.5)
Deferred Tax	-	-	-	-	14.6	14.6
As at 30 April 2023	6.1	11.8	0.1	18.0	(4.0)	14.0

(c)(ii) Unhedged

The sterling principal amounts of unhedged forward contracts and written currency option contracts and contracted rates were as follows:

	30 April 2023 (£m)	24 April 2022 (£m)
US Dollar purchases - GBP	155.1	-
Contracted rates USD / GBP	1.21 - 1.25	-
US Dollar purchases - EUR	18.6	78.6
Contracted rates USD / EUR	1.31	1.26-1.31
- Euro sales	831.8	(715.9)
Contracted rates EUR / GBP	0.98 - 1.13	0.99-1.08

Included within finance income, classified within fair value adjustment to derivatives, is a gain on fair value of unhedged forward contracts, written currency option contracts and swaps of £26.0m (FY22: loss of £28.9m).

At 30 April 2023, £16.3m of unhedged purchase contracts had a maturity at inception of greater than 12 months (FY22: £78.6m purchase contracts) and £831.8m of unhedged sales had a maturity at inception of greater than 12 months (FY22: £715.9m 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.

FY23 value excludes short term swaps of USD/GBP of USD 70.0m, EUR/USD of EUR 27.0m and EUR/GBP of EUR 180m which were required for cash management purposes only (FY22: USD/GBP of USD 40m and EUR/USD of EUR 40m).

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 £28.7m (2022: asset of £16.6m). The fair value gain has been recognised in finance cost 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	
	30 April 2023	24 April 2022	30 April 2023	24 April 2022
	(£'m)	(£'m)	(£'m)	(£'m)
Sterling strengthens by 10%				
US Dollar	(0.1)	(2.9)	(32.3)	(22.6)
Euro	(14.3)	(39.4)	(17.6)	10.0
Sterling weakens by 10%				
US Dollar	0.1	3.5	39.5	27.6
Euro	17.5	48.1	21.6	(12.3)

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	
	30 April 2023	24 April 2022	30 April 2023	24 April 2022
	(£'m)	(£'m)	(£'m)	(£'m)
Interest rate increase of 0.5%	(3.8)	(2.6)	(3.8)	(2.6)
Interest rate decrease of 0.5%	3.8	2.6	3.8	2.6

Long term Investments Sensitivity Analysis

The following table illustrates the sensitivity of price risk in relation to long term investments held by the Group:

	30 April 2023
	Equity
	(£'m)
Share price increase of 10%	29.0
Share price decrease of 10%	(29.0)

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)
2023					
Non derivative financial liabilities:					
Bank loans and overdrafts	-	-	749.7	-	749.7
Bank loans and overdrafts interest	46.3	49.2	52.2	-	147.7
Trade and other payables	701.5	-	-	-	701.5
IFRS 16 Lease liabilities	134.7	106.7	214.0	490.3	945.7
Derivative financial instruments:					
Cash inflows	(638.0)	(700.1)	(763.6)	-	(2,101.7)
Cash outflows	654.4	702.6	769.5	-	2,126.5
	898.9	158.4	1,021.8	490.3	2,569.4
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

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, 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. From time to time the Board may initiate share buy back programmes.

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 0.4 (FY22: 0.6). The objective is to keep this figure below 3.0 (FY22: 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.

The Group allocates capital in the following order:

- The existing business such as automation and infrastructure
- Growth opportunities such as acquisitions and property purchases
- Strategic investments where the Group believes that there is a mutually beneficial commercial relationship
- Returns to shareholders in the form of share buy backs

These capital management policies have remained unchanged from the prior period.

31. TRADE AND OTHER PAYABLES

	30 April 2023	24 April 2022
	(£m)	(£m)
Trade payables	374.9	358.1
Amounts owed to related undertakings	0.2	0.1
Other taxes including social security costs	10.4	8.1
Other payables	95.9	102.0
Accruals	230.5	261.5
	711.9	729.8

Included within other payables are amounts outstanding in respect of gift cards and vouchers of £46.8m (FY22: £42.6m). The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

32. ACQUISITIONS

Sportmaster

On 16 May 2022 the Group acquired the entire share capital of leading Danish sport retailer Sportmaster Danmark ApS ('Sportmaster') for cash consideration of £0.9m which is deemed to be the fair value of the consideration. The acquisition will help to grow the Group's retail presence in Denmark. At the date of acquisition, included within Borrowings was £15.3m owed by Sportmaster Danmark ApS to its parent company Sportmaster Operations PTE. Ltd. As part of the transaction, a debt transfer took place which transferred this loan to the Group which became the new lender and the fair value adjustment against borrowings relates to this. The fair value adjustment to intangible assets, property, plant & equipment 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. The asset and liability values at acquisition are detailed below.

	Book Value	Fair Value Adjustment	Fair Value
	(£m)	(£m)	(£m)
Property, plant and equipment	5.0	(5.0)	-
Right of use assets	21.7	(3.5)	18.2
Intangible assets	2.4	(2.4)	-
Inventories	19.8	3.1	22.9
Cash and cash equivalents	2.1	-	2.1
Trade and other receivables	9.2	-	9.2
Trade and other payables	(22.9)	(7.0)	(29.9)
Borrowings	(22.3)	22.3	-
Lease liability	(21.6)	-	(21.6)
Provisions	(2.3)	-	(2.3)
Goodwill	-	2.3	2.3
Net (liabilities) / assets acquired	(8.9)	9.8	0.9

Transaction costs for the acquisition of Sportmaster totalled £0.3m.

Missguided

On 1 June 2022 the Group acquired certain intellectual property, freehold property and inventory of the online women's fashion retailer Missguided Limited (in administration), Mennace Limited (in administration) and Missguided (IP) Limited for £30.8m which is deemed to be the fair value of the consideration. The acquisition will add additional expertise to the Group's digital women's fashion offering. Goodwill represents the premium associated with the future brand value and the assembled workforce. The fair value adjustments to intangible assets, property, plant & equipment, and inventory relate 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. The asset and liability values at acquisition are detailed below. The intangible assets acquired relate to the IP/Brand.

	Book Value	Fair Value Adjustment	Fair Value
	(£m)	(£m)	(£m)
Property, plant and equipment	4.4	1.6	6.0
Intangible assets	-	11.7	11.7
Inventories	17.0	(12.2)	4.8
Goodwill	-	8.3	8.3
Net assets acquired	21.4	9.4	30.8

Transaction costs for the acquisition of Missguided totalled £0.2m.

I Saw It First

On 28 July 2022 the Group acquired the entire share capital of online fashion retailer I Saw It First Limited for cash consideration of £1. At the date of acquisition, I Saw It First Limited owed £13.0m to its shareholders. As part of the transaction, a debt transfer took place which transferred this loan to the Group which became the new lender and the fair value adjustment against borrowings relates to this. The acquisition will add additional expertise to the Group's digital women's fashion offering. The asset and liability values at acquisition are detailed below.

	Book Value (£m)	Fair Value Adjustment (£m)	Fair Value (£m)
Property, plant and equipment	0.7	-	0.7
Inventories	5.0	-	5.0
Cash and cash equivalents	1.8	-	1.8
Trade and other receivables	1.2	-	1.2
Trade and other payables	(9.2)	-	(9.2)
Borrowings	(13.0)	13.0	-
Goodwill	-	0.5	0.5
Net (liabilities) / assets acquired	(13.5)	13.5	-

Transaction costs for the acquisition of I Saw It First totalled £0.2m.

Mysale

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. On 26 September 2022 the Group announced that the offer had become a mandatory cash offer and on 18 October 2022 the mandatory offer became unconditional. The deadline for acceptance of the offer was 1 November 2022 and at that date the Group owned or had received valid acceptances in respect of 95.35% of Mysale's issued share capital. The shareholding passed 50% on 13 October 2022 and at the period end the Group held 99.96% of Mysale's issued share capital. Therefore, it has been treated as a subsidiary and consolidated in the results of Frasers Group Plc with the acquisition date being treated as 13 October 2022. Total consideration paid was £20.8m. £10.4m of this had been paid at acquisition with a liability being recognised for the remaining 50% - this has been fully paid up since the half year. The acquisition will accelerate the Group's global growth strategy, enhance its operational capabilities and its offering to consumers and provide a platform from which to explore further opportunities for investment in retail opportunities in Australia and the surrounding regions. Goodwill represents the premium associated with the future domain reputation, the ability

of the Company to develop future software technology, and the assembled workforce. The fair value adjustment to intangible assets 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. The asset and liability values at acquisition are detailed below.

	Book Value (£m)	Fair Value Adjustment (£m)	Fair Value (£m)
Property, plant and equipment	1.0	(0.2)	0.8
Right of use assets	1.3	-	1.3
Intangible assets	12.9	(12.9)	-
Inventories	2.3	0.8	3.1
Cash and cash equivalents	1.7	-	1.7
Trade and other receivables	1.7	-	1.7
Trade and other payables	(10.1)	-	(10.1)
Lease liability	(2.2)	-	(2.2)
Goodwill	-	24.5	24.5
Net assets acquired	8.6	12.2	20.8

Transaction costs for the acquisition of Mysale totalled £0.3m.

Sneakerboy

On 23 September 2022 the Group acquired the trade and assets of Sneakerboy PTY Limited for cash consideration of £1.0m. The acquisition is part of the Group's global growth strategy for luxury footwear. The asset and liability values at acquisition are detailed below.

	Book Value (£m)	Fair Value Adjustment (£m)	Fair Value (£m)
Inventories	1.0	-	1.0
Net assets acquired	1.0	-	1.0

Transaction costs for the acquisition of Sneakerboy totalled £0.4m.

Coventry Arena

On 17 November 2022 the Group acquired the trade and assets of Arena Coventry (2006) Limited, Arena Coventry Limited and IEC Experience Limited for cash consideration of £15.8m. The acquisition shows our commitment to the Coventry area further to our investment in a site, subject to planning, for a new delivery centre and campus at Ansty.

	Book Value (£m)	Fair Value Adjustment (£m)	Fair Value (£m)
Property, plant and equipment	15.8	-	15.8
Net assets acquired	15.8	-	15.8

Transaction costs for the acquisition of Coventry Arena totalled £2.2m.

Gieves & Hawkes

On 24 November 2022 the Group acquired the trade and assets of Gieves & Hawkes Limited, Gieves Limited, Gieves and Hawkes International (BVI) Limited and Gieves & Hawkes International Limited for cash consideration of £1.3m. The acquisition adds to our portfolio of strategic investments in luxury and premium brands. The asset and liability values at acquisition are detailed below.

	Book Value (£m)	Fair Value Adjustment (£m)	Fair Value (£m)
Inventories	0.9	0.4	1.3
Net assets acquired	0.9	0.4	1.3

Transaction costs for the acquisition of Gieves & Hawkes totalled £0.2m.

Amara

On 30 November 2022 the Group acquired the trade and assets of Amara Living Limited for cash consideration of £2.0m. The acquisition will build on our ambitions to create a credible homeware destination for Flannels. The asset and liability values at acquisition are detailed below.

	Book Value (£m)	Fair Value Adjustment (£m)	Fair Value (£m)
Inventories	4.2	-	4.2
Non-controlling interests	-	(1.3)	(1.3)
Bargain purchase	-	(0.9)	(0.9)
Net assets acquired	4.2	(2.2)	2.0

Transaction costs for the acquisition of Amara totalled £0.4m.

The bargain purchase of £0.9m is as a result of the administration of Amara, the amount has been recognised within Selling, distribution and administrative expenses in the period.

The non-controlling interests of £1.3m has been measured at its proportionate share of the recognised amount of the identifiable net assets at the acquisition date.

Premium Fashion Brands

On 16 December 2022 the Group acquired the premium fashion brands Base Childrenswear, Choice, Clothingsites (including Brown Bag Clothing), Cricket, Giulio, Kids Cavern, Missy Empire, Nicholas Deakins, Pretty Green, Prevu Studio, Rascal Clothing, Tessuti (including Xile), Scotts, Watch Shop and Topgrade Sportswear (including Get The Label) by way of the acquisition of shares held by JD Sports and the transfer of all of the indebtedness owing to JD by the Businesses, by, and to, subsidiaries of Frasers Group.

Completion of the acquisition of eight of the Businesses and the debt took place on exchange on 16 December 2022. Completion of the acquisition of Cricket, Tessuti Scotts, Giulio and Choice took place on 8 February 2023. Completion of the acquisition of fashion brand Topgrade Sportswear (including Get The Label) took place on 3 March 2023. The acquisition of the Rascal Clothing brand did not proceed. In addition, on 9 March 2023 the acquisition of Woodlandslove Limited (Philip Browne) took place.

The acquisition adds to our existing luxury and premium business.

The cash consideration for the above companies totalled £47.4m.

	Book Value (£m)	Fair Value Adjustment (£m)	Fair Value (£m)
Property, plant and equipment	20.3	(20.3)	-
Right of use assets	37.3	(13.8)	23.5
Intangible assets	5.6	(5.6)	-
Deferred tax asset	0.9	-	0.9
Inventories	80.3	(6.9)	73.4
Trade and other receivables	7.5	-	7.5
Prepayments	7.0	-	7.0
Cash and cash equivalents	86.4	-	86.4
Trade and other payables	(45.2)	-	(45.2)
Accruals	(19.8)	-	(19.8)
Provisions	(0.8)	(2.9)	(3.7)
Lease liability	(39.5)	16.0	(23.5)
Non-controlling interests	-	(2.7)	(2.7)
Bargain purchase	-	(55.2)	(55.2)
Net assets acquired	140.0	(91.4)	48.6

Transaction costs for the acquisition of the Premium fashion brands totalled £1.7m.

The bargain purchase of £55.2m has been recognised within exceptional items in the period.

The non-controlling interests of £2.7m has been measured at its proportionate share of the recognised amount of the identifiable net assets at the acquisition date.

Total transaction costs across all acquisitions totalled £5.9m, the amount has been recognised within Selling, distribution and administrative expenses in the period.

Summary of FY23 acquisitions

The following table summarises the fair values of consideration paid:

	Cash consideration (£m)
Sportmaster	0.9
Missguided	30.8
I Saw It First	-
Mysale	20.8
Sneakerboy	1.0
Coventry Arena	15.8
Gieves & Hawkes	1.3
Amara	2.0
Premium fashion brands	47.4
Total	120.0

The asset and liability values of all the acquisitions are summarised below.

	Fair values (£m)
Property, plant and equipment	23.3
Right of use assets	43.0
Intangible assets	11.7
Deferred tax assets	0.9
Inventories	115.7
Cash and cash equivalents	92.0
Trade and other receivables	19.6
Prepayments	7.0
Trade and other payables	(94.4)
Accruals	(19.8)
Borrowings	-
Lease liability	(47.3)
Provisions	(6.0)
Non-controlling interests	(4.0)
Goodwill	35.6
Bargain purchase	(56.1)
Net assets acquired	121.2

Since the date of control, the following amounts have been included within the Group's Financial Statements for the period:

	Revenue (£m)	Operating (loss)/profit (£m)	(Loss)/Profit before tax (£m)
Sportmaster	86.5	(18.5)	(19.2)
Missguided	20.0	(21.6)	(21.6)
I Saw It First	12.4	(6.8)	(6.8)
Mysale	16.9	(1.1)	(1.1)
Sneakerboy	-	-	-
Coventry Arena	6.7	(3.5)	(4.4)
Gieves & Hawkes	2.1	(1.2)	(1.2)
Amara	3.2	(2.4)	(2.4)
Premium fashion brands	71.9	9.8	9.7
Total	219.7	(45.3)	(47.0)

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:

	Revenue (£m)	Operating loss (£m)	Loss before tax (£m)
Sportmaster	94.4	(23.2)	(24.9)
Missguided	10.1	(1.8)	(21.8)
I Saw It First	13.1	(8.0)	(8.0)
Mysale	36.2	(3.6)	(3.6)
Sneakerboy	-	-	-
Coventry Arena	13.4	(7.0)	(7.0)
Gieves & Hawkes	3.6	(2.0)	(2.0)
Amara	5.5	(5.6)	(5.6)
Premium fashion brands	288.2	(11.6)	(13.7)
Total	464.5	(62.8)	(86.6)

There were no contingent liabilities acquired as a result of the above transactions.

Reconciliation of net cash outflow from investing activities:

	Cash consideration (£m)	Fair value of cash and cash equivalents acquired (£m)	Purchase of subsidiaries, net of cash acquired (£m)
Sportmaster	0.9	2.1	(1.2)
Missguided	30.8	-	30.8
I Saw It First	-	1.8	(1.8)
Mysale	20.8	1.7	19.1
Sneakerboy	1.0	-	1.0
Coventry Arena	15.8	-	15.8
Gieves & Hawkes	1.3	-	1.3
Amara	2.0	-	2.0
Premium fashion brands	47.4	86.4	(39.0)
Total	120.0	92.0	28.0

Summary of FY22 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. 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.

- ii. During FY22, the Group acquired the entire share capital of Bob Woolmer Sales Limited for consideration of £2.5m.

The asset and liability values at acquisition are detailed below. In FY22 we reviewed the fair value of the assets and liabilities acquired which were deemed to be provisional given the judgemental nature of some of the balances. 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

	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 was recognised within cost of sales in FY22. The Goodwill arising on the other acquisitions of £1.3m was impaired to £nil as at the prior 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 FY22 and FY23 analysis of this receivable balance and the IFRS 9 allowance for expected credit losses can be found at note 23.

There were no contingent liabilities acquired as a result of the above transactions.

Reconciliation of net cash outflow from investing activities for FY22:

(£'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)

33. CAPITAL COMMITMENTS

The Group had capital commitments of £65.2m as at 30 April 2023 (24 April 2022: £145.0m) relating to warehouse automation, aircraft, other plant and machinery, and property purchases.

34. 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:

53 weeks ended 30 April 2023:

	Relationship	Sales (£'m)	Purchases (£'m)	Trade and other receivables (£'m)	Trade and other payables (£'m)
Related Party					
Four (Holdings) Limited & subsidiaries ⁽¹⁾	Associate	0.3	68.2	4.5	-
Mash Holdings Limited	Parent company	-	-	0.2	-
Mike Ashley ⁽²⁾	Plc Director	2.6	-	-	-
Rangers Retail Limited	Associate	-	-	-	0.1
Tymit Ltd	Associate	-	2.1	-	-
Reath SW Limited	Connected persons	-	0.6	-	0.1

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	-	-

(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.

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.

The trade and other receivables balance with Four (Holdings) Limited includes an unsecured loan balance of £37.5m (gross of £33.2m (FY22: £38.5m) recognised in respect of loss allowance) which attracts interest at SONIA + 2.5% within current assets (FY22: £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. Enil was recognised in the period in respect of doubtful debts (FY22: Enil). 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.

Reath SW Limited is a company in which Robert Palmer, the Groups Company Secretary, is a director. Reath SW Limited provide professional services to the Group.

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
		1 April 2023
		(£m)
Share capital		3.0
Share premium		12.2
Retained earnings		38.1
Total equity		46.8
Profit for the period		12.9

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	25 April 2021
		(£m)	(£m)
Salaries and short-term benefits		1.9	1.4
Fair value charge for Executive Share Scheme (see note 25)		1.5	0.8
Total		3.4	2.2

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.

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 completed its assessment of the unsettled value created by MM Prop Consultancy Limited to the Group in FY22, with the assistance of independent third-party experts.

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

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. This agreement ended on 1 May 2022 when Michael Murray became CEO of Frasers Group. M.P.M Elevation Limited was not paid in the year in relation to the provision of the elevation strategy services (FY22: £0.1m).

35. 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 (64.9% of the issued ordinary share capital of the Company) and 26,492,540 (5.7% 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.

36. POST BALANCE SHEET EVENTS

On 30 May 2023 and 20 June 2023, the Group commenced share buyback programmes with the aggregate purchase price of all shares acquired under these programmes of no greater than £70m each and the maximum number of shares that may be purchased under the programmes of 10m ordinary shares each. The purpose of the programmes was to reduce the share capital of the Company. 9,988,501 ordinary shares at an average price of 6.93p each for consideration of £69.2m were acquired through these programmes as at 26 July 2023.

The Group has continued to increase its holdings across its strategic investments portfolio through the following transactions after the financial year:

- The Group made several transactions to increase its holding in ASOS plc bringing the total direct shareholding to 10.6% as of 18 July.
- On the 9 June, the Group announced its partnership with AO World and acquired a 18.9% holding in the entity for £74m. The Group continued its investment on 26 June bringing the total ownership to 22.2%.
- It was announced on 20 June that the Group acquired a 5% stake in Boohoo Group PLC having purchased 63,543,706 ordinary shares. The Group subsequently increased this holding to 7.8% on 26 July.
- It was announced on 26 July that the Group had increased its stake in N Brown PLC bringing total ownership to 19.0%.

Studio Retail Limited changed its name to Frasers Group Financial Services on 31 May 2023.

The Group increased its holding in Sports Direct Malaysia Sdn. Bhd. On 31 May 2023, bringing the total ownership to 75% for consideration of £16.9m.

37. 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 £8.5m 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"), 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 £875,000.

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 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 at 5 April 2019 and recorded a surplus of £1,477,000 in respect of the Group section. The Scheme is administered by Barnet Waddingham LLP.

The latest full actuarial valuation has been updated for IAS 19 purposes to 30 April 2023 by PricewaterhouseCoopers LLP ("PwC") using the assumptions detailed below. The results of the IAS 19 valuation are summarised as follow:

	30 April 2023 (£m)	24 April 2022 (£m)
Fair value of the scheme assets	67.6	89.0
Present value of the funded obligations	(66.8)	(86.8)
Surplus in the scheme	0.8	2.2

Plan assets

	30 April 2023 (£m)	24 April 2022 (£m)
Plan assets comprise:		
Annuities	65.0	84.8
Cash	2.6	4.2
Total	67.6	89.0

Movement in the present value of defined benefit obligations

	30 April 2023 (£m)	24 April 2022 (£m)
At beginning of the period	(86.8)	(93.2)
Interest cost	(2.6)	(0.4)
Effect of changes in demographic assumptions	0.5	0.1
Effect of changes in financial assumptions	20.3	5.7
Effect of experience adjustments	(3.6)	(0.4)
Benefits paid	5.4	1.4
At end of the period	(66.8)	(86.8)

Movement in the fair value of plan assets

	30 April 2023 (£m)	24 April 2022 (£m)
At beginning of the period	89.0	120.5
Scheme expenses	(0.9)	(0.4)
Interest on assets	2.6	0.5
Remeasurements	(17.7)	(32.2)
Employer contributions	-	2.0
Benefits paid	(5.4)	(1.4)
At end of the period	67.6	89.0

Movement in the pension surplus

	30 April 2023 (£m)	24 April 2022 (£m)
Surplus at beginning of the period	2.2	27.3
Scheme expenses	(0.9)	(0.4)
Net interest income	-	0.1
Remeasurements	(0.5)	(26.8)
Employer contributions	-	2.0
Surplus at end of the period	0.8	2.2

Expense recognised in the Consolidated Income Statement

	30 April 2023	24 April 2022
	(£m)	(£m)
(I) Included within administrative expenses		
Scheme expenses	(0.9)	(0.4)
(II) Included within finance income		
Net interest income	-	0.1

Amounts recognised in other comprehensive income

	30 April 2023	24 April 2022
	(£m)	(£m)
Total remeasurements	(0.5)	(26.8)

Actuarial Assumptions

The following are the principal actuarial assumptions at the reporting date:

	30 April 2023	24 April 2022
Financial Assumptions		
Discount rate for scheme liabilities	4.90%	3.00%
RPI Price Inflation	3.25%	3.70%
CPI Price Inflation (Pre-2030 / Post-2030)	2.25% / 3.25%	2.70% / 3.70%
Rate of increase to pensions in payment in line with RPI inflation (up to 5% per annum)	2.15%	2.50%
Rate of increase to pensions in payment in line with CPI inflation (up to 5% per annum)	2.7%	3.15%
Rate of increase to deferred pensions	2.75%	3.20%
Post retirement mortality (in years)		
Current pensioners at 65 - male	86.3yrs	86.6yrs
Current pensioners at 45 - male	87.5yrs	87.9yrs
Current pensioners at 65 - female	88.2yrs	88.4yrs
Current pensioners at 45 - female	89.6yrs	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 12 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 the Group. During the current period, the company contributed £nil to the scheme. The Group expects to make contributions of £nil in the financial period ended April 2024.

The following table shows the expected future benefit payments for the Findel Group Pension Fund:

Future benefit payments	(£m)
2023 - 2032	39.0
2033 - 2042	42.8
2043 - 2052	24.5
2053 - 2062	17.3
2063 - 2072	3.0
2073 - 2082	0.1
2083 - 2092	-
After 2093	-
Total	126.7

38. SUBSIDIARY UNDERTAKINGS

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
18Montrose Retail Limited	Shirebrook ⁽¹⁾	11577636	100
2CARE4 LIMITED*	Church Bridge House, Henry Street, Accrington, 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, Kent, 19904	3270168	100
Alpha Developments Stockport Ltd	Shirebrook ⁽¹⁾	12662564	100
Amara Retail Limited	Shirebrook ⁽¹⁾	12299584	100
AP Brands Holdings Sdn Bhd	Lot G1.PT.10A Sunway Pyramid Shopping Mall No. 3, Jalan PJS, Malaysia	196301000009 4921-A	100
AS Sportland International Group	Parnu mnt 139c, Kesklinna, Tallinn, 11317, Estonia	10993195	60
Base Childrenswear Limited	Shirebrook ⁽¹⁾	8297599	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
Brands & Fashion N.V.	Leopoldstraat, nr. 79, 2800 Mechelen, Belgium	0477.995.412	100
Brands 001 Limited	Shirebrook ⁽¹⁾	5347540	100
Brands Holdings Limited*	Shirebrook ⁽¹⁾	4087435	100
Brands Holdings Sponsorship Limited	Shirebrook ⁽¹⁾	10375418	100
BSL International Limited	Shirebrook ⁽¹⁾	2800425	100
Cacifo - Comercio de Artigos de Des-portos S.A.	Via Central de Milheiros no 121, 4475-334, Freguesia de Milherios, Concelho da Maia, Porto, Portugal	503.751.804	100
Cafe Clo Limited	Shirebrook ⁽¹⁾	13641982	100
Campri Limited	Shirebrook ⁽¹⁾	5398677	100
Cardinal Investments S.L	C.C Puerto Venecia, local 84, , Trav Jardines Reales 7, 50021, Zaragoza, Spain	B88542766	100
Carlton Sports Company Limited	Shirebrook ⁽¹⁾	467686	100
Catchbest Limited	Shirebrook ⁽¹⁾	2611299	100
Catriona 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	458.883.046	100
Choice Limited	Shirebrook ⁽¹⁾	2812899	100
Choice 33 Limited	Shirebrook ⁽¹⁾	6344682	100
Clothingsites Holdings Limited	Shirebrook ⁽¹⁾	10075381	100
Clothingsites.co.uk Limited	Shirebrook ⁽¹⁾	4432380	100
Criminal Clothing Ltd.	Shirebrook ⁽¹⁾	4184750	100
Cruise Clothing Limited	Martin House, 184 Ingram Street, Glasgow, Scotland, G1 1DN, United Kingdom	SC382991	100
Curlina Investments S.L	C.C Puerto Venecia, local 84, , Trav Jardines Reales 7, 50021, Zaragoza, Spain	B88415369	100
Dantra Limited	Shirebrook ⁽¹⁾	3126490	100
Donnay International NV	Leopoldstraat nr 79, 2800 Mechelen, Belgium	BE 0435 392 220	100
Eastchance Limited	Unit 1714, 17/F, Miramar Tower, 132 Nathan Road, Tsim Sha Tsui, 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

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
Evans Cycles Limited	Shirebrook ⁽¹⁾	11577650	100
Everlast Australia Limited	Shirebrook ⁽¹⁾	8103912	100
EVERLAST SPORTS INTERNATIONAL INC	Everlast 42 West 39th St. 3rd floor New York, New York, 10018	364696	100
Everlast Sports MFG. CORP.	Corporation Service Company, 80 State Street, Albany, New York, 122207-2543-USA	57121	100
Everlast World's Boxing Headquarters Corp	42 W 39th Street, 3rd Floor, New York, NY 10018, USA	13-1804773	100
Everlast Worldwide Inc	42 W 39th Street, 3rd Floor, New York, NY 10018, USA	13-3672716	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 WILAYAH PERSEKUTUAN, KUALA LUMPUR, Malaysia	201901040821 1350151-U	51
Frasers Group Credit Broking Limited	Shirebrook ⁽¹⁾	14606004	100
Frasers Group F&B JV Limited	Shirebrook ⁽¹⁾	12298852	100
Frasers Group Financial Services Limited*	Shirebrook ⁽¹⁾	13191369	100
Frasers Group Holdings Australia Pty Ltd*	5 ATTADALE COURT, ELANORA QLD 4221, Australia	661993844	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	Shirebrook ⁽¹⁾	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
GetTheLabel.com Limited	Shirebrook ⁽¹⁾	06330132	100
Gieves & Hawkes Limited	Shirebrook ⁽¹⁾	11689077	100
Giulio Fashion Limited	Shirebrook ⁽¹⁾	67898449	100
Giulio Limited	Shirebrook ⁽¹⁾	1631026	100
Giulio Woman Limited	Shirebrook ⁽¹⁾	6898487	100
Golddigga Brands Limited	Shirebrook ⁽¹⁾	6636173	100
Gotay Investments SL	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	C/O Eversheds Sutherland, 4F Montgomery House, Montgomery Street, Belfast, BT1 4NX, United Kingdom	NI035599	100
Heatons Stores Limited	Heaton House, IDA Business Park, Whitestown, Tallaght, Dublin, Ireland, D24E932, Ireland	509525	100

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
Heatons Limited	HEATON HOUSE , IDA BUSINESS PARK, WHITESTOWN, TALLAGHT, DUBLIN 24, Ireland	11229	100
Heaven or Hell Limited	Shirebrook ¹¹	5899282	100
HK Sports & Golf Aktiebolag	Eskilstorpsv 7, 269 96, Båstad, Sweden	556510-8189	100
HOF Ireland Stores Limited	Heaton House, IDA Business Park, Whitestown, Tallaght, Dublin, Ireland, D24E932, Ireland	626384	100
Hot Tuna IP Limited	Shirebrook ¹¹	6836792	100
House of Fraser Brands Limited	Shirebrook ¹¹	10687367	100
House of Fraser Limited	Shirebrook ¹¹	10686681	100
Hugo Stores Limited	Shirebrook ¹¹	11687276	100
I SAW IT FIRST LIMITED	Shirebrook ¹¹	10184572	100
International Brand Management Limited*	Shirebrook ¹¹	5142123	100
Jack Wills IP Limited	Shirebrook ¹¹	11775495	100
Jack Wills Property Limited	Shirebrook ¹¹	11775643	100
Jack Wills Retail (Ireland) Limited	HEATON HOUSE , IDA BUSINESS PARK, WHITESTOWN, TALLAGHT, DUBLIN 24, Ireland	656208	100
Jack Wills Retail Limited	Shirebrook ¹¹	11634810	100
James Lillywhites Limited	Shirebrook ¹¹	118840	100
Kangol Holdings Limited	Shirebrook ¹¹	3317738	100
Kangol Limited	Shirebrook ¹¹	3343793	100
Kangol LLC	Corporation Service Ltd, 251 Little Falls Drive, Wilming-ton, New Castle, Delaware, 19808	7004841	49
Kangol Trustees Limited	Shirebrook ¹¹	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 ¹¹	5215974	100
La Jolla (UK) Limited	Shirebrook ¹¹	5737550	100
Lillywhites Limited	Shirebrook ¹¹	290939	100
Liverpool F&B Limited	Shirebrook ¹¹	13905094	100
Lonsdale Australia Limited	Shirebrook ¹¹	7665885	100
Lonsdale Boxing Limited	Shirebrook ¹¹	3912303	100
Lonsdale Sports Limited	Shirebrook ¹¹	4430781	100
Lovell Sports (Holdings) Limited	Shirebrook ¹¹	9608995	100
Lovell Sports Limited	Shirebrook ¹¹	4184358	100
Lovells SP Limited	Shirebrook ¹¹	8907509	100
Masters Holders Limited	Shirebrook ¹¹	8787718	100
Missguided Retail Limited	Shirebrook ¹¹	12298767	100
Mississippi Manufacturing LLC	1209 Orange Street, Wilmington Newcastle County, Delaware	3470413	100
Missy Empire Limited	Shirebrook ¹¹	11382398	100
Muddyfox IP Limited	Shirebrook ¹¹	10246764	100
Muddyfox Limited	Shirebrook ¹¹	4187350	100
MySale Group Plc*	Ogier House, The Esplanade, 44 Esplanade Street, Helier, JE4 9WG, Jersey	115584	100
MySale Group Trustee Limited	Shirebrook ¹¹	10476058	100
Nevica IP Limited	Shirebrook ¹¹	6836778	100
Nicholas Deakins Limited	Shirebrook ¹¹	3201284	100
No Fear Brand Limited	Shirebrook ¹¹	5568043	100
No Fear International Limited	Shirebrook ¹¹	5532482	100
No Fear USA limited	Shirebrook ¹¹	7712470	100
Old Brown Bag Clothing Limited	Shirebrook ¹¹	4144718	100
Olympus Ventures Limited	Shirebrook ¹¹	3945752	100
PG2019 Limited	Shirebrook ¹¹	11628610	100

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
Prevu Studio Limited	Shirebrook ⁽¹⁾	13473413	100
Prima Designer Limited	Shirebrook ⁽¹⁾	4781351	100
Psyche Holdings Limited	Shirebrook ⁽¹⁾	3438665	100
Psyche Limited	Shirebrook ⁽¹⁾	2844011	100
Puffa IP Limited	Shirebrook ⁽¹⁾	10910124	100
Queensberry Boxing IP Limited	Shirebrook ⁽¹⁾	7929363	100
Quentin Investments S.L	C.C Puerto Venecia, local 84, , Trav Jardines Reales 7, 50021, Zaragoza, Spain	B88542733	100
R.D. Scott Limited	Shirebrook ⁽¹⁾	1738894	100
Republic IP Limited	Shirebrook ⁽¹⁾	5635015	100
Republic.com Retail Limited	Shirebrook ⁽¹⁾	8248997	100
Rhapsody Investments (Europe) S.A.	1 Cote d'Eich, L-1450, Luxembourg	B21.608	100
Runnel Limited	Shirebrook ⁽¹⁾	9336830	100
S&B Brands Limited	Shirebrook ⁽¹⁾	5635585	100
SD Equestrian Limited	Shirebrook ⁽¹⁾	8692780	100
SD Outdoor Limited	Shirebrook ⁽¹⁾	8560260	100
SDB2 S.A.	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	0848.964.388	100
SDI (Aberdeen) Limited	Shirebrook ⁽¹⁾	8512592	100
SDI (Aberystwyth) Limited	Shirebrook ⁽¹⁾	2789996	100
SDI (ACQCO 5) LIMITED	Shirebrook ⁽¹⁾	10162904	100
SDI (Ashford) Limited	Shirebrook ⁽¹⁾	7848460	100
SDI (Ashington) Limited	Shirebrook ⁽¹⁾	7849231	100
SDI (Ayr) Limited	Shirebrook ⁽¹⁾	5528267	100
SDI (Belfast) Limited	Shirebrook ⁽¹⁾	9872471	100
SDI (Berwick) Limited	Shirebrook ⁽¹⁾	2739957	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 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
SDI (Clacton) Limited	Shirebrook ⁽¹⁾	7852078	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 (Croydon) Limited	Shirebrook ⁽¹⁾	14156557	100
SDI (Darlington) Limited	Shirebrook ⁽¹⁾	10915193	100

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
SDI (Derby) Limited	Shirebrook ¹⁶	9310031	100
SDI (Derry) Limited	C/O Eversheds Sutherland, 4F Montgomery House, Montgomery Street, Belfast, BT1 4NX, United Kingdom	NI653340	100
SDI (Doncaster) Limited	Shirebrook ¹⁷	9888670	100
SDI (Dundee 2) Ltd	Shirebrook ¹⁸	14155935	100
SDI (Dundee) Limited	Shirebrook ¹⁹	9702004	100
SDI (Dunfermline) Limited	Shirebrook ²⁰	8483679	100
SDI (East Ham) Limited	Shirebrook ²¹	9810378	100
SDI (East Kilbride) Limited	Shirebrook ²²	6656368	100
SDI (Edinburgh) Limited	Shirebrook ²³	10100990	100
SDI (Enfield) Limited	Shirebrook ²⁴	10086209	100
SDI (Fulham) Limited	Shirebrook ²⁵	7852037	100
SDI (Gainsborough) Limited	Shirebrook ²⁶	6338907	100
SDI (Galashiels) Limited	Shirebrook ²⁷	7852091	100
SDI (Glasgow Argyle St) Ltd	Shirebrook ²⁸	11227937	100
SDI (Glasgow Frasers) Limited	Shirebrook ²⁹	11531596	100
SDI (Glasgow Ingram Street) Limited	Shirebrook ³⁰	9925519	100
SDI (Gloucester) Limited	Shirebrook ³¹	7852067	100
SDI (Great Yarmouth) Limited	Shirebrook ³²	11732687	100
SDI (Hanley) Limited	Shirebrook ³³	11228017	100
SDI (Hastings) Limited	Shirebrook ³⁴	8625893	100
SDI (Hereford) Limited	Shirebrook ³⁵	9888642	100
SDI (Hofco) Limited	Shirebrook ³⁶	8319960	100
SDI (HoH Holdings) Limited	Shirebrook ³⁷	10161592	100
SDI (Hounslow) Limited	Shirebrook ³⁸	10086218	100
SDI (Hull) Limited	Shirebrook ³⁹	9638564	100
SDI (IPCO 150) Limited	Shirebrook ⁴⁰	14479914	100
SDI (Ipswich 2) Limited	Shirebrook ⁴¹	12578948	100
SDI (Ipswich) Limited	Shirebrook ⁴²	9788411	100
SDI (Isle of Man) Limited	Shirebrook ⁴³	9901745	100
SDI (Jersey Holding) Limited	Shirebrook ⁴⁴	10177028	100
SDI (K Lynn) Limited	Shirebrook ⁴⁵	10073076	100
SDI (Keighley) Limited	Shirebrook ⁴⁶	6260239	100
SDI (Kendal) Limited	Shirebrook ⁴⁷	6338918	100
SDI (Kentish Town) Limited.	Shirebrook ⁴⁸	9901702	100
SDI (Kilmarnock) Limited	Shirebrook ⁴⁹	7853433	100
SDI (Kingston) Limited	Shirebrook ⁵⁰	10915209	100
SDI (Kirkcaldy) Limited	Shirebrook ⁵¹	7852097	100
SDI (Leeds 2) Ltd.	Shirebrook ⁵²	13808640	100
SDI (Leeds) Limited	Shirebrook ⁵³	9293515	100
SDI (Leicester) Limited	Shirebrook ⁵⁴	9127170	100
SDI (Liverpool) Limited	Shirebrook ⁵⁵	9888734	100
SDI (Livingston) Ltd.	Shirebrook ⁵⁶	14156550	100
SDI (Lowestoft) Limited	Shirebrook ⁵⁷	7852265	100
SDI (LSL Holdings) Limited	Shirebrook ⁵⁸	10161824	100
SDI (Luton 2) Limited	Shirebrook ⁵⁹	14570336	100
SDI (Luton) Limited	Shirebrook ⁶⁰	14570159	100
SDI (Manchester Denton) Limited	Shirebrook ⁶¹	9127295	100
SDI (Market Road) Limited	Shirebrook ⁶²	10799247	100
SDI (Middlesbrough 2) Ltd.	Shirebrook ⁶³	13808704	100

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
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 (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
Coventry Arena OpCo Limited	Shirebrook ⁽¹⁾	14479916	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 (Propco 100) Limited	Shirebrook ⁽¹⁾	11732700	100
SDI (Propco 101) Limited	Shirebrook ⁽¹⁾	11773466	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 114) Limited	Shirebrook ⁽¹⁾	12298708	100
SDI (Propco 115) Limited	Shirebrook ⁽¹⁾	12300052	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 144) LIMITED	Shirebrook ⁽¹⁾	14156232	100
SDI (PROPCO 148) LIMITED	Shirebrook ⁽¹⁾	14156546	100
Coventry Arena Propco Limited	Shirebrook ⁽¹⁾	14156565	100
SDI (Propco 151) Limited	Shirebrook ⁽¹⁾	14469756	100
SDI (Propco 152) Limited	Shirebrook ⁽¹⁾	14469758	100
Tessuti Stores Limited	Shirebrook ⁽¹⁾	14469753	100
SDI (Propco 154) Limited	Shirebrook ⁽¹⁾	14469755	100
SDI (Propco 155) Limited	Shirebrook ⁽¹⁾	14456686	100
SDI (Propco 156) Limited	Shirebrook ⁽¹⁾	14634903	100
SDI (Propco 157) Limited	Shirebrook ⁽¹⁾	14634777	100
SDI (Propco 158) Limited	Shirebrook ⁽¹⁾	14634781	100
SDI (Propco 159) Limited	Shirebrook ⁽¹⁾	14634987	100
SDI (Propco 160) Limited	Shirebrook ⁽¹⁾	14634974	100

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
SDI (Propco 37) Limited	Shirebrook ⁽¹⁶⁾	11523343	100
SDI (Propco 38) Limited	Shirebrook ⁽¹⁶⁾	11523424	100
SDI (Propco 40) Limited	Shirebrook ⁽¹⁶⁾	11523489	100
SDI (Propco 41) Limited	Shirebrook ⁽¹⁶⁾	11523621	100
SDI (Propco 43) Limited	Shirebrook ⁽¹⁶⁾	11523609	100
SDI (Propco 46) Limited	Shirebrook ⁽¹⁶⁾	11523748	100
SDI (Propco 47) Limited	Shirebrook ⁽¹⁶⁾	11530370	100
SDI (Propco 49) Limited	Shirebrook ⁽¹⁶⁾	11526115	100
SDI (Propco 50) Limited	Shirebrook ⁽¹⁶⁾	11526182	100
SDI (Propco 51) Limited	Shirebrook ⁽¹⁶⁾	11527237	100
SDI (Propco 52) Limited	Shirebrook ⁽¹⁶⁾	11526972	100
SDI (Propco 55) Limited	Shirebrook ⁽¹⁶⁾	11527303	100
SDI (Propco 56) Limited	Shirebrook ⁽¹⁶⁾	11527382	100
SDI (Propco 57) Limited	Shirebrook ⁽¹⁶⁾	11527500	100
SDI (Propco 60) Limited	Shirebrook ⁽¹⁶⁾	11531386	100
SDI (Propco 62) Limited	Shirebrook ⁽¹⁶⁾	11531444	100
SDI (Propco 65) Limited	Shirebrook ⁽¹⁶⁾	11531532	100
SDI (Propco 70) Limited	Shirebrook ⁽¹⁶⁾	11572933	100
SDI (Propco 71) Limited	Shirebrook ⁽¹⁶⁾	11574887	100
SDI (Propco 75) Limited	Shirebrook ⁽¹⁶⁾	11577256	100
SDI (Propco 76) Limited	Shirebrook ⁽¹⁶⁾	11577617	100
SDI (Propco 77) Limited	Shirebrook ⁽¹⁶⁾	11578164	100
SDI (Propco 80) Limited	Shirebrook ⁽¹⁶⁾	11577670	100
SDI (Propco 81) Limited	Shirebrook ⁽¹⁶⁾	11641123	100
SDI (Propco 83) Limited	Shirebrook ⁽¹⁶⁾	11646302	100
SDI (Propco 86) Limited	Shirebrook ⁽¹⁶⁾	11649235	100
SDI (Propco 87) Limited	Shirebrook ⁽¹⁶⁾	11649336	100
SDI (Propco 88) Limited	Shirebrook ⁽¹⁶⁾	11674753	100
SDI (Propco 90) Limited	Shirebrook ⁽¹⁶⁾	11649431	100
SDI (Propco 91) Limited	Shirebrook ⁽¹⁶⁾	11687077	100
SDI (Propco 93) Limited	Shirebrook ⁽¹⁶⁾	11730253	100
SDI (Propco 96) Limited	Shirebrook ⁽¹⁶⁾	11730503	100
SDI (Propco 99) Limited	Shirebrook ⁽¹⁶⁾	11732772	100
SDI (Ramsgate) Limited	Shirebrook ⁽¹⁶⁾	7852250	100
SDI (Reading) Limited	Shirebrook ⁽¹⁶⁾	10422164	100
SDI (Redcar) Limited	Shirebrook ⁽¹⁶⁾	2731452	100
Coventry Arena Retail Limited	Shirebrook ⁽¹⁶⁾	11689119	100
SDI (Retail Co 14) Limited	Shirebrook ⁽¹⁶⁾	14492147	100
SDI (Retail Co 15) Limited	Shirebrook ⁽¹⁶⁾	14492165	100
SDI (Retail Co 16) Limited	Shirebrook ⁽¹⁶⁾	14492146	100
SDI (Retail Co 17) Limited	Shirebrook ⁽¹⁶⁾	14492217	100
SDI (Retail Co 18) Limited	Shirebrook ⁽¹⁶⁾	14492202	100
SDI (Retail Co 4) Limited	Shirebrook ⁽¹⁶⁾	11635011	100
SDI (Retail Co 8) Limited	Shirebrook ⁽¹⁶⁾	11687376	100
SDI (Rolle St) Limited	Shirebrook ⁽¹⁶⁾	7852669	100
SDI (Romford) Limited	Shirebrook ⁽¹⁶⁾	10071547	100
SDI (Rotherham) Limited	Shirebrook ⁽¹⁶⁾	9888635	100
SDI (Salisbury) Ltd	Shirebrook ⁽¹⁶⁾	10107572	100
SDI (Scunthorpe Parishes Centre) Limited	Shirebrook ⁽¹⁶⁾	11730442	100
SDI (Scunthorpe) Limited	Shirebrook ⁽¹⁶⁾	7852055	100

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
SDI (Southampton 2) Limited	Shirebrook ⁽¹⁾	9665889	100
SDI (Southampton) Limited	Shirebrook ⁽¹⁾	8512480	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 (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 (The House Yarm) Limited	Shirebrook ⁽¹⁾	12332871	100
SDI (The Lion Hotel) Limited	Shirebrook ⁽¹⁾	6836880	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 (Wishaw) Limited	Shirebrook ⁽¹⁾	6656365	100
SDI (Wrexham) Limited	Shirebrook ⁽¹⁾	10915200	100
SDI (Wythenshawe) Limited	Shirebrook ⁽¹⁾	9659156	100
SDI (York) Limited	Shirebrook ⁽¹⁾	11331391	100
SDI 2300 COLLINS LLC	Corporation Trust Centre, 1209 Orange Street, Wilming-ton, New Castle, 19801	6870031	100
SDI 735 COLLINS LLC	Corporation Trust Centre, 1209 Orange Street, Wilming-ton, New Castle, 19801	6870028	100
SDI Aviation Limited*	Shirebrook ⁽¹⁾	9633152	100
SDI Brands 10 Limited	Shirebrook ⁽¹⁾	14553954	100
SDI Brands 5 Limited	Shirebrook ⁽¹⁾	14532468	100
SDI Brands 6 Limited	Shirebrook ⁽¹⁾	14553581	100
SDI Brands 7 Limited	Shirebrook ⁽¹⁾	14553947	100
SDI Brands 8 Limited	Shirebrook ⁽¹⁾	14553950	100
SDI Brands 9 Limited	Shirebrook ⁽¹⁾	14553881	100
SDI (Chester) Limited	Shirebrook ⁽¹⁾	14635087	100
SDI CORRIB SHOPPING CENTRE LIM-ITED	HEATON HOUSE , IDA BUSINESS PARK, WHITESTOWN, TALLAGHT, DUBLIN 24, Ireland	715322	100
SDI (Covent Garden) Limited	Shirebrook ⁽¹⁾	14634874	100
SDI Fitness (Bury St Edmunds) Limited	Shirebrook ⁽¹⁾	9038949	100
SDI Fitness (Colchester) Limited	Shirebrook ⁽¹⁾	9039011	100
SDI Fitness (DW) Limited	Shirebrook ⁽¹⁾	12298794	100
SDI Fitness (Hove) Limited	Shirebrook ⁽¹⁾	9039030	100
SDI Fitness (Huntingdon) Limited	Shirebrook ⁽¹⁾	9039881	100
SDI Fitness (NI 1) Limited	C/O Eversheds Sutherland, 4F Montgomery House, Montgomery Street, Belfast, BT1 4NX, United Kingdom	NI672034	100
SDI Fitness (NI 2) Limited	C/O Eversheds Sutherland, 4F Montgomery House, Montgomery Street, Belfast, BT1 4NX, United Kingdom	NI672033	100


**PERCENTAGE OF
ISSUED SHARE
CAPITAL HELD**

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
SDI Fitness (NI 3) Limited	C/O Eversheds Sutherland, 4F Montgomery House, Montgomery Street, Belfast, BT1 4NX, United Kingdom	NI672035	100
SDI Fitness (NI 4) Limited	C/O Eversheds Sutherland, 4F Montgomery House, Montgomery Street, Belfast, BT1 4NX, United Kingdom	NI672885	100
SDI Fitness (NI 5) Limited	C/O Eversheds Sutherland, 4F Montgomery House, Montgomery Street, Belfast, BT1 4NX, United Kingdom	NI672884	100
SDI Fitness (Northfield) Limited	Shirebrook ⁽¹⁾	9039412	100
SDI Fitness (Sale) Limited	Shirebrook ⁽¹⁾	9039405	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
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⁾	9038724	100
SDI Fitness 39 Limited	Shirebrook ⁽¹⁾	9038768	100
SDI Fitness 40 Limited	Shirebrook ⁽¹⁾	9038881	100
SDI Fitness 41 Limited	Shirebrook ⁽¹⁾	9038839	100
SDI Fitness 42 Limited	Shirebrook ⁽¹⁾	9038943	100
SDI Fitness 43 Limited	Shirebrook ⁽¹⁾	9039023	100
SDI Fitness 44 Limited	Shirebrook ⁽¹⁾	9039343	100
SDI Fitness 45 Limited	Shirebrook ⁽¹⁾	9039481	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

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
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 Holdings USA, Inc	1209 Orange Street, Wilmington Newcastle County, Del-aware	6641201	100
SDI Lifestyle Limited	Shirebrook ⁽¹⁾	8293614	100
SDI Malta Holdco Limited	Level 1, LM Complex, Brewery Street , Zone 3 Central Business District , Birkirkara, CBD3040, Malta	C 102352	100
SDI Properties (USA) Inc.	1209 Orange Street, Wilmington Newcastle County, Del-aware	535872	100
SDI Property (Bitburg) B.V.	Van Konijnenburgweg 45,, 4672PL , Bergen op Zoom, Netherlands	82495807	100
SDI Property (Europe) BV	Van Konijnenburgweg 45, 4612PL , Bergen op Zoom, Netherlands	69042594	100
SDI Property (Evans Cycles) Limited	Shirebrook ⁽¹⁾	11646219	100
SDI Property Limited*	Shirebrook ⁽¹⁾	2767493	100
SDI Property US Inc	Corporation Trust Centre, 1209 Orange Street, Wilming-ton, New Castle, 19801	6870024	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	Corporation Trust Centre, 1209 Orange Street, Wilming-ton, New Castle, 19801	2047393	100
SDI Ventures LLC	1209 Orange Street, Wilmington Newcastle County, Del-aware	6870023	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, Riga, LV-1035, Latvia	40203110076	60
SIA Sportland	A Degalava str . 50, Riga, LV-1035, Latvia	40003530961	60
SIA Sportsdirect.com	A. Deglava, str 50, Riga, LV-1035, 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 And Brooks Group Limited	Shirebrook ⁽¹⁾	4079331	100
Smith And Brooks Holdings Limited	Shirebrook ⁽¹⁾	4983573	100
SNO Sport Vertriebs GmbH	Flugplatzstraße 30, 4600, Wels, Austria	272671m	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	188095 x	100
Sportland Eesti AS	Parnu mnt 139c, Kesklinna, Tallinn, 11317, Estonia	10677712	60
Sportmaster Danmark ApS	Baltorpbakken 5, 2750 Ballerup, Denmark	34479526	100
Sports Direct (Singapore) Pte.Ltd	6 Eu Tong Sen Street, #11-09, The Central, 059817, Sin-gapore	202004542Z	51

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
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, 50250 WILAYAH PERSEKUTUAN, KUALA LUMPUR, Malaysia	925166-M	51
Sports Direct Spain S.L.U	Centro Comercial Puerto Venecia, Local 84, Travesía de los Jardines Reales n° 7, 50021, Zaragoza, Spain	B-86567880	100
Sports World International Limited	Shirebrook ⁽¹⁾	6531266	100
Sports World the Netherlands B.V.	Van Konijnenburgweg 45, 4612 PL Bergen op zoom, Netherlands	34056291	100
SportsDirect (Iceland) ehf	Skogarind 2, 201, Kopavogur, Iceland	6301121760	100
Sportsdirect.com (Asia) Limited	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	93110115MA1k463A6B	95
Sportsdirect.com Austria GmbH	Flugplatzstraße 30, 4600, Wels, Austria	309738 y	100
Sportsdirect.com Belgium SA	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	416,268,471	100
Sportsdirect.com China Pte Limited	C25, 3rd Floor, ASEAN Building, 690 Minzhi Avenue, Xin-niu Community, Minzhi Street, Longhua District, Shen-zhen, China	91440300579987503D	95
Sportsdirect.com Cyprus Limited	Miltiades Stylianou 34B, Shop 2, 8577 Tala, Paphos, Cy-prus	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 Copistes, Boulevard du Havre, 95220, Herblay, France	379 062 813 R.C.S. Pontoise	100
Sportsdirect.com Hungary Korlátolt Felelősségű Társaság	H-1053 Budapest, Karolyi Mihaly utca 12, Hungary	01-09-19366	100
Sportsdirect.com Immobilien GmbH	Flugplatzstraße 30, 4600, Wels, Austria	104151 p	100
Sportsdirect.com Malta Limited	Level 1, LM Complex, Brewery Street, Zone 3 Central Business District, Birkirkara CBD, 3040, Malta	C99278	100
Sportsdirect.com OU	Pamü mnt 139c, Kesklinna, Tallinn, 11318, Estonia	1285837	60
Sportsdirect.com Poland S.P. Z.o.o.	ul. Składowa 5, 61-897, Poznań, Poland	452610	100
Sportsdirect.com PTY	c/o Norton Rose Fulbright, Level 6, 60 Martin Place, Syd-ney NSW 2000, Australia	84 603 187 319	100
Sportsdirect.com Retail (Europe) SA*	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	458883046	100
Sportsdirect.com Retail Limited*	Shirebrook ⁽¹⁾	3406347	100
Sportsdirect.com Slovakia s.r.o.	Vysoka 2/B, 81106, Bratislava, Slovakia	47 240 458	100
Sportsdirect.com Switzerland A.G.	Zeughausgasse 27, 3011 Bern, Switzerland	CHE-331.683.991	100
Sportsdirect.com Vienna North GmbH	Flugplatzstraße 30, 4600, Wels, Austria	FN 104486g	100
Sportsdirect.com (Taiwan) Limited	17F.-5, No.500, Shizheng Rd., Xitun District, 40757, Taiwan	82778619	95
Sportsdirect.comSLVN d.o.o.	Planjava 4, 1236 Trzin, Slovenia	1.198.157.000	100
SSG Sport GmbH	Vornholzstr. 48, 94036, Passau, Germany	HRB 7134	100
Sterling Resources (Holdings) Limited	Shirebrook ⁽¹⁾	4651701	100
Stirlings (Argyle Street) Limited	Martin House, 184 Ingram Street, Glasgow, G1 1DN, United Kingdom	SC088108	100
Straub Corporation Limited	Shirebrook ⁽¹⁾	3003584	100
Studio Retail Trading Limited	Church Bridge House, Henry Street, Accrington, BB5 4EE	3994833	100
Studio Retail Financial Services Limited	Shirebrook ⁽¹⁾	14156254	100
Studio Retail Holdings Limited	Shirebrook ⁽¹⁾	14134781	100
Studio Retail Limited*	Church Bridge House, Henry Street, Accrington, BB5 4EE	718151	100
Studio Retail Properties Limited	Church Bridge House, Henry Street, Accrington, BB5 4EE	14428143	100
SDI (Propco 146) Limited	Shirebrook ⁽¹⁾	14156309	100
Suplay Investments S.L	C.C Puerto Venecia, local 84, Trav Jardines Reales 7, 50021, Zaragoza, Spain	B88542691	100

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
SWimmo Eupen SPRL	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	878.673.906	100
Table Tennis Pro Europe Ltd	Shirebrook ⁽¹⁾	5003853	100
Tessuti Group Limited	Shirebrook ⁽¹⁾	8008909	100
Tessuti Limited	Shirebrook ⁽¹⁾	5640916	100
Tessuti Retail Limited	Shirebrook ⁽¹⁾	7312882	100
Tessuti (Ireland) Limited	HEATON HOUSE, IDA BUSINESS PARK, WHITESTOWN, TALLAGHT, DUBLIN 24, IRELAND	726070	100
The Antigua Group Inc	Incorp Services INC, 3773 Howard Hughes PKWY STE 500S	NV19941063957	100
THE FLANNELS GROUP (ROI) LIMITED	Heaton House, IDA Business Park, Whitestown, Tallaght, Dublin, Ireland, D24E932, Ireland	707468	100
The Flannels Group Limited	Shirebrook ⁽¹⁾	2318510	100
The Watch Shop Holdings Limited	Shirebrook ⁽¹⁾	11640948	100
Topgrade Sportswear Holdings Lim-ited	Shirebrook ⁽¹⁾	06330487	100
Topgrade Sportswear Limited	Shirebrook ⁽¹⁾	03139070	100
UAB SDI (Gedimino) LT	Vilniaus m. sav. , Vilniaus m. S, Seimyniskiu g. 3/, Lithuania	304584281	100
UAB Sportland	Seimyniskiu g. 3, Vilnius, LT-09312, Lithuania	135039836	51
UAB Sportsdirect.com	Seimyniskiu g.3, Vilnius, LT-09312, Lithuania	304155613	60
Uggbugg Fashion Limited	Shirebrook ⁽¹⁾	8918157	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
Waterline Angling Products Limited	Shirebrook ⁽¹⁾	2696374	100
West Coast Capital (HOFCO) Limited	Martin House, 184 Ingram Street, Glasgow, Scotland, G1 1DN, United Kingdom	SC437614	100
Westminster Manufacturing LLC	2 Office Park Court, Suite 103, Columbia, SC 29233, USA	44358	100
WHCO Limited	Shirebrook ⁽¹⁾	13376181	100
Woodlandslovelimited	Shirebrook ⁽¹⁾	11940353	100
Yeomans Outdoors Limited	Shirebrook ⁽¹⁾	8058714	100
Zaparah Sp. z.o.o	ul. ŻERNICKA, No. 22, office, place ROBAKOWO, CODE 62-02, Poland	KRS 0000459435	100
Warmnambool *	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
Zaparah SPz.o.o	ul. Żernicka 22, Robakowo, 62-023 Gądk, Poland	KRS 0000459435	100

(1) Unit A, Brook Park East, Shirebrook, NG20 8RY

(2) Unity House, Telford Road, Basingstoke, Hampshire, RG21 6YJ

* Direct shareholdings held by Frasers Group Plc

Fraser's 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
Hot Tuna IP Limited	6836792	SDI (Liverpool) Limited	9888734
SD Equestrian Limited	8692780	SDI (Lowestoft) Limited	7852265
SD Outdoor Limited	8560260	SDI (Manchester Denton) Limited	9127295
SDI (Aberdeen) Limited	8512592	SDI (Market Road) Limited	10799247
SDI (Aberystwyth) Limited	2789996	SDI (Middlesbrough) Limited	10081909
SDI (Ashford) Limited	7848460	SDI (Nassau Street) Limited	11227964
SDI (Ashington) Limited	7849231	SDI (Neath) Limited	7853548
SDI (Ayr) Limited	5528267	SDI (Newark) Limited	7853470
SDI (Belfast) Limited	9872471	SDI (Newcastle) Limited	9127286
SDI (Berwick) Limited	2739957	SDI (Newport) Limited	8679118
SDI (Birkenhead) Limited	7849198	SDI (Newquay) Limited	10089800
SDI (Bishop Auckland) Limited	3004246	SDI (Newton Abbot) Limited	6836666
SDI (Boucher Road) Limited	13808700	SDI (Northampton) Limited	7852272
SDI (Bridgwater) Limited	7852061	SDI (Northwich) Limited	5656295
SDI (Brighton) Limited	12579780	SDI (Nottingham) Limited	10100609
SDI (Brixton) Limited	9127300	SDI (Nuneaton) Limited	7852249
SDI (Burton) Limited	8495632	SDI (Oswestry) Limited	7852363
SDI (Cardiff Flannels) Limited	10177359	SDI (Oxford Street) Limited	10046080
SDI (Cardiff QS) Limited	12578045	SDI (Penzance) Limited	7852297
SDI (Cardiff QS 2) Limited	11227321	SDI (Peterlee) Limited	7852401
SDI (Carlisle) Limited	7851959	SDI (Plymouth Flannels) Limited	9127387
SDI (Chatham) Limited	6836679	SDI (Plymouth) Limited	9470468
SDI (Cheshunt 2) Limited	11775717	SDI (Portsmouth) Limited	12579294
SDI (Cheshunt) Limited	11775599	SDI (Propco 75) Limited	11577256
SDI (Clacton) Limited	7852078	SDI (Propco 119) Limited	12332862
SDI (Colchester) Limited	5632790	SDI (Propco 141) Limited	13808701
SDI (Corby) Limited	10885672	SDI (Ramsgate) Limited	7852250
SDI (Cork) Limited	11775763	SDI (Reading) Limited	10422164
SDI (Coventry) Limited	9680128	SDI (Redcar) Limited	2731452
SDI (Darlington) Limited	10915193	SDI (Rolle St) Limited	7852669
SDI (Derby) Limited	9130131	SDI (Romford) Limited	10071547
SDI (Derry) Limited	11653340	SDI (Salisbury) Limited	10107572
SDI (Doncaster) Limited	9888670	SDI (Scunthorpe) Limited	7852055
SDI (Dundee) Limited	9702004	SDI (Scunthorpe Parishes Centre) Limited	11730442
SDI (Dunfermline) Limited	8483679	SDI (Southampton 2) Limited	9665889
SDI (East Ham) Limited	9810378	SDI (Southampton) Limited	8512480
SDI (East Kilbride) Limited	6656368	SDI (St Austell) Limited	7852284
SDI (Edinburgh) Limited	10100990	SDI (St Helens) Limited	7852281
SDI (Enfield) Limited	10086209	SDI (Stafford) Limited	8568681
SDI (Fulham) Limited	7852037	SDI (Stafford Riverside) Limited	8972499
SDI (Gainsborough) Limited	6338907	SDI (Stockport) Limited	6372181
SDI (Galahiel) Limited	7852091	SDI (Stoke Longton) Limited	7853877
SDI (Glasgow Argyle St) Limited	11227937	SDI (Stoke Newington) Limited	7852207
SDI (Glasgow Frasers) Limited	11531596	SDI (Strabane) Limited	9890243
SDI (Glasgow Ingram Street) Limited	9925519	SDI (Streatham) Limited	10066335
SDI (Gloucester) Limited	7852067	SDI (Strood) Limited	7852251
SDI (Great Yarmouth) Limited	11732687	SDI (Sunderland) Limited	8755347
SDI (Hanley) Limited	11228017	SDI (Sutton) Limited	11228011
SDI (Hastings) Limited	8625893	SDI (Swindon) Limited	9888662
SDI (Hereford) Limited	9888642	SDI (Taunton) Limited	7852191
SDI (Hoh Holdings) Limited	10161592	SDI (The House Yarn) Limited	12332871
SDI (Hounslow) Limited	10086218	SDI (Trowbridge) Limited	12355661
SDI (Hull) Limited	9638564	SDI (Uxbridge 2) Limited	9127316
SDI (Ipswich) Limited	9788411	SDI (Uxbridge) Limited	10177276
SDI (Ipswich 2) Limited	12578948	SDI (Wakefield) Limited	8483711
SDI (Isle Of Man) Limited	9901745	SDI (Walsall) Limited	7852289
SDI (K Lynn) Limited	10073076	SDI (Watford) Limited	6328505
SDI (Keighley) Limited	6260239	SDI (Widnes) Limited	8576472
SDI (Kendal) Limited	6338918	SDI (Wishaw) Limited	6656365
SDI (Kentish Town) Limited	9901702	SDI (Wrexham) Limited	10915200
SDI (Kilmarnock) Limited	7853433	SDI (Wythenshawe) Limited	9659156
SDI (Kingston) Limited	10915209	SDI (York) Limited	11331391
SDI (Kirkcaldy) Limited	7852097	SDI (York Four) Limited	9719779
SDI (Leeds) Limited	9293515	SDI Property Limited	2767493
SDI (Leicester) Limited	9127170	SDI Sport London Limited	9848767
		Stirlings (Argyle Street) Limited	SC088108

COMPANY BALANCE SHEET

at 30 April 2023

Company number: 06035106

	Note	As at 30 April 2023 (£'m)	As at 24 April 2022 (£'m)
FIXED ASSETS			
Investments	2	1,440.4	1,443.6
Property, plant and equipment	3	-	6.9
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	5	95.4	-
Debtors: amounts falling due within one year	6	269.9	512.8
Cash at bank and in hand		37.4	1.8
		402.7	514.6
Creditors: amounts falling due within one year	7	(883.2)	(945.7)
NET CURRENT LIABILITIES		(575.9)	(431.1)
Provisions	8	(3.0)	(3.0)
Deferred tax liability	9	(20.0)	(6.1)
NET ASSETS		936.9	1,010.3
CAPITAL AND RESERVES			
Called up share capital	10	64.1	64.1
Share premium		874.3	874.3
Treasury share reserve		(644.2)	(488.9)
Permanent contribution to capital		0.1	0.1
Capital redemption reserve		8.0	8.0
Own share reserve		(66.8)	(66.8)
Share based payment reserve		11.6	5.8
Profit and Loss account		689.8	613.7
SHAREHOLDERS' FUNDS		936.9	1,010.3

Frasers Group Plc reported a profit after taxation for the 53 weeks ended 30 April 2023 of £66.2m (FY22: a profit of £141.7m).

The accompanying accounting policies and notes form part of these Financial Statements.

The Financial Statements were approved by the Board on 27 July 2023 and were signed on its behalf by:

Chris Wootton

Chief Financial Officer

Company number: 06035106

COMPANY STATEMENT OF CHANGES IN EQUITY

For the 53 weeks ended 30 April 2023

	Called up share capital	Share premium account	Treasury share reserve	Permanent contribution to capital	Capital redemption reserve	Own share reserve	Share based payment reserve	Profit & loss account	Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
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 based payments	-	-	-	-	-	-	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
Profit for the financial period	-	-	-	-	-	-	-	66.2	66.2
Fair value adjustment in respect of long-term financial assets - recognised	-	-	-	-	-	-	-	9.9	9.9
Share based payments	-	-	-	-	-	-	5.8	-	5.8
Share repurchase	-	-	(155.3)	-	-	-	-	-	(155.3)
As at 30 April 2023	64.1	874.3	(644.2)	0.1	8.0	(66.8)	11.6	689.8	936.9

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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the 53 weeks ended 30 April 2023

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.

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 53-week period ended 30 April 2023 was £66.2m (FY22: £141.7m).

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 as 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 convertible debt and 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 34 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.

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

The judgements, estimates and assumption 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 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 impairments of £112.0m (FY22: nil) as disclosed in Note 2 of the Company financial statements. As at the period end the Directors have reviewed the carrying value of the amounts owed by Group undertakings and have made an impairment charge of £42.5m (FY22: £6.4m).

2. INVESTMENTS

	Investments in subsidiaries	Long-term financial assets	Investment in associates	Total
	(£m)	(£m)	(£m)	(£m)
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
Additions	26.0	252.2	-	278.2
Reclassifications	-	(11.9)	11.9	-
Impairments	(112.0)	-	(11.9)	(123.9)
Disposals	-	(169.6)	-	(169.6)
Amounts recognised through other comprehensive income	-	9.9	-	9.9
Exchange differences	-	2.2	-	2.2
As at 30 April 2023	1,152.3	288.1	-	1,440.4

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, 17.6% stake in N Brown Group plc and 5.5% stake in ASOS plc. For further details refer to Note 21 of the Group Financial Statements.

Investments in associates relates to an investment in Tymit Limited which was impaired during the year, for further details see note 2 of the Group Financial Statements.

For further disclosures in relation to investments in associates and long-term financial assets see note 20, 21 and 34 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 period there was a £112.0m impairment loss recognised within the income statement for companies where the recoverable amount was less than the carrying value. The additions in the period relate to the Fearless 1000 share scheme and acquisition of Mysale, see note 25 and 32 of the Group Financial Statements, respectively.

The Company is the principal holding company of the Group. The principal subsidiary undertakings of the Company are set out in note 38 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.

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land and Buildings (£m)
Cost	
At 24 April 2022	7.0
Disposals	(7.0)
At 30 April 2023	-
Accumulated Depreciation and Impairment	
At 24 April 2022	(0.1)
Disposals	0.1
At 30 April 2023	-
Net Book Value	
At 24 April 2022	6.9
At 30 April 2023	-

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:

	30 April 2023 (£m)	24 April 2022 (£m)
FINANCIAL ASSETS		
Amortised cost:		
Trade and other receivables	365.3	510.2
FVOCI:		
Long Term Financial Assets (Equity Instruments)	288.1	205.2
	653.4	715.4
Derivative financial assets (FV):		
Derivative financial assets – contracts for difference	-	20.1
	715.4	419.8
FINANCIAL LIABILITIES		
Amortised cost:		
Trade and other payables	828.5	869.8
Derivative financial Liabilities (FV):		
Derivative financial Liabilities – contracts for difference and equity options	40.9	75.9
	869.4	945.7

* Prepayments of £0.4m (FY22: £1.6m) and corporation tax assets of nil (FY22: £1.0m) are not included as a financial asset

** Corporation tax liabilities of £13.8m (FY22: nil) are not included as a financial liability

5. DEBTORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	At 30 April 2023 (£m)	At 24 April 2022 (£m)
Amounts owed by Group undertakings	95.4	-

Amounts owed by Group undertakings are unsecured and repayable on demand; however the Directors consider it unlikely that the repayment will arise in the short term and in practice amounts owed by Group Undertakings are used to meet the capital requirements of the borrower with no realistic intention of repayment in the future. It is for this reason the amounts are classified as due after more than one year.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 30 April 2023 (£m)	At 24 April 2022 (£m)
Amounts owed by Group undertakings	74.6	257.6
Other debtors	194.9	252.6
Corporation tax	-	1.0
Prepayments	0.4	1.6
	269.9	512.8

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 30 April 2023 (£m)	At 24 April 2022 (£m)
Trade creditors	1.7	1.9
Amounts owed to Group undertakings	824.7	864.9
Derivative financial liabilities	40.9	75.9
Corporation tax	13.8	-
Other creditors	2.1	3.0
	883.2	945.7

The amount 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.

8. PROVISIONS

	Legal and regulatory (£m)	Total (£m)
At 24 April 2022 and 30 April 2023	3.0	3.0

Frasers Group Plc has provided a guarantee in relation to payments from Studio Retail Group plc to the three other sections of the Findel Group Pension Fund up to a maximum of £0.9m. See note 37 of the Group accounts.

9. DEFERRED TAX

	Other temporary differences (£m)
At 25 April 2021	0.0
Charged to the profit and loss account	6.1
At 24 April 2022	6.1
Charged to the profit and loss account	13.9
At 30 April 2023	20.0

The tax rate used to measure the deferred tax assets and liabilities was 25% (FY22: 25%) 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.

10. CALLED UP SHARE CAPITAL

	At 30 April 2023 (£m)	At 24 April 2022 (£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 (FY22: 640,602,369) ordinary share of 10p each	64.1	64.1
Share capital	64.1	64.1

The company holds 173,127,025 ordinary shares in treasury as at the period end date (FY22: 151,240,174).

11. POST BALANCE SHEET EVENTS

On 30 May 2023 and 20 June 2023, the Group commenced share buyback programmes with the aggregate purchase price of all shares acquired under these programmes of no greater than £70m each and the maximum number of shares that may be purchased under the programmes of 10m ordinary shares each. The purpose of the programmes was to reduce the share capital of the Company. 9,988,501 ordinary shares at an average price of 6.93p each for consideration of £69.2m were acquired through these programmes as at 26 July 2023.

The Group has continued to increase its holdings across its strategic investments portfolio through the following transactions after the financial year:

- The Group made several transactions to increase its holding in ASOS plc bringing the total direct shareholding to 10.6% as of 18 July.
- On the 9 June, the Group announced its partnership with AO World and acquired a 18.9% holding in the entity for £74m. The Group continued its investment on 26 June bringing the total ownership to 22.2%.

- It was announced on 20 June that the Group acquired a 5% stake in Boohoo Group PLC having purchased 63,543,706 ordinary shares. The Group subsequently increased this holding to 7.8% on 26 July.
- - It was announced on 26 July that the Group had increased its stake in N Brown PLC bringing total ownership to 19.0%.

Studio Retail Limited changed its name to Frasers Group Financial Services on 31 May 2023.

The Group increased its holding in Sports Direct Malaysia Sdn. Bhd. On 31 May 2023, bringing the total ownership to 75% for consideration of £16.9m.

12. PAYROLL COSTS

Frasers Group Plc had no direct employees during the periods ended 30 April 2023 and 24 April 2022, and the Directors are remunerated through Sportsdirect.com Retail Limited. Details of the Directors' remuneration can be found in the Directors' Remuneration Report.

13. RELATED PARTY TRANSACTIONS

Related party transactions with the Company are disclosed within note 34 in the Group Financial Statements.

GLOSSARY

ALTERNATIVE PERFORMANCE MEASURES CONSOLIDATED FIVE YEAR RECORD

	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022	52 weeks ended 25 April 2021	52 weeks ended 26 April 2020	52 weeks ended 28 April 2019
	(£m)	(£m)	(£m)	(£m)	(£m)
REPORTED PBT	660.7	335.6	8.5	143.5	179.2
Exceptional items	(97.1)	1.3	1.6	13.1	41.0
Fair value gain on step acquisition	-	-	-	(20.4)	-
Fair value adjustments to derivatives included within finance (income) / costs	(32.5)	(7.6)	4.6	(21.3)	(39.7)
Fair value (gains) / losses and profit on disposal of equity derivatives	(41.1)	(9.9)	(82.2)	35.1	(3.3)
Realised foreign exchange (gain) / loss	(31.2)	5.8	26.3	(34.9)	(22.1)
Share scheme	19.3	14.6	1.3	-	-
ADJUSTED PBT	478.1	339.8	(39.9)	115.1	155.1

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 53 weeks ended 30 April 2023, 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)	International Retail (£'m)	Wholesale & Licensing (£'m)	Group Total (£'m)
Revenue					
FY23 Reported	3,080.6	1,212.9	1,083.4	188.3	5,565.2
Adjustments for acquisitions, disposals and currency neutral	(428.7)	(74.4)	(114.7)	-	(617.8)
Financial performance from 53rd week	(50.0)	(21.5)	(18.3)	(3.6)	(93.4)
FY23 Excluding acquisitions, disposals and currency neutral	2,601.9	1,117.0	950.4	184.7	4,854.0
FY22 Reported	2,640.1	1,056.6	940.5	168.1	4,805.3
Adjustments for acquisitions, disposals and currency neutral	(59.3)	-	33.1	14.9	(11.3)
FY22 Excluding acquisitions, disposals and currency neutral	2,580.8	1,056.6	973.6	183.0	4,794.0
% Variance	0.8%	5.7%	(2.4%)	0.9%	1.3%
Adjusted PBT					
FY23 Reported	447.0	(0.1)	79.4	(48.2)	478.1
Adjustments for acquisitions, disposals and currency neutral	18.4	22.3	10.3	-	51.0
FY23 Excluding acquisitions, disposals and currency neutral	465.4	22.2	89.7	(48.2)	529.1
FY22 Reported	196.9	10.5	121.3	11.1	339.8
Adjustments for acquisitions, disposals and currency neutral	9.5	-	(75.8)	3.8	(62.5)
FY22 Excluding acquisitions, disposals and currency neutral	206.4	10.5	45.5	14.9	277.3
% Variance	125.5%	111.4%	97.1%	(423.5%)	90.8%

(1) The FY22 numbers have been re-categorised due to changes in the reporting segments, with European retail stores, management and operations being moved from European Retail to International Retail.

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 FX.
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 before working capital	-	-	Cash inflow from operating activities before working capital is considered an important indicator for the Business of the cash generated and 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.
Electricity consumption on like for like stores improvement vs FY20	-	-	This measure allows the board to determine the effectiveness of ongoing projects in reducing the Group's energy consumption.
Employee Engagement Survey	-	-	The Board considers that this measurement is a key indicator of our impact and commitment to the best environmental practices.

COMPANY DIRECTORY

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8 Canada Square London
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AUDITORS

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25 Farringdon Street
London
EC4A 4AB

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 28 April 2024:

- Half year results announced: December 2023 (tbc)
- Preliminary announcement of full year results: July 2024 (tbc)
- Annual Report circulated: August 2024 (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

If you wish to limit the amount of unsolicited mail you receive contact:

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DMA House

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FRASERS GROUP PLC

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