FRASERS GROUP

5 December 2024

FRASERS GROUP PLC ("Frasers Group", "the Group", or "the Company")

Unaudited half year results for the 26 weeks ended 27 October 2024 ("FY25 H1")

Further strong Elevation Strategy progress:
best brands; international expansion; significant cost savings and synergies.

Michael Murray, Chief Executive of Frasers Group:

"The first half of this year has been another period of progress for the Group, delivering on our objectives as the Elevation Strategy continues to take the business to the next level. Sports Direct UK delivered further sales growth, and our Property and Financial Services divisions are seeing encouraging progress. We continue to operate with discipline to ensure our business is as resilient as possible - proactively right-sizing recent acquisitions to set them up for profitable long-term growth and driving further automation benefits to exceed our stock reduction targets for the period. We have also made significant strides in international expansion, developing new partnerships across Australia and Africa, and unlocking opportunities as we move further towards our goal of becoming a leading global sports retailer. We are set to deliver another year of profitable growth but, given recent weaker consumer confidence leading up to and following the Budget, FY25 APBT is now expected to be in the range of £550m to £600m."

Headlines

- Continued strategic progress against key priorities:

1. Focus on profitable growth
    - APBT [1] of £299.2m (-1.5%). On track to achieve another year of profitable growth.
    - Group and retail gross margin % both up +40 bps year-on-year.
    - Delivered £74.7m cost saving and synergy benefits from recent investments in warehouse automation and acquisitions.
    - Another period of sales growth in Sports Direct UK. UK Sports' profit from trading up £8.5m (3.4%) to £255.2m.
    - Premium Lifestyle's profit from trading up £16.4m (41.1%) to £56.3m, with integration and other cost benefits offsetting the continuing challenging luxury market.

2. Elevation Strategy, best brands and international expansion
    - Continue to drive stronger relationships with the biggest global brands including with new partners FENDI, Ferragamo and Prada Beauty.
    - Working with global brand partners and utilising our consistently strong cash flow to deploy capital to international sport and lifestyle investment opportunities:
        i. Completed the acquisition of Twinsport in the Netherlands.
        ii. Invested in Australia/New Zealand group Accent.
        iii. Invested in Maltese/North Africa retailer/Nike distributor Hudson.
        iv. After period end, announced the acquisition of Holdsport in South Africa/Namibia.
    - Further UK property investments at attractive yields to satisfy our occupational demand, with new shopping centres and retail park acquisitions in Doncaster, Lancaster, Exeter, Maidstone, and Quedgeley.
    - Continue to invest in UK luxury and premium retail, further consolidating a market that remains challenging but in anticipation of future improvement. Added ten new stores and 162k sq. ft, including flagships FLANNELS Leeds and FRASERS/Sports Direct Sheffield.

3. Acquisition integrations and automation synergies
    - £74.7m of cost savings and synergy benefits offset the planned reductions in low margin sales at Studio and Game, and the impact of right-sizing JD Sports Fashion Premium Brands and SportMaster in Denmark.
    - Increased warehouse efficiency, driven by automation and rationalisation of our warehouse estate, enabled a £298.8m (16.5%) reduction in gross inventory year on year, ahead of our target of a 5%-15% reduction by the end of 2024.

4. Frasers Plus
    - Good progress towards our long-term ambitions of delivering £1bn+ in sales, £600m in credit balances, a greater than 15% yield, and over 2 million active Frasers Plus customers (excluding any third-party partnerships). The business added 272k new customers in FY25 H1 and ended the period with an active customer base of 377k, at which point Frasers Plus accounted for 13.7% of UK online sales.

- Strategic partnership with THG plc ("THG") off to a positive start. After period end, announced a second Frasers Plus partnership with Hornby plc.

5. Strong balance sheet and cash flow
   - The Group's strategy is underpinned by a strong balance sheet with net assets increasing to £2,101.7m from £1,873.0m at year-end.
   - Cash inflow from operating activities before working capital movements of £411.4m has enabled the Group to continue to invest in international sports, UK luxury retail, Frasers Plus, our property portfolio and our strategic partnerships such as Hugo Boss.
   - Net debt excluding securitisation of £725.0m (£320.8m at year end), reflecting the capital expenditure and strategic investments in FY25 H1, particularly Accent Group and Hugo Boss.

Outlook

FY25 H1 was another period of progress for the evolution of our Elevation Strategy: further strengthening global strategic brand partnerships; growing Sports Direct, Frasers Plus and our property investments in the UK; beginning to benefit from substantial acquisition integration and automation synergies; delivering on our ambitious stock reduction target; and a very significant step up in our international ambitions. We remain confident in developing and delivering our plans for multi-year, sustainable profitable growth, and still expect another year of APBT progress in FY25. However, both ahead of and after the recent Budget, consumer confidence has weakened and recent trading conditions have been tougher. Given this current uncertainty, FY25 APBT is now expected to be in the range £550m to £600m. Further out, we expect to incur at least £50m of incremental costs going into FY26 as a result of the recent Budget, but we are working hard to mitigate these in order to maintain our profitable growth ambitions.

	FY25 H1	FY24 H1	Change
Income statement summary			
UK Sports Retail	£1,372.3m	£1,485.0m	(7.6%)
Premium Lifestyle	£472.7m	£550.1m	(14.1%)
International Retail	£611.4m	£645.8m	(5.3%)
Retail revenue	£2,456.4m	£2,680.9m	(8.4%)
Property	£38.0m	£31.4m	21.0%
Financial Services	£45.7m	£57.3m	(20.2%)
Group revenue	£2,540.1m	£2,769.6m	(8.3%)
Retail gross margin	42.2%	41.8%	+40 bps
Group gross margin	43.4%	43.0%	+40 bps
Retail operating costs	(£671.0m)	(£755.9m)	11.2%
Retail profit from trading	**£365.6m**	**£364.7m**	**0.2%**
Other operating costs	(£31.7m)	(£21.5m)	(47.4%)
Group profit from trading	**£400.6m**	**£412.5m**	**(2.9%)**
Depreciation & amortisation	(£134.8m)	(£132.9m)	(1.4%)
Impairments net of impairment reversals	£14.5m	£5.9m	145.8%
Share-based payments	(£4.7m)	(£9.3m)	49.5%
Foreign exchange realised	(£8.8m)	£21.9m	(140.2%)
Operating profit	**£266.8m**	**£298.1m**	**(10.5%)**
Reported profit before tax ("PBT") from continuing operations	**£207.2m**	**£310.2m**	**(33.2%)**
Result from discontinued operations	£4.3m	-	
Fair value adjustment to derivative financial instruments	£10.2m	(£15.7m)	
Fair value losses and loss on disposal of equity derivatives	£64.0m	£21.9m	
Foreign exchange realised	£8.8m	(£21.9m)	
Share-based payments	£4.7m	£9.3m	
Adjusted profit before tax ("APBT") [1]	**£299.2m**	**£303.8m**	**(1.5%)**

Reported basic earnings per share ("EPS")	35.9p	53.0p	(32.3%)
Adjusted basic EPS [1]	51.0p	53.7p	(5.0%)

Balance Sheet summary			
Property, plant & equipment	£897.2m	£1,173.1m	(23.5%)
Investment property	£484.0m	£192.9m	150.9%
Long-term financial assets	£1,007.2m	£410.7m	145.2%
Inventories (net of provision)	£1,341.9m	£1,590.2m	(15.6%)
Net assets	£2,101.7m	£1,736.2m	21.1%
Cashflow & capital allocation			
Cash inflow from operating activities before working capital	£411.4m	£441.1m	(6.7%)
Net capital expenditure	(£204.3m)	(£151.4m)	(34.9%)
Purchase of listed investments, net of disposal proceeds	(£448.6m)	(£184.9m)	(142.6%)
Purchase of own shares	-	(£102.3m)	100.0%

Summary of financial performance

- APBT [1] decreased by 1.5% to £299.2m despite the non-recurrence of the £20.0m gain on disposal of the Missguided intellectual property in FY24 H1 and dual running costs associated with the rollout of Frasers Plus. A net reversal of property related impairments of £14.5m has been recorded in the current period (FY24 H1: £5.9m) as a result of our future forecasts outweighing our previous downside impairment assumptions.

- Reported PBT of £207.2m, a decrease of 33.2%. The Group's trading performance has been offset by a decrease in foreign exchange gains and non-cash fair value movements on equity derivatives, primarily relating to the material decline in the Hugo Boss share price.

- Group:
    - Retail revenue decreased by 8.4%. Continued sales growth from Sports Direct, reflecting the ongoing success of the Elevation Strategy and strengthening brand relationships, was more than offset by planned declines in Game UK, Studio Retail, the companies acquired from JD Sports and SportMaster in Denmark as these previously unprofitable businesses were right-sized and put on a more sustainable footing, as well as a challenging luxury market.
    - Group gross margin % increased to 43.4% from 43.0% due to an improved mix effect, as the lower margin % businesses reduce as a proportion of total revenue and the higher margin Sports Direct business increases its share.

- UK Sports (54.0% of total group revenue):
    - Revenue decreased by 7.6%. Continued sales growth from Sports Direct reflecting the ongoing success of the Elevation Strategy and strengthening brand relationships, was more than offset by planned declines in Game UK and Studio Retail.
    - Gross profit decreased by £35.8m as a result of the sales decline but gross margin % increased by +100 bps to 45.4% reflecting the fact that the higher margin Sports Direct business now makes up a greater proportion of this segment.
    - Operating costs reduced by £44.3m as the benefits of integrating and right-sizing the lower margin businesses were realised. This contributed to an £8.5m (3.4%) increase in the segment's profit from trading.

- Premium Lifestyle (18.6% of total group revenue):
    - We continue to develop and invest in our unique luxury proposition, including the recent opening of flagships FLANNELS in Leeds and FRASERS in Sheffield, and right-sizing the premium businesses such as House of Fraser and JD Sports acquisitions. Our long-term ambitions for the luxury business remain unchanged, although it is likely that progress will remain subdued for the short to medium term in the face of a challenging market. However, we continue to view this as an opportunity for consolidation in order to further strengthen our position.
    - Revenue decreased by 14.1% as we continued to optimise our store portfolio in House of Fraser and in the businesses acquired from JD Sports, reducing the number of stores from 66 at 29 October 2023 to 37 at 27 October 2024 and reducing square footage from 2.3m sq. ft to 1.5m sq. ft.
    - Segment profit from trading increased by £16.4m, with a £38.5m decrease in gross profit, driven by the revenue decline noted above and a -210bps reduction of gross margin % from 36.9% to 34.8% as inventory was cleared in closing stores and as a result of continuing luxury market softness, was more than offset by a £54.9m decrease in operating costs as the benefits of integrating and right-sizing the premium businesses was realised.

- International Retail (24.1% of total group revenue):

- Revenue decreased by 5.3% as growth from the Sports Direct International business was more than offset by declines in revenue from Game Spain, which has now reached the end of its current games console cycle, and Sportmaster, which was integrated in FY24 H2.
- Segment profit from trading decreased by £24.0m year on year. Gross profit decreased by £9.7m as a result of the revenue declines noted above, although gross margin % increased by +60bps to 40.6% as the higher margin Sports Direct International business grows as proportion of the segment, whilst overhead costs increased by £14.3m due to inflationary pressures and acquisition related costs.
- We continue to explore opportunities for international expansion and have completed the acquisition of Twinsport in the Netherlands, invested in Australia/New Zealand group Accent, and invested in Maltese/North Africa retailer/Nike distributor Hudson. After period end, we announced the acquisition of Holdsport in South Africa/Namibia.

- Property (1.5% of total group revenue):
    - Property investment remains a key focus for the Group, unlocking occupational demand for our retail business whilst delivering strong property returns that can be recycled at the appropriate time.
    - Revenue increased by £6.6m (21.0%), largely due to the impact of prior year acquisitions such as the Castleford shopping centre and acquisitions in FY25 H1.
    - Segment profit from trading increased by £12.6m, with the additional rental income being supplemented by lower operating costs.

- Financial Services (1.8% of total group revenue):
    - We see a great opportunity for Frasers Plus as a new revenue stream and a key pillar of our compelling brand ecosystem.
    - Frasers Plus has made good early progress towards our long-term ambition of delivering £1bn+ in sales, £600m in credit balances, a greater than 15% yield, and over 2 million active Frasers Plus customers (excluding any third-party partnerships). The business added 272k new customers in FY25 H1 and ended the period with an active customer base of 377k, at which point Frasers Plus accounted for 13.7% of UK online sales.
    - We continue to prioritise the growth of our new Frasers Plus credit offering and reduce the Studio Retail receivables book and as a result, revenue decreased by £11.6m (20.2%) vs. FY24 H1.
    - Segment profit from trading decreased by £25.4m due to the revenue decline noted above, partially offset by a moderate decrease in the impairment charge and an increase in overhead costs arising from the dual running of Frasers Plus. H1 FY24 also benefited from an £11.8m gain in respect of exiting a legacy property lease.
    - The strategic partnership with THG has gotten off to a positive start. After period end, we announced a second Frasers Plus partnership with Hornby plc.

- Basic EPS of 35.9p, a decrease of 17.1p year-on-year. Adjusted EPS (1) of 51.0p, a decrease of 2.7p (5.0%) reflecting the moderate reduction in APBT (1).

- The Group's strategy is underpinned by a strong balance sheet with net assets increasing to £2,101.7m from £1,873.0m at year-end due to the Group's profitability in FY25 H1 and an increase in the fair value of the Group's strategic investments with gains in physical shares through reserves outweighing fair value losses on equity derivatives through the income statement.

- Cash inflow from operating activities before working capital movements of £411.4m has enabled the Group to continue to invest in international sports and leisure, UK luxury retail, Frasers Plus, our property portfolio and our strategic partnerships such as Hugo Boss.

- Net debt excluding securitisation of £725.0m (£320.8m at year end), reflecting the capital expenditure and strategic investments in FY25 H1, particularly Accent Group and Hugo Boss.

Acquisitions and investments

- During H1 FY25 the Group has made further substantial strategic investments, particularly in Hugo Boss as the Group continues to explore opportunities to expand commercial relationships and further develop the Group's ecosystem.
- After period end, the Group announced the acquisition of Holdsport in South Africa/Namibia.

Other notes

(1) This is an Alternative Performance Measure, for which the reconciliation to the equivalent GAAP measure is set out in note 3 to the financial information. Adjusted EPS is discussed in note 8.

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CHIEF EXECUTIVE'S REPORT

The first half of FY25 has been another period of progress for Frasers Group. We delivered on our objectives for the period and have made headway in each of our core business segments.

We have continued to execute our Elevation Strategy with purpose and discipline and have started building meaningful partnerships as we expand further into international markets, strengthening our brand ecosystem and bringing us a step closer to becoming a leading force for sport in global retail. We are focused on enhancing operational efficiencies, acquisitions and strategic investments, and continuing to build strong property and financial services offerings.

Our financial performance this half underscores the resilience and breadth of our diversified business model, and reaffirms the Frasers equity story: best brands, diverse growth, and a highly effective cash compounder model. While trading conditions are tougher and consumer sentiment is weakened at present, we remain confident in developing and delivering our plans for multi-year sustainable profitable growth.

Financials

We are committed to conservative, consistent, and straightforward accounting practices, ensuring our stakeholders have a transparent understanding of the value being created within the business. During the first half, we delivered another robust performance.

Key FY25 H1 financial metrics include:

- APBT [(1)] of £299.2m (-1.5%). On track to achieve another year of profitable growth.
- Group and retail gross margin % both up +40 bps year-on-year.
- Delivered £74.7m cost saving and synergy benefits from recent investments in warehouse automation and acquisitions.
- Another period of sales growth in Sports Direct UK. UK Sports' profit from trading up £8.5m (3.4%) to £255.2m.
- Premium Lifestyle's profit from trading up £16.4m (41.1%) to £56.3m, with integration and other cost benefits offsetting the continuing challenging luxury market.

Our disciplined approach to cash management has been instrumental in supporting our sustained growth. Cash inflow from operating activities before working capital movements was £411.4m, enabling continued long-term investments in international sports and lifestyle opportunities, as well as UK luxury, property and Frasers Plus. This financial resilience, combined with our conservative accounting principles, provides a solid foundation for the Group as we move into the second half of FY25 and beyond.

Retail

Retail remains the core of our business, driving our mission to build the world's most admired and compelling brand ecosystem across sport, premium, and luxury. Sport retail has continued to outperform, bolstered by new brand partnerships and the 2024 Summer of Sport, which drove consumer demand for sporting goods globally.

The most significant advancement in Sport retail this half has been our strategic expansion into new international markets, aligning with our vision to become an undisputed leader in sport globally. We invested in performance and lifestyle retail and distribution company Accent Group, opening doors for Frasers' concepts and brands across Australia and New Zealand — two new key markets for the Group. Additionally, our investment in the Malta-based premium sports and fashion retailer and Nike distributor Hudson Group will strengthen our footprint across North Africa and Southern Europe through its extensive distribution network. After period end, we further expanded our reach into Africa with the agreement to acquire Holdsport, South Africa's leading sporting, outdoor, and recreational goods retailer, adding 88 stores across South Africa and Namibia to our portfolio. During FY25 H1, we also completed the acquisition of Dutch sports retailer Twinsport in the Netherlands, further strengthening our footprint in the Benelux region.

Whilst the backdrop in premium and luxury remains challenging, our continued investment in these segments ensures we are best positioned for success when the market turns. Already during the first half, Premium Lifestyle profit from trading was up with integration and other cost benefits more than offsetting the still tough luxury market conditions. We also celebrated flagship openings for FLANNELS in Leeds and FRASERS in Sheffield, which have both received excellent feedback from brand partners and customers. As we near the end of the expansion phase for FLANNELS with over 80 locations across the country, we are proud of how we have transformed luxury retail for the regional consumer and are committed to continuing to deliver on this.

Acquisition integration and automation synergies

We are now seeing real benefits from our recent investments in acquisitions and warehouse automation, creating substantial cost and profit synergies. We are reducing complexity and improving efficiency across our operations, which will strengthen our retail brands, unlock longer-term profitability and enhance our resilience as a business. Our warehouse automation programme has also reached a key milestone, enabling us to optimise stock management and reduce our inventory holdings. We saw a £298.8m (16.5%) reduction in gross inventory compared to last year, exceeding our target of a 5-15% reduction by the end of 2024. We have executed planned sales declines and consolidations to right-size less profitable assets including Studio, Game, SportMaster and the acquired JD Sports businesses to focus on longer term profitable growth.

Property

Securing properties which serve as the primary retail destination for communities remains a top priority for the Group. Such acquisitions unlock new occupational demand for our retail concepts, while revitalising high streets and physical shopping locations. During the period, we made significant investments in key retail destinations across the UK, including shopping centres and retail parks in Doncaster, Lancaster, Exeter, Maidstone, and Quedgeley. Over time, these acquisitions will allow us to meet our retail space needs, improve the mix of tenants when appropriate and ultimately increase the value of our assets.

Financial Services

We see a great opportunity for Frasers Plus – our FCA-regulated, market leading credit and loyalty proposition **–** as a new revenue stream and a key pillar of our compelling brand ecosystem. We're working hard to reach our long-term ambition to generate over £1bn+ in sales, £600m of credit balances, a greater than 15% yield, and 2 million active Frasers Plus customers. Frasers Plus has got off to a strong start with impressive uptake across our retail brands and positive customer feedback. The business added 272k new customers in FY25 H1 and ended the period with an active customer base of 377k, at which point Frasers Plus accounted for 13.7% of UK online sales.

We launched our first third-party partnership with THG in July, followed by a second after period end with Hornby plc, expanding the reach of Frasers Plus to new customers. These are the first of many potential third-party partnerships, and we're excited to offer even more customers the opportunity to benefit from a seamless, omni-channel shopping experience – particularly as we approach the festive season.

Our teams

We wouldn't be the successful business we are today without our people, whether at head office, in the warehouse, or on the shop floor. Our people make our business, and we will continue to inspire, incentivise and reward our highest performers. Our Fearless 1000 programme is a great example of this and reflects our commitment to empowering our people to excel.

Michael Murray
Chief Executive Officer
4 December 2024

PERFORMANCE OVERVIEW

	26 weeks ended 27 October 2024 (Unaudited)	26 weeks ended 29 October 2023 (Unaudited)
Retail revenue	£2,456.4m	£2,680.9m
Total revenue	£2,540.1m	£2,769.6m
Retail gross profit	£1,036.6m	£1,120.6m
Group gross profit	£1,103.3m	£1,189.9m
Retail gross margin	42.2%	41.8%
Group gross margin	43.4%	43.0%
Retail profit from trading	**£365.6m**	**£364.7m**
Group profit from trading	**£400.6m**	**£412.5m**
Reported profit before tax ("PBT") from continuing operations	**£207.2m**	**£310.2m**
Adjusted profit before tax ("APBT") (1)	**£299.2m**	**£303.8m**
Reported basic earnings per share ("EPS")	35.9p	53.0p
Adjusted basic EPS (1)	51.0p	53.7p
Net assets	£2,101.7m	£1,736.2m
Cash inflow from operating activities before working capital	£411.4m	£441.1m

(1) This is an Alternative Performance Measure. APBT is reconciled to the equivalent GAAP measure in note 3 to the financial information. Adjusted EPS is discussed in note 8 to the financial information.

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

Retail revenue decreased by 8.4%. Continued sales growth from Sports Direct, reflecting the ongoing success of the Elevation Strategy and strengthening brand relationships, was more than offset by planned declines in Game UK, Studio Retail, the companies acquired from JD Sports and SportMaster in Denmark as these previously unprofitable businesses were right-sized and put on a more sustainable footing, as well as a challenging luxury market.

Retail gross margin % increased to 42.2% from 41.8% group gross margin % increased to 43.4% from 43.0% due to an improved mix effect, as the lower margin % businesses reduce as a proportion of total revenue and the higher margin Sports Direct business increases its share.

APBT (1) decreased by 1.5% to £299.2m despite the non-recurrence of the £20.0m gain on disposal of the Missguided intellectual property in FY24 H1 and dual running costs associated with the rollout of Frasers Plus. A net reversal of property related impairments of £14.5m has been recorded in the current period (FY24 H1: £5.9m) as a result of our future forecasts outweighing our previous downside impairment assumptions.

Reported PBT of £207.2m, a decrease of 33.2%. The Group's trading performance has been offset by a decrease in foreign exchange gains and non-cash fair value movements on equity derivatives, primarily relating to the material decline in the Hugo Boss share price.

Basic EPS of 35.9p, a decrease of 17.1p year-on-year. Adjusted EPS (1) of 51.0p, a decrease of 2.7p (5.0%) reflecting the moderate reduction in APBT (1).

The Group's strategy is underpinned by a strong balance sheet with net assets increasing to £2,101.7m from £1,873.0m at year-end due to the Group's profitability in FY25 H1 and an increase in the fair value of the Group's strategic investments with gains in physical shares through reserves outweighing fair value losses on equity derivatives through the income statement.

Cash inflow from operating activities before working capital movements of £411.4m has enabled the Group to continue to invest in international sports and leisure, UK luxury retail, Frasers Plus, our property portfolio and our strategic partnerships such as Hugo Boss.

Net debt excluding securitisation of £725.0m (£320.8m at year end), reflecting the capital expenditure and strategic investments in FY25 H1, particularly Accent Group and Hugo Boss.

REVIEW BY BUSINESS SEGMENT

UK SPORTS

This segment includes the results of the Group's core sports retail store operations in the UK, plus all the Group's sports retail online business, other UK-based sports retail and wholesale operations, GAME UK stores and online operations, retail store operations in Northern Ireland, Frasers Fitness, Studio Retail's sales and the Group's central operating functions (including the Shirebrook campus).

UK Sports accounts for 54.0% (FY24 H1: 53.6%) of the Group's revenue.

	26 weeks ended 27 October 2024 (Unaudited)	26 weeks ended 29 October 2023 (Unaudited)
Revenue	£1,372.3m	£1,485.0m
Cost of sales	(£748.8m)	(£825.7m)
Gross profit	£623.5m	£659.3m
Gross margin %	45.4%	44.4%
Profit from trading	**£255.2m**	**£246.7m**
Operating profit*	**£189.9m**	**£226.8m**
Store numbers	782	807

* The prior period operating profit figure has been restated to show depreciation by segment on a like for like basis, following the finalisation of the change in operating segments in the year ended 28 April 2024. The impact of this restatement is to increase the prior period depreciation charge in the UK Sports segment by £15.0m and to reduce the charge in the Property segment by an equivalent amount. This change does not impact the overall result of the Group.

Revenue decreased by 7.6%. Continued sales growth from Sports Direct reflecting the ongoing success of the Elevation Strategy and strengthening brand relationships, was more than offset by planned declines in Game UK and Studio Retail.

Gross profit decreased by £35.8m as a result of the sales decline but gross margin % increased by +100 bps to 45.4% reflecting the fact that the higher margin Sports Direct business now makes up a greater proportion of this segment.

Operating costs reduced by £44.3m as the benefits of integrating and right-sizing the lower margin businesses was realised. This contributed to an £8.5m (3.4%) increase in the segment's profit from trading.

UK Sports' operating profit result of £189.9m (FY24 H1: £226.8m) includes impairment reversals of £5.5m (FY24 H1: impairment reversals of £23.7m), a result of future forecasts outweighing our downside impairment assumptions, and foreign exchange losses of £4.4m (FY24 H1: gain of £24.9m).

Store numbers decreased from 807 to 782 mainly driven by the replacement of standalone Game stores with Game concessions situated inside larger Sports Direct stores.

PREMIUM LIFESTYLE

This segment includes the results of the Group's premium and luxury retail businesses FLANNELS, Cruise, Van Mildert, Jack Wills, House of Fraser, Gieves and Hawkes, and Sofa.com along with the related websites, the businesses acquired from JD Sports in FY23, as well as the results from the I Saw it First website and the Missguided website until the disposal of the Missguided intellectual property in October 2023.

Premium Lifestyle accounts for 18.6% (FY24 H1: 19.9%) of the Group's revenue.

	26 weeks ended 27 October 2024 (Unaudited)	26 weeks ended 29 October 2023 (Unaudited)
Revenue	£472.7m	£550.1m
Cost of sales	(£308.1m)	(£347.0m)
Gross profit	£164.6m	£203.1m
Gross margin %	34.8%	36.9%
Profit from trading	**£56.3m**	**£39.9m**
Operating profit	**£48.3m**	**£23.1m**
Store numbers	167	205

Revenue decreased by 14.1% as we continued to optimise our store portfolio in House of Fraser and in the businesses acquired from JD Sports, reducing the number of stores from 66 at 29 October 2023 to 37 at 27 October 2024 and reducing square footage from 2.3m sq. ft to 1.5m sq. ft.

Segment profit from trading increased by £16.4m, with a £38.5m decrease in gross profit, driven by the revenue decline noted above and a -210bps reduction of gross margin % from 36.9% to 34.8% as inventory was cleared in closing stores and as a result of continuing luxury market softness, was more than offset by a £54.9m decrease in operating costs as the benefits of integrating and right-sizing the premium businesses was realised.

Premium Lifestyle's operating profit result of £48.3m (FY24 H1: £23.1m) includes impairment reversals of £7.3m (FY24 H1: impairment reversals of £2.4m), a result of future forecasts outweighing our downside impairment assumptions.

We continue to develop and invest in our unique luxury proposition, including the recent opening of flagships FLANNELS in Leeds and FRASERS in Sheffield, and right-sizing the premium businesses such as House of Fraser and JD Sports acquisitions. Our long-term ambitions for the luxury business remain unchanged, although it is likely that progress will remain subdued for the short to medium term in the face of a challenging market. However, we continue to view this as an opportunity for consolidation in order to further strengthen our position.

Store numbers decreased from 205 to 167 as a result of the closure of stores in House of Fraser and in the businesses acquired from JD Sports, partially offset by the opening of Flannels and Frasers/Sport Direct concept stores in the period.

INTERNATIONAL RETAIL

This segment includes the results all of the Group's sports retail stores, management and operating functions in Europe, Asia and the rest of the world, including the Group's European Distribution Centres in Belgium and Austria, GAME Spain stores and e-commerce offering, the Baltics & Asia e-commerce offerings, the MySale business in Australia, and all non-UK based wholesale and licensing activities (relating to brands such as Everlast, Karrimor and Slazenger).

International accounts for 24.1% (FY24 H1: 23.3%) of the Group's revenue.

	26 weeks ended 27 October 2024 (Unaudited)	26 weeks ended 29 October 2023 (Unaudited)
Revenue	£611.4m	£645.8m
Cost of sales	(£362.9m)	(£387.6m)
Gross profit	£248.5m	£258.2m
Gross margin %	40.6%	40.0%
Profit from trading	**£54.1m**	**£78.1m**
Operating profit	**£17.3m**	**£35.9m**
Store numbers	595	583

Revenue decreased by 5.3% as growth from the Sports Direct International business was more than offset by declines in revenue from Game Spain, which has now reached the end of its current games console cycle, and Sportmaster, which was integrated in FY24 H2.

Segment profit from trading decreased by £24.0m year on year. Gross profit decreased by £9.7m as a result of the revenue declines noted above, although gross margin % increased by +60bps to 40.6% as the higher margin Sports Direct International business grows as proportion of the segment, whilst overhead costs increased by £14.3m due to inflationary pressures and acquisition related costs.

International's operating profit result of £17.3m (FY24 H1: £35.9m) includes impairment reversals of £2.4m (FY24 H1: impairments of £4.2m) and foreign exchange losses of £4.4m (FY24 H1: losses of £4.6m).

Store numbers increased from 583 to 595 due to the acquisition of Twinsport, partially offset by the closure of certain stores as we continued to evaluate our stores at lease expiries and breaks, to rationalise the international store portfolio, where appropriate.

We continue to explore opportunities for international expansion and have completed the acquisition of Twinsport in the Netherlands, invested in Australia/New Zealand group Accent, and invested in Maltese/North Africa retailer/Nike distributor Hudson. After period end, we announced the acquisition of Holdsport in South Africa/Namibia.

PROPERTY

This segment includes the results from the Group's freehold property owning and long leasehold holding property companies that generate third party rental and other property related income (e.g., car parking, conference and events income). The results of the Coventry Arena are reported in this segment.

Property accounts for 1.5% (FY24 H1: 1.1%) of the Group's revenue.

	26 weeks ended 27 October 2024 (Unaudited)	26 weeks ended 29 October 2023 (Unaudited)
Revenue	£38.0m	£31.4m
Cost of sales	(£4.4m)	(£4.2m)
Gross profit	£33.6m	£27.2m
Gross margin %	88.4%	86.6%
Profit from trading	**£22.1m**	**£9.5m**
Operating loss*	**(£0.9m)**	**(£25.2m)**

* The prior period operating loss figure has been restated to show depreciation by segment on a like for like basis, following the finalisation of the change in operating segments in the year ended 28 April 2024. The impact of this restatement is to increase the prior period depreciation charge in the UK Sports segment by £15.0m and to reduce the charge in the Property segment by an equivalent amount. This change does not impact the overall result of the Group.

Revenue increased by £6.6m (21.0%), largely due to the impact of prior year acquisitions such as the Castleford shopping centre and acquisitions in FY25 H1.

Segment profit from trading increased by £12.6m, with the additional rental income being supplemented by lower operating costs.

Property's operating loss of £0.9m (FY24 H1: loss of £25.2m) includes a net impairment charge of £0.7m (FY24 H1: impairments of £16.0m).

Property investment remains a key focus for the Group, unlocking occupational demand for our retail business whilst delivering strong property returns that can be recycled at the appropriate time.

FINANCIAL SERVICES

This segment includes the results of Frasers Group Financial Services. This includes interest charged on amounts advanced to consumer credit customers, along with the associated impairment and operating costs.

Financial Services accounts for 1.8% (FY24 H1: 2.1%) of the Group's revenue.

	26 weeks ended 27 October 2024 (Unaudited)	26 weeks ended 29 October 2023 (Unaudited)
Revenue	£45.7m	£57.3m
Impairment losses on credit receivables	(£12.6m)	(£15.2m)
Gross profit	£33.1m	£42.1m
Gross margin %	72.4%	73.5%
Profit from trading	**£12.9m**	**£38.3m**
Operating profit	**£12.2m**	**£37.5m**

We continue to prioritise the growth of our new Frasers Plus credit offering and reduce the Studio Retail receivables book and as a result, revenue decreased by £11.6m (20.2%) vs. FY24 H1. As such, Studio Pay has ceased to accept new customers during FY25 H1. We also continue to maintain and enhance our governance processes around our credit offerings.

Segment profit from trading decreased by £25.4m due to the revenue decline noted above, partially offset by a moderate decrease in the impairment charge, and an increase in overhead costs arising from the dual running of Frasers Plus. H1 FY24 also benefited from an £11.8m gain in respect of exiting a legacy property lease.

We see a great opportunity for Frasers Plus as a new revenue stream and a key pillar of our compelling brand ecosystem. Frasers Plus has made good early progress towards our long-term ambition of delivering £1bn+ in sales, £600m in credit balances, a greater than 15% yield, and over 2 million active Frasers Plus customers (excluding any third-party partnerships). The business added 272k new customers in FY25 H1 and ended the period with an active customer base of 377k, at which point Frasers Plus accounted for 13.7% of UK online sales.

DISCONTINUED OPERATION

	26 weeks ended 27 October 2024 (Unaudited)	26 weeks ended 29 October 2023 (Unaudited)
Result from discontinued operation (net of tax)	£4.3m	-

The result from discontinued operation relates to amounts received from the Matches administration in excess of those assumed at FY24 year-end.

STRATEGIC INVESTMENTS

Included within long-term financial assets at the period ended 27 October 2024 are the following percentage voting rights, as publicly announced, held by the Group:

	27 October 2024 (unaudited) %	29 October 2023 (unaudited) %	28 April 2024 (audited) %
Mulberry Group Plc	37.3	36.9	36.9
XXL ASA	32.5	12.2	31.1
Boohoo Group Plc	26.2	16.5	22.7
AO World Plc	24.0	22.8	24.5
ASOS Plc	21.1	12.6	20.2
N Brown Group Plc	20.3	19.8	20.4
Hugo Boss AG	15.2	1.6	1.0
Accent Group Ltd	14.6	-	-
Hornby Plc	9.1	1.9	9.3
Currys Plc	-	3.7	6.6

In addition to those listed, there are various other interests held, none of which represent more than 5% of the voting power of the investee. The movements in fair value of these long-term financial assets are recognised within other comprehensive income.

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 brands. The Group is actively seeking a board seat at Hugo Boss and has recently had a representative appointed to the board of Accent Group.

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 mitigate 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 are satisfied that the forecasts meet the criteria as being highly probable forecast transactions.

At 27 October 2024, the Group had the following forward contracts that qualified for hedge accounting under IFRS 9 *Financial Instruments,* meaning that fluctuations in the value of the contracts before maturity are recognised in the hedging reserve through other comprehensive income. After maturity, the sales and purchases are then valued at the hedge rate.

Currency	Hedging against	Currency value	Timing	Rates
EUR / GBP	Euro sales	EUR 336m	FY25-FY26	0.98 - 1.08
USD / GBP	USD inventory purchases	USD 720m	FY25-FY26	1.27 - 1.32

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

The Group has the following currency options and unhedged forwards:

Currency	Expected use	Currency value	Timing	Rates
EUR / GBP	Euro sales	Up to EUR 480m	FY25 - FY27	1.09
EUR / GBP	Euro costs	Up to EUR 680m	FY25 - FY27	1.20 - 1.22
USD / GBP	USD inventory purchases	Up to USD 240m	FY28 - FY29	1.41
USD / EUR	USD inventory purchases	Up to USD 30m	FY25	1.31
AUD / GBP	AUD costs	Up to AUD 240m	FY26	2.01

The Group also holds short-term swaps for treasury management purposes:

Currency	Expected use	Currency value	Timing	Rates
EUR / GBP	Cash flow management	EUR 325m	FY25	1.18 - 1.20
AUD / GBP	Cash flow management	AUD 126m	FY25	1.93 – 1.98

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, they also discuss and understand appropriate financial products with various financial institutions, including those within the Group's bank financed 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, either implementing additional strategies and/or restructuring 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.

CASH FLOW AND NET DEBT

Net debt increased by £383.7m from £447.6m at 28 April 2024 to £831.3m at 27 October 2024. Net debt includes £106.3m of borrowings relating to the Frasers Group Financial Services Limited securitisation facility (29 October 2023: £146.3m; 28 April 2024: £126.8m). Net interest on bank loans and overdrafts increased to £36.8m (FY24 H1: £25.0m) largely due to increased usage of the Revolving Credit Facility ("RCF") in the period.

Analysis of net debt:

	27 October 2024 (Unaudited)	29 October 2023 (Unaudited)	28 April 2024 (Audited)
Cash and cash equivalents	£323.7m	£266.7m	£358.6m
Borrowings	(£1,155.0m)	(£864.2m)	(£806.2m)
Net debt	(£831.3m)	(£597.5m)	(£447.6m)
Securitisation (disclosed within borrowings)	(£106.3m)	(£146.3m)	(£126.8m)
Net debt excluding securitisation	(£725.0m)	(£451.2m)	(£320.8m)

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:

	26 weeks ended 27 October 2024 (Unaudited)	26 weeks ended 29 October 2023 (Unaudited)
Operating cash inflow before changes in working capital	**£411.4m**	**£441.1m**
(Increase)/decrease in receivables	(£2.4m)	£3.7m
Decrease/(increase) in inventories	£13.4m	(£125.3m)
Increase in payables	£51.0m	£162.7m
Decrease in provisions	(£17.4m)	(£46.6m)
Cash inflows from operating activities	**£456.0m**	**£435.6m**
Income taxes paid	(£76.7m)	(£68.2m)
Net cash inflows from operating activities	**£379.3m**	**£367.4m**
Lease payments	(£81.5m)	(£70.6m)
Net finance costs paid	(£29.4m)	(£19.3m)
Net capital expenditure	(£204.3m)	(£151.4m)
Purchase and disposal of subsidiary undertakings and associates	(£16.4m)	-
Net cashflows in relation to equity derivatives	£16.2m	(£21.4m)
Purchase of listed investments, net of disposal proceeds	(£448.6m)	(£184.9m)
Purchase of own shares	-	(£102.3m)
Other	£1.0m	£1.8m
Movement in net debt	**(£383.7m)**	**(£180.7m)**

SUMMARY CONSOLIDATED BALANCE SHEET (EXTRACT)

	27 October 2024 (Unaudited)	29 October 2023 (Unaudited)	28 April 2024 (Audited)
Property, plant & equipment	£897.2m	£1,173.1m	£962.6m
Investment properties	£484.0m	£192.9m	£350.5m
Long-term financial assets	£1,007.2m	£410.7m	£495.4m
Intangible assets	£55.5m	£24.2m	£42.2m
Inventories	£1,341.9m	£1,590.2m	£1,355.3m
Trade & other receivables	£721.1m	£790.7m	£674.9m
Trade & other payables	(£752.5m)	(£874.9m)	(£683.9m)
Provisions	(£241.6m)	(£259.9m)	(£259.0m)
Net debt (excluding securitisation borrowings)	(£725.0m)	(£451.2m)	(£320.8m)
Securitisation borrowings	(£106.3m)	(£146.3m)	(£126.8m)
Lease liabilities	(£608.3m)	(£684.2m)	(£646.3m)
Other	£28.5m	(£29.1m)	£28.9m
Net assets	**£2,101.7m**	**£1,736.2m**	**£1,873.0m**

The decrease within property, plant and equipment from 28 April 2024 is due to depreciation partially offset by net additions.

The increase to investment property since 28 April 2024 reflects acquisitions totalling approximately £133.5m at sites including Doncaster, Lancaster, Exeter, Maidstone, and Quedgeley.

Long-term financial assets have increased since 28 April 2024 due to the business making significant investments in Hugo Boss and Accent Group in H1 of FY25 and as a result of fair value gains on existing holdings.

The increase to intangible assets since 28 April 2024 reflects the recognition of approximately £19.1m of goodwill in respect of the acquisition of Twinsport in H1 of FY25, offset by amortisation charged in respect of other intangible assets. The fair value of acquired assets and thus goodwill value will be finalised by year-end in accordance with IFRS 3 *Business Combinations*.

The decrease in the inventory balance year-on-year is reflective of increased warehouse efficiency, driven by automation and rationalisation of our warehouse estate. This enabled a £298.8m (16.5%) reduction in gross inventory year on year.

Trade and other receivables includes £182.8m relating to deposits in respect of derivative financial instruments (29 October 2023: £244.4m; 28 April 2024: £139.0m) and the Frasers Group Financial Services consumer credit receivables portfolio with a carrying value of £195.6m (29 October 2023: £211.5m; 28 April 2024: £206.2m).

See note 10 for further details in relation to provisions.

The increase in trade and other payables since 28 April 2024 largely follows seasonal patterns and the timing of payments around the end of October.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in note 14. There have been no material changes in the related party transactions described in the last annual report.

Relationship Between Frasers Group plc and Mike Ashley

Mike Ashley opened his first sports shop in 1982 and built the Frasers Group into a multi-billion-pound retailer over the next forty years. The Group was initially floated on the London Stock Exchange in 2007 and following continued growth Mike stepped down as CEO in 2022. He also stepped down from the Board of Directors later in 2022 and has no day-to-day involvement or responsibility for the strategic direction of the Group or any Board matters.

However, given his extensive involvement in leading the business for over forty years, the Board has an agreement with Mr Ashley, through his own company MASH Holdings Limited, which provides for management to seek his expertise in discrete areas where he has specific knowledge, for example in warehousing, logistics or strategic relationships with the supply chain. He does not receive any remuneration for providing this advice to management and has no decision-making powers.

GOING CONCERN

Having thoroughly reviewed the performance of the Group and having made suitable enquiries, the Directors are confident that the Group has adequate resources to remain in operational existence for the foreseeable future which is at least 12 months from the date of approval of these unaudited condensed consolidated financial statements. Full details of this assessment can be found in note 1.

DIRECTORS' RESPONSIBILITY STATEMENT

Each of the directors confirm that to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules Sourcebook of the United Kingdom's Financial Conduct Authority.;
- The interim management report includes a fair review of the information required by:
  a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events during the first 26 weeks of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining 26 weeks of the year; and
  b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first 26 weeks of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The summary of results for the 52 weeks ended 28 April 2024 is an extract from the published Annual Report and Financial Statements which have been reported on by the Group's auditors at the time and delivered to the Registrar of Companies. The audit report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498 (2) or s498 (3) of the Companies Act 2006.

Michael Murray
Chief Executive Officer
4 December 2024

FINANCIAL INFORMATION
CONSOLIDATED INCOME STATEMENT

FOR THE 26 WEEKS ENDED 27 OCTOBER 2024

	Note	26 weeks ended 27 October 2024 (unaudited) £m	26 weeks ended 29 October 2023 (unaudited) £m
Revenue		**2,494.5**	**2,716.4**
Credit account interest		**45.6**	53.2
Total revenue (including credit account interest)		**2,540.1**	2,769.6
Cost of sales		**(1,424.2)**	(1,564.5)
Impairment losses on credit customer receivables		**(12.6)**	(15.2)
Gross profit		**1,103.3**	1,189.9
Selling, distribution and administrative expenses		**(858.3)**	(899.9)
Other operating income		**7.3**	2.2
Property related impairment reversals		**14.5**	5.9
Operating profit	3	**266.8**	**298.1**
(Loss)/gain on sale of subsidiaries / discontinued operation		**(0.8)**	20.0
Investment income	4	**73.3**	34.9
Investment costs	5	**(73.9)**	(21.9)
Finance income	6	**8.8**	28.0
Finance costs	7	**(68.0)**	(48.9)
Share of profits of associate		**1.0**	-
Profit before taxation		**207.2**	**310.2**
Taxation		**(52.8)**	(75.6)
Profit for the period from continuing operations		**154.4**	**234.6**
DISCOUNTINUED OPERATIONS			
Result from discontinued operation, net of tax		**4.3**	-
Profit for the period		**158.7**	**234.6**
ATTRIBUTABLE TO:			
Equity holders of the Group		**155.3**	**234.2**
Non-controlling interests		**3.4**	**0.4**
Profit for the period		**158.7**	**234.6**
EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS			
		Pence per share	Pence per share
Basic earnings per share – Continuing operations	8	34.9	53.0
Basic earnings per share – Discontinued operation	8	1.0	-
Basic earnings per share – Total	**8**	35.9	**53.0**
Diluted earnings per share – Continuing operations	8	34.9	53.0
Diluted earnings per share – Discontinued operation	8	1.0	-
Diluted earnings per share – Total	**8**	35.9	53.0

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 26 WEEKS ENDED 27 OCTOBER 2024

	Note	26 weeks ended 27 October 2024 (unaudited) £m	26 weeks ended 29 October 2023 (unaudited) £m
Profit for the period		158.7	234.6
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Fair value movement on long-term financial assets		64.3	(66.4)
Remeasurements of defined benefit pension scheme		-	0.2
Fair value adjustment in respect of investment properties		-	1.2
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Exchange differences on translation of foreign operations		(1.0)	(12.9)
Fair value movement on hedged contracts – recognised in the period	11	5.8	10.7
Fair value movement on hedged contracts – recognised time value of options	11	-	-
Fair value movement on hedged contracts – reclassified and reported in sales	11	(3.5)	(1.5)
Fair value movement on hedged contracts – reclassified and reported in inventory/cost of sales	11	(1.4)	(2.4)
Fair value movement on hedged contracts – taxation taken to reserves	11	(0.3)	(2.1)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		63.9	(73.2)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		222.6	161.4
Continuing operations		218.3	161.4
Discontinued operation		4.3	-
		222.6	161.4
ATTRIBUTABLE TO:			
Equity holders of the Group		219.2	161.0
Non-controlling interests		3.4	0.4
		222.6	161.4

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	27 October 2024 (unaudited) £m	29 October 2023 (unaudited) £m	28 April 2024 (audited) £m
ASSETS – NON CURRENT				
Property, plant and equipment		897.2	1,173.1	962.6
Investment properties		484.0	192.9	350.5
Intangible assets		55.5	24.2	42.2
Long-term financial assets		1,007.2	410.7	495.4
Investment in associated undertakings		19.0	17.2	18.0
Retirement benefit surplus		0.2	0.8	0.6
Deferred tax assets		123.2	81.9	109.6
		2,586.3	1,900.8	1,978.9
ASSETS – CURRENT				
Inventories		1,341.9	1,590.2	1,355.3
Trade and other receivables	9	721.1	790.7	674.9
Derivative financial assets	11	90.7	92.6	87.2
Cash and cash equivalents		323.7	266.7	358.6
		2,477.4	2,740.2	2,476.0
TOTAL ASSETS		5,063.7	4,641.0	4,454.9
LIABILITIES – NON CURRENT				
Lease liabilities		(480.5)	(513.4)	(533.8)
Borrowings		(1,155.0)	(864.2)	(806.2)
Retirement benefit obligations		(1.3)	(1.6)	(1.8)
Deferred tax liabilities		(25.9)	(16.6)	(27.5)
Provisions	10	(230.7)	(251.9)	(247.8)
		(1,893.4)	(1,647.7)	(1,617.1)
LIABILITIES – CURRENT				
Derivative financial liabilities	11	(94.5)	(92.1)	(62.8)
Trade and other payables		(752.5)	(874.9)	(683.9)
Lease liabilities		(127.8)	(170.8)	(112.5)
Provisions	10	(10.9)	(8.0)	(11.2)
Current tax liabilities		(82.9)	(111.3)	(94.4)
		(1,068.6)	(1,257.1)	(964.8)
TOTAL LIABILITIES		(2,962.0)	(2,904.8)	(2,581.9)
NET ASSETS		2,101.7	1,736.2	1,873.0
EQUITY				
Share capital		64.1	64.1	64.1
Share premium		874.3	874.3	874.3
Treasury shares reserve		(770.6)	(746.5)	(770.6)
Permanent contribution to capital		0.1	0.1	0.1
Capital redemption reserve		8.0	8.0	8.0
Foreign currency translation reserve		24.7	34.5	25.7
Reverse combination reserve		(987.3)	(987.3)	(987.3)
Own share reserve		(66.8)	(66.8)	(66.8)
Hedging reserve	11	22.3	18.7	21.7
Share-based payment reserve		58.9	42.0	51.4
Revaluation reserve		1.2	1.2	1.2
Retained earnings		2,842.6	2,453.5	2,623.0
Issued capital and reserves attributable to owners of the parent		2,071.5	1,695.8	1,844.8
Non-controlling interests		30.2	40.4	28.2
TOTAL EQUITY		2,101.7	1,736.2	1,873.0

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE 26 WEEKS ENDED 27 OCTOBER 2024

	26 weeks ended 27 October 2024 (unaudited) £m	26 weeks ended 29 October 2023 (unaudited) £m
Profit before income tax from:		
Continuing operations	207.2	310.2
Discontinued operation	4.3	-
Profit before taxation including discontinued operations	**211.5**	**310.2**
Net finance costs	59.2	20.9
Net investment costs/(income)	0.6	(13.0)
Loss/(gain) on disposal of subsidiaries	0.8	(20.0)
Depreciation of property, plant and equipment	133.0	131.3
Amortisation of intangible assets	1.8	1.6
Net impairment reversals of tangible and intangible assets and investment properties	(14.5)	(5.9)
Other adjustments to lease liabilities	21.3	6.5
Profit on disposal of property, plant and equipment	(0.3)	-
Gain on bargain purchase	(6.7)	-
Employee bonus scheme charge	4.7	9.3
Pension contributions less income statement charge	-	0.2
Operating cash inflow before changes in working capital	**411.4**	**441.1**
(Increase)/decrease in receivables	(2.4)	3.7
Decrease/(increase) in inventories	13.4	(125.3)
Increase in payables	51.0	162.7
Decrease in provisions	(17.4)	(46.6)
Cash inflows from operating activities	**456.0**	**435.6**
Income taxes paid	(76.7)	(68.2)
Net cash inflows from operating activities	**379.3**	**367.4**
Proceeds on disposal of property, plant and equipment and investment property	6.4	5.9
Proceeds on disposal of listed investments	76.3	85.0
Proceeds in relation to equity derivatives	60.0	32.9
Purchase of subsidiaries, net of cash acquired	(16.4)	-
Purchase of property, plant and equipment, intangible assets and investment property	(210.7)	(157.3)
Purchase of listed investments	(524.9)	(269.9)
Increase in deposits relating to equity derivatives	(43.8)	(54.3)
Investment income received	3.4	2.0
Finance income received	8.8	2.0
Net cash outflows from investing activities	**(640.9)**	**(353.7)**
Lease payments	(81.5)	(70.6)
Finance costs paid	(38.2)	(21.3)
Borrowings drawn down	619.5	199.2
Borrowings repaid	(270.7)	(84.7)
Purchase of own shares	-	(102.3)
Net cash inflows/(outflows) from financing activities	**229.1**	**(79.7)**
Net decrease in cash and cash equivalents including overdrafts	**(32.5)**	**(66.0)**
Exchange movement on cash balances	(2.4)	(0.2)
Cash and cash equivalents including overdrafts at beginning of period	**358.6**	**332.9**
Cash and cash equivalents including overdrafts at the period end	**323.7**	**266.7**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS ENDED 27 OCTOBER 2024 (UNAUDITED)

	Share capital (£m)	Share premium (£m)	Treasury shares reserve (£m)	Share-based payment reserve (£m)	Foreign currency translation reserve (£m)	Own share reserve (£m)	Retained earnings (£m)	Other (£m)	Total attributable to owners of parent (£m)	Non-controlling interests (£m)	Total (£m)
At 28 April 2024	64.1	874.3	(770.6)	51.4	25.7	(66.8)	2,623.0	(956.3)	1,844.8	28.2	**1,873.0**
Acquisition and disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(1.4)	**(1.4)**
Share scheme	-	-	-	7.5	-	-	-	-	7.5	-	**7.5**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	-	-	-	7.5	-	-	-	-	7.5	(1.4)	**6.1**
Profit for the financial period	-	-	-	-	-	-	155.3	-	155.3	3.4	**158.7**
OTHER COMPREHENSIVE INCOME											
Cashflow hedges - recognised in the period	-	-	-	-	-	-	-	5.8	5.8	-	**5.8**
Cashflow hedges - reclassified and reported in sales	-	-	-	-	-	-	-	(3.5)	(3.5)	-	**(3.5)**
Cashflow hedges - reclassified and reported in inventory/cost of sales	-	-	-	-	-	-	-	(1.4)	(1.4)	-	**(1.4)**
Cashflow hedges - taxation	-	-	-	-	-	-	-	(0.3)	(0.3)	-	**(0.3)**
Fair value adjustment in respect of long-term financial assets - recognised	-	-	-	-	-	-	64.3	-	64.3	-	**64.3**
Translation differences - Group	-	-	-	-	(1.0)	-	-	-	(1.0)	-	**(1.0)**
Total comprehensive income for the period	-	-	-	-	(1.0)	-	219.6	0.6	219.2	3.4	**222.6**
At 27 October 2024	64.1	874.3	(770.6)	58.9	24.7	(66.8)	2,842.6	(955.7)	2,071.5	30.2	**2,101.7**

FOR THE 26 WEEKS ENDED 29 OCTOBER 2023 (UNAUDITED)

	Share capital (£m)	Share premium (£m)	Treasury shares reserve (£m)	Share-based payment reserve (£m)	Foreign currency translation reserve (£m)	Own share reserve (£m)	Retained earnings (£m)	Other (£m)	Total attributable to owners of parent (£m)	Non-controlling interests (£m)	Total (£m)
At 30 April 2023	64.1	874.3	(644.2)	33.1	47.4	(66.8)	2,285.5	(965.2)	1,628.2	40.0	1,668.2
Purchase of own shares	-	-	(102.3)	-	-	-	-	-	(102.3)	-	(102.3)
Share scheme	-	-	-	8.9	-	-	-	-	8.9	-	8.9
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	-	-	(102.3)	8.9	-	-	-	-	(93.4)	-	(93.4)
Profit for the financial period	-	-	-	-	-	-	234.2	-	234.2	0.4	234.6
OTHER COMPREHENSIVE INCOME											
Cashflow hedges - recognised in the period	-	-	-	-	-	-	-	10.7	10.7	-	10.7
Cashflow hedges - reclassified and reported in sales	-	-	-	-	-	-	-	(1.5)	(1.5)	-	(1.5)
Cashflow hedges - reclassified and reported in inventory/cost of sales	-	-	-	-	-	-	-	(2.4)	(2.4)	-	(2.4)
Cashflow hedges - taxation	-	-	-	-	-	-	-	(2.1)	(2.1)	-	(2.1)
Fair value adjustment in respect of long-term financial assets - recognised	-	-	-	-	-	-	(66.4)	-	(66.4)	-	(66.4)
Remeasurements of defined benefit pension scheme	-	-	-	-	-	-	0.2	-	0.2	-	0.2
Fair value adjustment in respect of investment properties	-	-	-	-	-	-	-	1.2	1.2	-	1.2
Translation differences - Group	-	-	-	-	(12.9)	-	-	-	(12.9)	-	(12.9)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(12.9)**	**-**	**168.0**	**5.9**	**161.0**	**0.4**	**161.4**
At 29 October 2023	64.1	874.3	(746.5)	42.0	34.5	(66.8)	2,453.5	(959.3)	1,695.8	40.4	1,736.2

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE 26 WEEKS ENDED 27 OCTOBER 2024

1. BASIS OF PREPARATION

Non-Statutory

The results for the first half of the financial year have not been audited or reviewed by external auditors. The financial information in the Group's Annual Report and Financial Statements for the 52 week period ended 28 April 2024 is prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006 and which have been delivered to the Registrar of Companies. The Interim Results have been prepared on the basis of the policies set out in the 2024 Annual Report and in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the UK and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority (DTR). The Interim Results do not include all of the information required for full annual statements and should be read in conjunction with the 2024 Annual Report.

The summary of results for the 52 weeks ended 28 April 2024 is an extract from the published Annual Report and Financial Statements which have been reported on by the Group's auditors at the time and delivered to the Registrar of Companies. The audit report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498 (2) or s498 (3) of the Companies Act 2006.

Going Concern

The Directors have reviewed the current financial performance and liquidity of the business, including modelling a number of downside scenarios. The Group is still profitable, highly cash generative and has considerable financial resources. The Group is able to operate within its banking facilities which mature in November 2026, 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 scenario and also a number of even more conservative scenarios taking into account the Group's open positions in relation to various option positions. These forecasts and projections show that the Group will be able to operate within the current facility and its covenant requirements (being interest cover and net debt to EBITDA ratios). Management have also identified 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.

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. On this basis, the Directors continue to adopt the going concern basis for the preparation of these condensed consolidated financial statements.

New accounting standards, interpretations and amendments adopted by the Group

The principal accounting policies have remained unchanged from those applied for the 52 week period ended 28 April 2024 except as noted below.

Several amendments apply for the first time during the period but have not resulted in any changes to the Group's accounting policies or had any other material impact on the financial position or performance of the Group. The Group continues to monitor the potential impact of new standards and interpretations which have been or may be endorsed and require adoption by the Group in future reporting periods. The Group does not consider that any standards, amendments or interpretation issued by the UK Endorsement Board, but not yet applicable, will have a significant impact on the condensed consolidated financial statements.

Risks and uncertainties

The Board has considered the risks and uncertainties for the remaining half of the financial year and determined that the risks and the level of risks presented in the FY24 Annual Report, noted below, also remain relevant for the rest of the financial year and that there aren't any further risks or uncertainties to add at this stage:

- Strategy
- Third-party brand relationships, key suppliers and supply chain management
- Global macro-economic conditions, events (pandemic) or political factors
- Treasury, liquidity and credit risks
- Customer
- Governance, legal and regulatory compliance

- Technology capability and infrastructure renewal
- Cyber risks, data loss and data privacy
- Business continuity management and incident response
- Group Entities and Extended Enterprise
- People, talent management and succession
- Environmental, social & governance (ESG)
- Property
- Mergers & acquisitions
- Governance

Detailed explanations of the principal risks and uncertainties can be found in the Principal Risks and Uncertainties section of the FY24 Annual Report.

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 and 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 and we are working to mitigate these risks as detailed within the TCFD section of the FY24 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.

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 affect its returns through the exercise of such influence. If management were to consider that the Group does have significant influence over the entity 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.

Shareholdings in investees greater than 20%
During the period the Group has held greater than 20% of the voting rights of Mulberry Group Plc, XXL ASA, Boohoo Group Plc, AO World Plc, ASOS Plc and N Brown Group Plc. Management consider that the Group does not have significant influence over these entities for combinations of the following reasons:

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

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 provided Four (Holdings) Limited with a significant loan. At the reporting date, the gross amount owed by Four (Holdings) Limited for this loan totalled £30m (£12.3m 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 *Consolidated Financial Statements*, as the Group does not have power over Four (Holdings) Limited.

Tymit Limited
At the period end date, the Group held 28.2% 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 £16m (FY24 H1: £11.0m), which have been fully provided for. 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
In the year ended 30 April 2023, the Group sold 51% of its shareholding in Kangol LLC to Bollman Hat Company for £17.6m, retaining a 49% shareholding. 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. This treatment remains the same for the current period.

Cash Flow Hedging

The Group uses a range of forward and option contracts that are entered into at the same time, are in contemplation with one another and have the same counterparty. A judgement is made in determining whether there is an economic need or substantive business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction. Management are of the view that there is a substantive distinct business purpose for entering into the options and a strategy for managing the options independently of the forward contracts. The forward and options contracts are therefore not viewed as one instrument and hedge accounting for the forwards is permitted.

Under IFRS 9 *Financial Instruments,* in order to achieve cash flow hedge accounting, forecast transactions (primarily Euro denominated sales and USD denominated purchases) must be considered to be highly probable. The hedge must be expected to be highly effective in achieving offsetting changes in cash flows attributable to the hedged risk. The forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss. Management have reviewed the detailed forecasts and growth assumptions within them and are satisfied that forecasts in which the cash flow hedge accounting has been based meet the criteria per IFRS 9 as being highly probable forecast transactions. Should the forecast levels not pass the highly probable test, any cumulative fair value gains and losses in relation to either the entire or the ineffective portion of the hedged instrument would be recognised in the Consolidated Income Statement.

Management considers various factors when determining whether a forecast transaction is highly probable. These factors include detailed sales and purchase forecasts by channel, geographical area and seasonality, conditions in target markets and the impact of expansion in new areas. Management also consider any change in alternative customer sales channels that could impact on the hedged transaction.

If the forecast transactions were determined to be not highly probable and all hedge accounting was discontinued, amounts in the hedging reserve of up to £22.3m (28 April 24: £21.7m) would be shown in finance income.

Classification of Investment Properties

Upon the acquisition of a property, management perform an assessment of the rationale for holding the property in line with IAS 40 *Investment Property*. Management applies judgement in the consideration of whether or not it is feasible to sell or let parts of the property under a finance lease, whether this is commercially viable in the relevant marketplace, and whether or not any owner-occupied portion is insignificant.

During the current period, the Group acquired five properties, all of which met the criteria to be classified as investment properties and were considered to be non-separable, with either insignificant or no owner-occupied portions.

Key Sources of Estimation Uncertainty

The critical estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Property Related Provisions

Property related estimates and judgements are continually evaluated and are based on historical experience, external advice and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Dilapidations – Note 10

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 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.

Management calculates its best estimate of the provision required by reference to the proportion of closed stores for which a dilapidation cost is likely to be incurred, based on past experience, and an estimate for the level of costs based on advice from chartered surveyors.

Sensitivity analysis to changes in key assumptions is as follows:

	Estimated cost per sq. ft.	**% of stores where a dilapidation cost is incurred**
Base assumption	£18.10	25%
Sensitised assumption	£19.10/£17.10	30%/20%
Increase to provision	£2.5m	£7.9m
(Decrease) to provision	(£2.5m)	(£7.9m)

Legal and Regulatory Provisions – Note 10

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 10. 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 Group 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 *Leases* 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 *Leases* 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 right of use assets are assessed for impairment at each reporting period in line with IAS 36 Impairment of Assets to review whether the carrying amount exceeds its recoverable amount. For impairment testing purposes the Group has determined that each store is a separate cash generating unit ("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.

An asset is impaired when the carrying amount exceeds its recoverable amount. Equally, previous impairments are reversed when the recoverable amount exceeds the carrying amount and there are previous impairments against the asset.

In the period, net reversals of previous impairments have been recognised for the amount of £15.2m (FY24 H1: impairment charge of £3.0m) due to the improving conditions in the retail sector on the forecast cash flows of the CGU since the COVID-19 pandemic where material impairments were incurred. This is broken down as follows:

- £16.8m reversal (FY24 H1: £34.2m reversal) against the right-of-use assets; and
- £1.6m impairment charge (FY24 H1: £2.1m impairment charge) 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.

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:	Reversal increase / (decrease) £m
Sales decline year 1	10% improvement to 8% increase	4.5
Sales decline year 1	10% reduction to -12%	(7.8)
Existing gross margin year 1 > 40%	100bps - improvement	1.2
Existing gross margin year 1 > 40%	100bps – reduction	(1.2)
New store exemption [(1)]	Change from 2 to 3 years	-
Operating costs increase year 1	Change from 3% to 6%	(1.3)

(1) Stores which have been open for less than two years are not reviewed for impairment. This was introduced in the year ended 28 April 2024, on the basis that management do not consider that a trading performance in the first two years that is worse than an appraisal forecast constitutes an indicator of impairment. Management also notes that new stores can take up to two years to develop an established trading pattern. Stores trading for less than two years are still reviewed for impairment if there are other significant indicators of impairment present such as a deterioration in local market conditions.

b) Freehold land and buildings, long-term leasehold, investment property and associated plant and equipment

Freehold land and buildings and long-term leasehold assets are assessed at each reporting period for whether there is any indication of impairment in line with IAS 36 *Impairment of Assets*.

An asset is impaired when the carrying amount exceeds its recoverable amount. Equally previous impairments are reversed when the recoverable amount exceeds the carrying amount and there are previous impairments against the asset. IAS 36 *Impairment of Assets* defines recoverable amount as the higher of an asset's or CGU's fair value less costs of disposal and its value in use. the Group has determined that each store is a separate CGU.

Key triggers considered by management include store (i.e., CGU) EBITDA showing a material year-on-year movement, significant changes in property valuations, and whether any new, wider economic factors may impact the forecast performance. Based on the criteria set by management, a net impairment charge of approximately £0.7m (FY24 H1: £39.7m) was recorded for the current period due to certain properties under performing against forecasted results where material impairments were incurred. This is broken down as follows:

- £0.5m impairment charge (FY24 H1: £2.4m impairment charge) against freehold land and buildings
- £nil (FY24 H1: £8.3m impairment charge) against long-term leasehold; and
- £0.2m impairment charge (FY24 H1: £15.5m impairment charge) plant and equipment

Value in use (VIU)

The value in use is calculated based on a five year cash flow projection. This is formulated by using the Group's forecast cash flows of each individual CGU, taking into account historic performance of the CGU, and then adjusting for the Group's current views on future profitability of each CGU. The key assumptions in the calculations are the sales growth rates, gross margin rates, changes in the operating cost base and the pre-tax discount rate derived from the Group's weighted average cost of capital using the capital asset pricing model, the inputs of which include a risk-free rate, equity risk premium and a risk adjustment (Beta). Given the number of assumptions used, the assessment involves significant estimation uncertainty.

The key assumptions, which are equally applicable to each CGU, in the cash flow projections used to support the carrying amount of the freehold land and buildings were as follows:

Key assumptions HY25	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Sales decline	-2%	-2%	-2%	-2%	-2%
Existing gross margin > 40%	-100bps	-75bps	-50bps	-25bps	-
Operating costs increase per annum	3%	3%	3%	3%	3%
Discount rate	9.5%	9.5%	9.5%	9.5%	9.5%
Terminal growth rate of 2%					
Properties purchased within one year, or stores that have not traded for two years, are not reviewed for impairment.					

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 8%	(3.6)
Sales decline year 1	10% reduction to -12%	5.4
Existing gross margin year 1 > 40%	100bps - improvement	(0.8)
Existing gross margin year 1 > 40%	100bps - reduction	0.8
Operating costs increase year 1	Change from 3% to 6%	1.0

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 *Fair Value Measurement*. 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 – three bands applied depending on circumstances: • 1 year void, 1 years rent free; or • 1 year void, 2 years rent free; or • 2 years void, 3 years rent free. Yield bands – ranging from 5.5% - 20.0%
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 – three bands applied depending on circumstances: • 1 year void, 1 years rent free; or • 1 years void, 2 years rent free; or • 2 years void, 3 years rent free. Yield bands – ranging from 5.5% - 20.0%
Third party tenanted	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.	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 £nil (FY24 H1: £2.0m).

The total recoverable amount of the assets that were impaired, or on which impairments were reversed, at the period end was £64.0m (FY24 H1: £19.9m), with £nil (FY24 H1: £19.9m) of this being based on their fair value less costs of disposal and £64.0m (FY24 H1: £nil) being based on their value in use.

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 27 October 2024, consumer credit receivables with a gross value of £276.1m were recorded on the balance sheet, less a provision for impairment of £80.5m (28 April 2024: gross value of £289.6m, less a provision for impairment of £80.7m). Further details are provided in Note 9.

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 accordingly. Revisions to estimates are recognised prospectively. Sensitivity analysis is given in note 9.

Macroeconomic scenarios

The principial 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 remains close to target and the Bank of England cuts interest rates to 4% by mid-2025. Unemployment falls back to 3.7% and wage growth remains strong.	10%
Baseline	Inflation is forecast to end 2024 at 2.4% but then fall back to 2% thereafter. Interest rates end 2024 at 4.75% and reduce to 3.75% by the end of 2025. The unemployment rate increases from 4.1% to 4.4% by the end of 2024 and remains at that level throughout 2025.	55%
Downside	Inflation heads well below target and the Bank of England cuts interest rates sharply from February 2025. Unemployment peaks at 6% in Q4 2025.	25%
Stress	A combination of shocks sees inflation rise sharply, hitting a peak of 6.6% in Q3 2025. The Bank of England raises interest rates to 6.25%. The unemployment rate rises to 8%.	10%

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 27 October 2024 a provision of £173.3m (28 April 2024: £192.0m; 29 October 2023: £223.8m) was held against a gross inventory value of £1,515.2m (28 April 2024: £1,547.3m; 29 October 2023: £1,814.0m).

In assessing the level of provision required, management applies 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% (FY24: 15%; HY24: 5%) to clear an equivalent volume of out of season inventory and that approximately ten times (FY24: fifteen times; HY24: 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% (FY24: 30%; HY24: 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% (FY24: 30%; HY24: 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	£4.9m/(£4.9m)
Decrease in sales prices on out of season inventory	
Base assumption	-10%
Sensitised assumption	-9%/-11%
(Decrease)/Increase to provision	(£2.0m)/£2.0m

Increase in out of season Premium Lifestyle inventory on hand after three-years	
Base assumption	10 times historical rate
Sensitised assumption	8 times historical rate/12 times historical rate
(Decrease)/increase to provision	(£4.1m)/£4.1m

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.

Valuation of assets acquired in business combinations

Twinsport

The principal estimate in the acquisition of Twinsport was around the fair value of inventory acquired. The fair value of inventory, which primarily included finished goods, was estimated at £10.3m, an increase of £0.6m on the carrying value prior to the acquisition. Overall, the Group recognised goodwill of £19.1m on acquisition of Twinsport, with total consideration of £16.9m for net liabilities at fair value of £2.2m. A summary of the assets acquired and liabilities assumed can be found below:

	Recognised at acquisition date £'m
Intangible assets	0.8
Trade and other receivables	3.0
Inventory	10.3
Trade and other creditors	(16.3)
Net liabilities acquired	(2.2)
Consideration	16.9
Goodwill arising	19.1

Post acquisition revenue of £15.2m and profit before tax of £1.4m has been recognised in the period. If the business had been acquired at the beginning of the period, the Group's reported total revenue would be £2,553.5m and profit before tax would be £208.1m. Acquisition costs of £0.6m have been recognised in selling, distribution and administrative expenses in the income statement.

3. SEGMENTAL ANALYSIS

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of the internal financial information reports to the Chief Operating Decision Maker ("CODM") who is primarily responsible for the allocation of resources to segments and assessment of performance of the segments.

The Group presents five operating segments:

- UK Sports

  This segment includes the results of the Group's core sports retail store operations in the UK, plus all the Group's sports retail online business, other UK-based sports retail and wholesale operations, GAME UK stores and online operations, retail store operations in Northern Ireland, Frasers Fitness, Studio Retail's sales and the Group's central operating functions (including the Shirebrook campus).

- Premium Lifestyle

  This segment includes the results of the Group's premium and luxury retail businesses FLANNELS, Cruise, Van Mildert, Jack Wills, House of Fraser, Gieves and Hawkes, and Sofa.com along with the related websites, the businesses acquired from JD Sports Fashion Plc in FY23, as well as the results from the I Saw it First website and the Missguided website until the disposal of the Missguided intellectual property in October 2023.

- International

  This segment includes the results all of the Group's sports retail stores, management and operating functions in Europe, Asia and the rest of the world, including the Group's European Distribution Centres in Belgium and Austria, GAME Spain stores and e-commerce offering, the Baltics & Asia e-commerce offerings, the MySale business in Australia, and all non-UK based wholesale and licensing activities (relating to brands such as Everlast, Karrimor, and Slazenger).

- Property

  This segment includes the results from the Group's freehold property owning and long leasehold holding property companies that generate third party rental and other property related income (e.g., car parking, conference and events income). The results of the Coventry Arena are reported in this segment.

- Financial Services

  This segment includes the results of Frasers Group Financial Services. This includes interest charged on amounts advanced to consumer credit customers, along with the associated impairment and operating costs.

The operating performance of each segment is assessed by reference to revenue, gross margin, and profit from trading activities after operating expenses.

For the Property segment, profit from trading activities includes fair value gains and losses in respect of investment properties and gains or losses on disposal of properties since the Group's property businesses seek to generate income from rentals and capital appreciation of properties held.

In the Financial Services segment, impairment losses on consumer credit receivables are disclosed within gross margin, which management deem to be the appropriate treatment for a financial services business.

Depreciation, amortisation and impairments (net of any reversals) are disclosed as part of each segment's operating profit/(loss).

Segmental information for the 26 weeks ended **27 October 2024 (unaudited)**:

	UK Sports	Premium Lifestyle	International	Retail	Property	Financial Services	Group Total
	(£'m)	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**
Revenue	1,372.3	472.7	611.4	2,456.4	38.0	45.7	2,540.1
Cost of sales	(748.8)	(308.1)	(362.9)	(1,419.8)	(4.4)	(12.6)	(1,436.8)
Gross profit	623.5	164.6	248.5	1,036.6	33.6	33.1	1,103.3
Gross Margin %	45.4%	34.8%	40.6%	42.2%	88.4%	72.4%	43.4%
Operating costs	(368.3)	(108.3)	(194.4)	(671.0)	(11.5)	(20.2)	(702.7)
Profit from trading	**255.2**	**56.3**	**54.1**	**365.6**	**22.1**	**12.9**	**400.6**
Depreciation & amortisation	(61.7)	(15.2)	(34.8)	(111.7)	(22.4)	(0.7)	(134.8)
Impairments net of impairment reversals	5.5	7.3	2.4	15.2	(0.7)	-	14.5
Share-based payments	(4.7)	-	-	(4.7)	-	-	(4.7)
Foreign exchange realised	(4.4)	(0.1)	(4.4)	(8.9)	0.1	-	(8.8)
Operating profit	189.9	48.3	17.3	255.5	(0.9)	12.2	266.8
Loss on sale of subsidiaries/discontinued operations							(0.8)
Net investment costs							(0.6)
Share of profit of associated undertaking							1.0
Net finance costs							(59.2)
Profit before tax							**207.2**
Result for discontinued operation							4.3
Fair value adjustment to derivative financial instruments							10.2
Fair value losses on equity derivatives							64.0
Realised FX loss							8.8
Share-based payments							4.7
Adjusted profit before tax ("APBT")							299.2

Segmental information for the 26 weeks ended **29 October 2023 (unaudited)**:

	UK Sports	Premium Lifestyle	International	Retail	Property	Financial Services	Group Total
	(£'m)	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**	**(£'m)**
Revenue	1,485.0	550.1	645.8	2,680.9	31.4	57.3	2,769.6
Cost of sales	(825.7)	(347.0)	(387.6)	(1,560.3)	(4.2)	(15.2)	(1,579.7)
Gross profit	659.3	203.1	258.2	1,120.6	27.2	42.1	1,189.9
Gross Margin %	44.4%	36.9%	40.0%	41.8%	86.6%	73.5%	43.0%
Operating costs	(412.6)	(163.2)	(180.1)	(755.9)	(17.7)	(3.8)	(777.4)
Profit from trading	**246.7**	**39.9**	**78.1**	**364.7**	**9.5**	**38.3**	**412.5**
Depreciation & amortisation*	(59.2)	(19.0)	(33.4)	(111.6)	(20.5)	(0.8)	(132.9)
Impairments net of impairment reversals	23.7	2.4	(4.2)	21.9	(16.0)	-	5.9
Share-based payments	(9.3)	-	-	(9.3)	-	-	(9.3)
Foreign exchange realised	24.9	(0.2)	(4.6)	20.1	1.8	-	21.9
Operating profit	226.8	23.1	35.9	285.8	(25.2)	37.5	298.1
Gain on sale of subsidiaries/discontinued operations							20.0
Net investment income							13.0
Net finance costs							(20.9)
Profit before tax							**310.2**
Fair value adjustment to derivative financial instruments							(15.7)
Fair value losses on equity derivatives							21.9
Realised FX loss							(21.9)
Share-based payments							9.3
Adjusted profit before tax ("APBT")							**303.8**

* Prior period operating profit figures have been restated to show depreciation by segment on a like for like basis, following the finalisation of the change in operating segments in the year ended 28 April 2024. The impact of this restatement is to increase the prior period depreciation charge in the UK Sports segment by £15.0m and to reduce the charge in the Property segment by an equivalent amount. This change does not impact the overall result of the Group.

Other segment items included in the income statement for the 26 weeks **ended 27 October 2024 (unaudited)**:

	UK Sports	Premium Lifestyle	International	Retail	Property	Financial Services	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Property, plant & equipment depreciation	(41.2)	(11.4)	(15.3)	**(67.9)**	(22.4)	(0.7)	**(91.0)**
Property, plant & equipment impairment	-	-	(1.6)	**(1.6)**	(0.7)	-	**(2.3)**
IFRS 16 ROU depreciation	(20.5)	(3.7)	(17.8)	**(42.0)**	-	-	**(42.0)**
IFRS 16 ROU impairment reversal	5.5	7.3	4.0	**16.8**	-	-	**16.8**
Intangible amortisation	-	(0.1)	(1.7)	**(1.8)**	-	-	**(1.8)**

Other segment items included in the income statement for the 26 weeks **ended 29 October 2023 (unaudited)**:

	UK Sports	Premium Lifestyle	International	Retail	Property	Financial Services	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Property, plant & equipment depreciation	(27.1)	(14.6)	(15.8)	**(57.5)**	(35.5)	(0.8)	**(93.8)**
Property, plant & equipment impairment	(2.1)	(6.2)	(4.0)	**(12.3)**	(16.0)	-	**(28.3)**
IFRS 16 ROU depreciation	(17.1)	(4.4)	(16.0)	**(37.5)**	-	-	**(37.5)**
IFRS 16 ROU reversal / (impairment)	25.8	8.6	(0.2)	**34.2**	-	-	**34.2**
Revaluation on transfer to investment property*	-	-	-	**-**	1.2	-	**1.2**
Intangible amortisation	-	-	(1.6)	**(1.6)**	-	-	**(1.6)**

*Recorded in other comprehensive income

4. INVESTMENT INCOME

	26 weeks ended 27 October 2024 (unaudited) (£m)	26 weeks ended 29 October 2023 (unaudited) (£m
Premiums received on equity derivatives	60.0	32.9
Fair value gain on equity derivatives	9.9	-
Dividend income	3.4	2.0
	73.3	**34.9**

5. INVESTMENT COSTS

	26 weeks ended 27 October 2024 (unaudited) (£m)	26 weeks ended 29 October 2023 (unaudited) (£m
Fair value loss on equity derivatives	-	21.9
Loss on disposal of equity derivatives	73.9	-
	73.9	**21.9**

6. FINANCE INCOME

	26 weeks ended 27 October 2024 (unaudited) (£m)	26 weeks ended 29 October 2023 (unaudited) (£m
Bank interest receivable	6.6	11.9
Other finance income	2.2	0.4
Fair value adjustment to derivatives	-	15.7
	8.8	**28.0**

7. FINANCE COSTS

	26 weeks ended 27 October 2024 (unaudited) (£m)	26 weeks ended 29 October 2023 (unaudited) (£m
Interest on bank loans and overdrafts	41.7	31.7
Other interest	3.9	5.6
IFRS 16 lease interest	12.2	11.6
Fair value adjustment to derivatives	10.2	-
	68.0	**48.9**

The fair value adjustment to derivative financial instruments relates to differences between the fair value of forward foreign currency contracts and written options that were not designated for hedge accounting from one period end to the next and fair value movements in respect of interest rate swaps.

8. EARNINGS PER SHARE ATTRIBUTABLE TO 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 period.

For diluted earnings per share, the weighted average number of shares, 432,929,122 (29 October 2023: 441,787,344), is adjusted to assume conversion of all dilutive potential ordinary shares under the Group's share schemes, being nil (29 October 2023: nil). There is therefore no difference between the basic and diluted EPS calculations for all periods. Shares bought back into treasury and own shares held are deducted when calculating the weighted average number of shares below.

BASIC AND DILUTED EARNINGS PER SHARE

	26 weeks ended 27 October 2024 (unaudited)	26 weeks ended 27 October 2024 (unaudited)	26 weeks ended 27 October 2024 (unaudited)	26 weeks ended 29 October 2023 (unaudited)
	Basic and diluted, continuing operations	Basic and diluted, discontinued operation	Basic and diluted, total	Basic and diluted, total
	£m	£m	£m	£m
Profit for the period	151.0	4.3	155.3	234.2
	Number in millions	Number in millions	Number in millions	Number in millions
Weighted average number of shares	432.9	432.9	432.9	441.8
	Pence per share	Pence per share	Pence per share	Pence per share
Earnings per share	34.9	1.0	35.9	53.0

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.

	26 weeks ended 27 October 2024 (unaudited) Basic	26 weeks ended 27 October 2024 (unaudited) Diluted	26 weeks ended 29 October 2023 (unaudited) Basic	26 weeks ended 29 October 2023 (unaudited) Diluted
	£m	£m	£m	£m
Profit for the period	155.3	155.3	234.2	234.2
Pre-tax adjustments to profit for the period for the following items:				
Fair value adjustment to derivatives included within finance costs/(income)	10.2	10.2	(15.7)	(15.7)
Fair value movement and losses on disposal of equity derivatives	64.0	64.0	21.9	21.9
Realised foreign exchange loss/(gain)	8.8	8.8	(21.9)	(21.9)
Share-based payments	4.7	4.7	9.3	9.3
Tax adjustments on the above items	(22.3)	(22.3)	9.3	9.3
Adjusted profit for the period	220.7	220.7	237.1	237.1
	Number in millions		Number in millions	
Weighted average number of shares	432.9	432.9	441.8	441.8
	Pence per share		Pence per share	
Adjusted earnings per share	51.0	51.0	53.7	53.7

9. TRADE AND OTHER RECEIVABLES

	26 weeks ended 27 October 2024 (unaudited) (£m)	26 weeks ended 29 October 2023 (unaudited) (£m)	53 weeks ended 28 April 2024 (audited) (£m)
Gross credit customer receivables	276.1	309.6	286.9
Allowance for expected credit loss on credit customer receivables	(80.5)	(98.1)	(80.7)
Net credit customer receivables	**195.6**	**211.5**	**206.2**
Trade receivables	93.1	117.1	91.6
Deposits in respect of derivative financial instruments	182.8	244.4	139.0
Amounts owed by related parties	13.3	6.8	6.6
Other receivables	119.4	107.6	128.1
Prepayments	116.9	103.3	103.4
	721.1	**790.7**	**674.9**

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. The maximum exposure to credit risk at the reporting date is the carrying value of each class of asset above, plus any cash balances. Other receivables also include unremitted sales receipts.

Deposits in respect of derivative financial instruments are collateral to cover margin requirements for derivative transactions held with counterparties. The collateral requirement changes with the market (which is dependent on share price, interest rates and volatility) and further purchases / sales of underlying investments held.

Credit Customer Receivables

Following the acquisition of Frasers Group Financial Services Limited (formerly known as Studio Retail Limited), 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.

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 £168.7m (28 April 2024: £201.3m, 29 October 2023: £232.8m) were eligible to be funded via the securitisation facility, and the facilities utilised were £106.3m (28 April 2024: £126.8m, 29 October 2023: £146.3m).

Other information
On average, interest is charged at 3.1% (FY24 H1: 3.4%) 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 30,256 accounts with total gross balances of £18.9m (28 April 2024: 25,170 with total gross balances of £16.6m, 29 October 2023: 22,291 with total gross balances of £14.9m) on repayment plans. Provisions are assessed as detailed above.

During the current period, overdue receivables with a gross value of £14.9m (28 April 2024: £35.6m, 29 October 2023: £16.2m) 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 27 October 2024:

	27 October 2024 (unaudited)			29 October 2023 (unaudited)			28 April 2024 (audited)		
	Trade receivables (£m)	Trade receivables on forbearance arrangements (£m)	Total (£m)	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	202.5	17.6	**220.1**	226.8	13.5	**240.3**	206.7	15.7	**222.4**
Past due									
0 – 60 days	17.1	1.2	**18.3**	23.3	1.4	**24.7**	22.0	0.9	**22.9**
60 – 120 days	6.5	0.1	**6.6**	8.9	-	**8.9**	9.3	-	**9.3**
120+ days	31.1	-	**31.1**	35.7	-	**35.7**	32.3	-	**32.3**
Gross trade receivables	**257.2**	**18.9**	**276.1**	**294.7**	**14.9**	**309.6**	**270.3**	**16.6**	**286.9**
Allowance for expected credit loss	(67.6)	(12.9)	**(80.5)**	(87.7)	(10.4)	**(98.1)**	(69.0)	(11.7)	**(80.7)**
Carrying value	**189.6**	**6.0**	**195.6**	**207.0**	**4.5**	**211.5**	**201.3**	**4.9**	**206.2**

29 April 2024 to 27 October 2024	Stage 1 (£m)	Stage 2 (£m)	Stage 3 (£m)	Total (unaudited) (£m)
Consumer credit receivables	**181.2**	**41.5**	**53.4**	**276.1**
Allowance for doubtful debts:				
28 April 2024	(17.7)	(18.9)	(44.1)	**(80.7)**
Impairment charge	(1.5)	(2.9)	(9.8)	**(14.2)**
Utilisation in period	0.6	3.8	10.0	**14.4**
Closing balance	**(18.6)**	**(18.0)**	**(43.9)**	**(80.5)**
Carrying value	**162.6**	**23.5**	**9.5**	**195.6**

	29 April 2024 to 27 October 2024 (unaudited) (£m)	1 May 2023 to 29 October 2023 (unaudited) (£m)	1 May 2023 to 28 April 2024 (audited) (£m)
Impairment charge impacting on provision	**(14.2)**	**(19.5)**	**(21.8)**
Recoveries	**2.6**	**6.0**	9.5
Other	**(1.0)**	**(1.7)**	(8.3)
Impairment charge	**(12.6)**	**(15.2)**	**(20.6)**

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 £1.6m (FY24: £1.4m).

A 1% increase/decrease in the assumed recoveries rate would result in the impairment provision decreasing/increasing by approximately £0.6m (FY24: £0.8m).

10. PROVISIONS

26 weeks ended 27 October 2024 (unaudited)

	Legal and regulatory (£m)	Property related (£m)	Financial services related (£m)	Other (£m)	Total (£m)
At 28 April 2024	**123.7**	**124.1**	**8.2**	**3.0**	**259.0**
Amounts provided	**-**	**10.4**	**-**	**0.1**	**10.5**
Amounts utilised / reversed	**(5.1)**	**(22.4)**	**-**	**(0.4)**	**(27.9)**
At 27 October 2024	**118.6**	**112.1**	**8.2**	**2.7**	**241.6**

26 weeks ended 23 October 2023 (unaudited)

	Legal and regulatory (£m)	Property related (£m)	Financial services related (£m)	Other (£m)	Total (£m)
At 30 April 2023	**123.5**	**166.7**	**16.0**	0.3	306.5
Amounts provided	-	6.0	-	-	**6.0**
Amounts utilised / reversed	(9.2)	(35.1)	(11.1)	2.8	**(52.6)**
At 29 October 2023	**114.3**	**137.6**	**4.9**	**3.1**	**259.9**

52 weeks ended 28 April 2024 (audited)

	Legal and regulatory (£m)	Property related (£m)	Financial services related (£m)	Other (£m)	Total (£m)
At 30 April 2023	**123.5**	**166.7**	**16.0**	**0.3**	306.5
Acquired through business combinations	-	12.3	-	-	**12.3**
Amounts provided	24.1	38.5	1.6	2.7	**66.9**
Amounts utilised / reversed	**(23.9)**	(93.4)	(9.4)	-	**(126.7)**
At 28 April 2024	**123.7**	**124.1**	**8.2**	**3.0**	**259.0**

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. 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.

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 a material loss in excess of the amounts provided.

Property related provisions
Included within property related provisions are provisions for dilapidations and onerous lease contracts in respect of the Group's retail stores and warehouses. Further details of management's estimates are included in note 2.

Financial services provisions
Details in respect of these balances can be found in note 2.

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. £8.3m remains provided at 27 October 2024 (28 April 2024: £8.2m, 29 October 2023: £4.9m) in respect of the probable costs of remediating customers who may have been adversely impacted by legacy decisions and this is expected to be utilised within 12 months of the balance sheet date.

Other provisions
Other provisions relate to provisions for restructuring and employment (non-retirement related).

11. FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities by category and fair value hierarchy

The fair value hierarchy for financial assets and liabilities, which are principally denominated in Sterling or US Dollars, were as follows:

27 October 2024 (unaudited)	Level 1 (£m)	Level 2 (£m)	Level 3 (£m)	Other (£m)	Total (£m)
FINANCIAL ASSETS					
Amortised cost:					
Trade and other receivables*	-	-	-	590.9	590.9
Cash and cash equivalents	-	-	-	323.7	323.7
Amounts owed by related parties	-	-	-	13.3	13.3
FVOCI:					
Long Term Financial Assets (Equity Instruments)	1,007.2	-	-	-	1,007.2
Derivative financial assets (FV):					
Foreign forward purchase and sales contracts	-	63.7	-	-	63.7
Derivative financial assets – contracts for difference & equity options	-	14.6	-	-	14.6
Interest rate swaps	-	12.4	-	-	12.4
	-	90.7	-	-	90.7
FINANCIAL LIABILITIES					
Amortised cost:					
Non-current borrowings	-	-	-	(1,155.0)	(1,155.0)
Trade and other payables**	-	-	-	(700.4)	(700.4)
IFRS 16 lease liabilities	-	-	-	(608.3)	(608.3)
Derivative financial liabilities (FV):					
Foreign forward and written options purchase and sales contracts – unhedged	-	(14.7)	-	-	(14.7)
Derivative financial liabilities – contracts for difference & equity options	-	(79.8)	-	-	(79.8)
	-	(94.5)	-	-	(94.5)

*Prepayments of £116.9m are not included as a financial asset.
**Other taxes including social security costs of £52.1m are not included as a financial liability.

29 October 2023 (unaudited)	Level 1 (£m)	Level 2 (£m)	Level 3 (£m)	Other (£m)	Total (£m)
FINANCIAL ASSETS					
Amortised cost:					
Trade and other receivables*	-	-	-	680.6	680.6
Cash and cash equivalents	-	-	-	266.7	266.7
Amounts owed by related parties	-	-	-	6.8	6.8
FVOCI:					
Long Term Financial Assets (Equity Instruments)	410.7	-	-	-	410.7
Derivative financial assets (FV):					
Foreign forward purchase and sales contracts	-	63.7	-	-	63.7
Derivative financial assets – contracts for difference & equity options	-	0.7	-	-	0.7
Interest rate swaps	-	28.2	-	-	28.2
	-	92.6	-	-	92.6
FINANCIAL LIABILITIES					
Amortised cost:					
Non-current borrowings	-	-	-	(864.2)	(864.2)
Trade and other payables**	-	-	-	(791.7)	(791.7)
IFRS 16 lease liabilities	-	-	-	(684.2)	(684.2)
Derivative financial liabilities (FV):					
Foreign forward and written options purchase and sales contracts – unhedged	-	(15.7)	-	-	(15.7)
Derivative financial liabilities – contracts for difference & equity options	-	(76.4)	-	-	(76.4)
	-	(92.1)	-	-	(92.1)

*Prepayments of £103.3m are not included as a financial asset.
**Other taxes including social security costs of £83.2m are not included as a financial liability.

28 April 2024 (audited)	Level 1 (£m)	Level 2 (£m)	Level 3 (£m)	Other (£m)	Total (£m)
FINANCIAL ASSETS					
Amortised cost:					
Trade and other receivables*	-	-	-	564.9	564.9
Cash and cash equivalents	-	-	-	358.6	358.6
Amounts owed by related parties	-	-	-	6.6	6.6
FVOCI:					
Long Term Financial Assets (Equity Instruments)	495.4	-	-	-	495.4
Derivative financial assets (FV):					
Foreign forward purchase and sales contracts	-	65.9	-	-	65.9
Interest rate swaps	-	21.3	-	-	21.3
	-	87.2	-	-	87.2
FINANCIAL LIABILITIES					
Amortised cost:					
Non-current borrowings	-	-	-	(806.2)	(806.2)
Trade and other payables**	-	-	-	(661.7)	(661.7)
IFRS 16 lease liabilities	-	-	-	(646.3)	(646.3)
Derivative financial liabilities (FV):					
Foreign forward and written options purchase and sales contracts – unhedged	-	(8.6)	-	-	(8.6)
Derivative financial liabilities – contracts for difference & equity options	-	(54.2)	-	-	(54.2)
	-	(62.8)	-	-	(62.8)

*Prepayments of £103.4m are not included as a financial asset.
**Other taxes including social security costs of £22.2m are not included as a financial liability.

(b) Financial assets and liabilities

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 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.

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 and current / non-current borrowings are held at amortised cost.

The maximum exposure to credit risk as at 27 October 2024 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 £46.0m (29 October 2023: £30.0m, 28 April 2024: £44.0m).

(c) Derivatives: Foreign currency forward contracts

(c)(i) Hedged currency instruments

The most significant exposure to foreign exchange fluctuations relates to purchases made in foreign currencies, principally the US Dollar, and online sales in Euros. The Group's policy is to reduce substantially the risk associated with foreign currency spot rates by using forward fixed rate currency purchase contracts, taking into account any foreign currency cash flows. The Group does not hold or issue derivative financial instruments for trading purposes, however if derivatives, including both forwards and written options, do not qualify for hedge accounting they are accounted for as such and accordingly any gain or loss is recognised immediately in the Income Statement. Management are of the view that there is a substantive distinct business purpose for entering into the written options and a strategy for managing the written options independently of the forward contracts. The forward and written options contracts are therefore not viewed as one contract and hedge accounting for the forwards is permitted under IFRS 9 *Financial Instruments*.

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, 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 27 October 2024 was:

	27 October 2024 (unaudited) (£m)	29 October 2023 (unaudited) (£m)	28 April 2024 (audited) (£m)
Assets			
US Dollar purchases – GBP	4.5	6.4	9.7
US Dollar purchases – EUR	-	4.7	-
Euro sales	43.8	35.7	41.4
Total	**48.3**	**46.8**	**51.1**
Liabilities			
US Dollar purchases – GBP	2.2	-	-
Total	**2.2**	**-**	**-**

The details of hedged forward foreign currency purchase contracts and contracted forward rates were as follows:

	27 October 2024 (unaudited)			29 October 2023 (unaudited)			28 April 2024 (audited)		
	Currency (millions)	GBP (millions)	Rates	Currency (millions)	GBP (millions)	Rates	Currency (millions)	GBP (millions)	Rates
Euro sales (EUR / GBP)	336.0	329.4	0.98 - 1.08	576.0	550.3	0.98 - 1.09	456.0	440.1	0.98 – 1.08
US Dollar purchases (USD / GBP)	720.0	554.4	1.27 - 1.32	390.0	318.2	1.21 – 1.26	275.0	209.9	1.30
US Dollar purchases (USD / EUR)	-	-	-	30.0	22.9	1.30	-	-	-

The timing of the contracts is as follows:

Currency	Hedging against	Currency value	Timing	Rates
EUR / GBP	Euro sales	USD 720m	FY25 – FY26	0.98 - 1.08
USD / GBP	USD inventory purchases	EUR 336m	FY25 – FY26	1.27 - 1.32

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.

At 27 October 2024 £554.4m of purchase contracts (29 October 2023: £341.1m; 28 April 2024: £209.9m) and £329.4m of forward sales contracts (29 October 2023: £550.3m; 28 April 2024: £440.1m) qualified for hedge accounting and the gain on fair valuation of these contracts of £5.8m (29 October 2023: £10.7m, 30 April 2024: £24.8m) has therefore been recognised in other comprehensive income.

At 27 October 2024, £240.0m hedged purchase contracts had a maturity of greater than 12 months (29 October 2023: £16.5m; 28 April 2024: £nil) and £109.3m of hedged sales contracts had a maturity of greater than 12 months (29 October 2023: £329.4m; 28 April 2024: £216.0m).

The movements through the hedging reserve are:

	USD/GBP	EUR/GBP	USD/EUR	Total Hedge Movement	Deferred Tax	Total Hedging Reserve
As at 30 April 2023 (audited)	**6.1**	**11.8**	**0.1**	**18.0**	**(4.0)**	**14.0**

Recognised	3.5	6.0	1.2	10.7	-	10.7
Reclassified in sales	-	(1.5)	-	(1.5)	-	(1.5)
Reclassified in inventory / cost of sales	1.3	-	(3.7)	(2.4)	-	(2.4)
Deferred tax	-	-	-	-	(2.1)	(2.1)
As at 29 October 2023 (unaudited)	**10.9**	**16.3**	**(2.4)**	**24.8**	**(6.1)**	**18.7**
Recognised	(2.9)	18.2	(1.2)	14.1	-	14.1
Reclassified in sales	-	(4.6)	-	(4.6)	-	(4.6)
Reclassified in inventory / cost of sales	(9.3)	-	3.6	(5.7)	-	(5.7)
Deferred tax	-	-	-	-	(0.8)	(0.8)
As at 28 April 2024 (audited)	**(1.3)**	**29.9**	**-**	**28.6**	**(6.9)**	**21.7**
Recognised	9.7	(3.9)	-	5.8	-	5.8
Reclassified in sales	(3.5)	-	-	(3.5)	-	(3.5)
Reclassified in inventory / cost of sales	-	(1.4)	-	(1.4)	-	(1.4)
Deferred tax	-	-	-	-	(0.3)	(0.3)
As at 27 October 2024 (unaudited)	**4.9**	**24.6**	**-**	**29.5**	**(7.2)**	**22.3**

(c)(ii) Unhedged currency instruments

The sterling principal amounts of unhedged forward contracts and written currency option contracts and the contracted rates were as follows:

	27 October 2024 (unaudited) (£m)	29 October 2023 (unaudited) (£m)	28 April 2024 (audited) (£m)
US Dollar purchases – GBP	170.2	462.9	183.2
Contracted rates USD / GBP	1.41	1.21 - 1.26	1.31
US Dollar purchases - EUR	22.9	71.4	76.8
Contracted rates USD / EUR	1.31	1.11 - 1.31	1.04 - 1.31
Euro sales	440.4	1,116.0	992.0
Contracted rates EUR / GBP	1.09	0.98 - 1.09	0.98 - 1.09
Euro costs	559.4	1,116.0	992.0
Contracted rates EUR / GBP	1.20 - 1.22	0.98 - 1.09	0.98 - 1.09
AUD costs	119.4	1,116.0	992.0
Contracted rates AUD / GBP	2.01	0.98 - 1.09	0.98 - 1.09

Included within finance costs, classified within fair value adjustment to derivatives, is a loss on fair value of unhedged forward contracts, written currency option contracts and swaps of £8.8m (29 October 2023: gain of £15.7m included in finance income, 28 April 2024: gain of £13.5m included in finance income).

At 27 October 2024, £220.2m of unhedged purchase contracts had a maturity at inception of greater than 12 months (29 October 2023: £20.0m, 28 April 2024: £nil) and £326.6m of unhedged sales contracts had a maturity at inception of greater than 12 months (29 October 2023: £816.0m, 28 April 2024: £550.8m).

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 or buy USD. However, the Group is satisfied that the use of options as a treasury management tool is appropriate.

The October 2024 values above excludes short term swaps of EUR/GBP of EUR 325m and AUD/GBP of AUD 126m which are required for treasury management purposes only (29 October 2023: USD/EUR of EUR 70m and EUR/GBP of EUR 120m; 28 April 2024: EUR/GBP of EUR 300m and USD EUR of USD 50m short term swaps).

(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 one contract in place that fixes interest payments on variable rate debt. The contract covers a notional amount of £250.0m and fixes the interest rate at 0.985% per annum until 29 May 2026. A second contract covered a notional amount of £100.0m and fixed the interest rate at 0.45% per annum until 2 September 2024, expiring in the period. The fair value of these interest rate swaps is an asset of £12.4m (28 April 2024: £21.3m; 29 October 2023: £28.2m). The fair value loss of £8.9m has been recognised in finance costs classified as fair value adjustments to derivatives.

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.

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.

12. POST BALANCE SHEET EVENTS

The Group has continued to increase its holdings across its strategic investments portfolio through the following transactions after the period end:

• It was announced on 29 October 2024 that the Group acquired an additional holding in Boohoo Group PLC bringing total ownership to 27.0%.

• It was announced on 28 October 2024 that the Group had increased it's holding in AO World PLC bringing total ownership to 24.0%.

• It was announced on 8 November 2024 that the Group had increased it's holding in ASOS PLC bringing total ownership to 24.2%.

On 26 November 2024, the Group confirmed that it had come to an agreement to acquire Holdsport Group. The transaction is subject to customary regulatory approvals and is expected to close in the coming months. The fair value of the assets acquired and liabilities assumed cannot be quantified as no fair value exercise has been carried out by the date of this report. Due to the proximity of this acquisition to the date of issue of these condensed consolidated financial statements, it is impracticable for the pro forma revenue and profit to be disclosed.

13. CAPITAL COMMITMENTS

The Group had capital commitments of £3.8m as at 27 October 2024 (29 October 2023: £56.5m; 28 April 2024 £nil) relating to plant and machinery, and property purchases.

14. 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:

26 weeks ended 27 October 2024 (unaudited):

Related party	Relationship	Sales (£m)	Purchases (£m)	Trade and other receivables (£m)	Trade and other payables (£m)
Four (Holdings) Limited & subsidiaries(1)	Associate	1.3	23.1	12.8	4.1
Mash Holdings Limited	Parent company	-	-	0.2	-
Mike Ashley(2)	Majority shareholder	0.7	-	-	-
Reath SW Limited	Connected persons	-	0.3	-	0.1
VX3 Limited	Associate	-	-	0.3	-
IWL Realisations 2023 Ltd	Associate	0.4	0.2	-	-
Kangol LLC	Associate	-	0.2	-	-

(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 *Disclosure of Interests in Other Entities*.

(2) Use of the Company jet and helicopter are charged at commercial rates.

26 weeks ended 29 October 2023 (unaudited):

Related party	Relationship	Sales (£m)	Purchases (£m)	Trade and other receivables (£m)	Trade and other payables (£m)
Four (Holdings) Limited & subsidiaries(1)	Associate	0.2	25.8	6.8	-
Mash Holdings Limited	Parent company	-	-	0.2	-
Mike Ashley(2)	Majority shareholder	1.1	-	-	-
Rangers Retail Limited	Associate	-	-	-	0.1
Tymit Limited	Associate	-	0.2	-	-
Reath SW Limited	Connected persons	-	0.3	-	0.1

(1) The outstanding balance with Four (Holdings) Limited reflects the funding related to Agent Provocateur. Management consider that the underlying results of Four (Holdings) Limited supports the recoverability of the receivables balance. The results of Four (Holdings) Limited are not material on the basis of net assets and profit before tax, subsequently detailed disclosures have not been presented under IFRS 12 *Disclosure of Interest in Other Entities*.

(2) Use of the Company jet and helicopter are charged at commercial rates.

52 weeks ended 28 April 2024 (audited):

Related party	Relationship	Sales (£m)	Purchases (£m)	Trade and other receivables (£m)	Trade and other payables (£m)
Four (Holdings) Limited & subsidiaries (1)	Associate	2.5	35.7	6.4	1.6
Mash Holdings Limited	Parent company	-	-	0.2	-
Mike Ashley (2)	Majority shareholder	2.7	-	-	-
Tymit Ltd	Associate	-	0.2	-	-
Reath SW Limited	Connected persons	-	0.6	-	0.1
X Channel Marketing Limited	Associate	-	1.4	-	-
IWL Realisations 2023 Ltd	Associate	0.1	-	-	-

(1) The outstanding balance with Four (Holdings) Limited reflects the funding related to Agent Provocateur. Management consider that the underlying results of Four (Holdings) Limited supports the recoverability of the receivables balance. The results of Four (Holdings) Limited are not material on the basis of net assets and profit before tax, subsequently detailed disclosures have not been presented under IFRS 12.

(2) Use of the Company jet and helicopter are charged at commercial rates.

The trade and other receivables balance with Four (Holdings) Limited includes a loan balance of £30m (gross of amounts recognised in respect of loss allowance) which attracts interest at a rate of SONIA + 2.5% within current assets (29 October 2023: £30.0m; 28 April 2024: £30.0m). This has been accounted for at amortised cost in accordance with IFRS 9 *Financial Instruments*. The carrying value has been determined by assessing the recoverability of the receivable balance, discounted at an appropriate market rate of interest. £nil was recognised in the period in respect of doubtful debts. The sales amounts in relation to Four (Holdings) Limited relates to the interest charge on the loan and the purchases relate to the purchase of clothing products.

The trade and other receivables balance includes a loan balance of £16.0m due from Tymit Ltd, an associate. (gross of amounts recognised in respect of loss allowance; £nil net of amounts recognised in respect of loss allowance).

Reath SW Limited is a company in which Robert Palmer, the Group's Company Secretary, is a director. Reath SW Limited provide professional services to the Group.