FRASERS GROUP

27 July 2023

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

Full year results for the 53 weeks ended 30 April 2023 ("FY23")

Strong performance across the Group, boosted by profitable growth in Sports Retail

	FY23	FY22	Change
UK Sports Retail	£3,080.6m	£2,640.1m	16.7%
Premium Lifestyle	£1,212.9m	£1,056.6m	14.8%
International Retail	£1,083.4m	£940.5m	15.2%
Wholesale & licensing	£188.3m	£168.1m	12.0%
Group revenue	£5,565.2m	£4,805.3m	15.8%
Gross profit	£2,369.8m	£2,088.7m	13.5%
Group gross margin	42.6%	43.5%	-90bps
Operating costs	(£1,930.9m)	(£1,540.8m)	
Property and other related impairments	(£99.6m)	(£227.0m)	
Profit on sale of properties	£95.4m	£10.8m	
Exceptional items	£97.1m	(£1.3m)	
Operating profit	£531.8m	£330.4m	61.0%
Reported profit before tax ("PBT")	£660.7m	£335.6m	96.9%
Exceptional items	(£97.1m)	£1.3m	
Fair value adjustment to derivative financial instruments	(£32.5m)	(£7.6m)	
Fair value gains and profit on disposal of equity derivatives	(£41.1m)	(£9.9m)	
Realised FX (gain)/loss	(£31.2m)	£5.8m	
Share scheme	£19.3m	£14.6m	
Adjusted profit before tax ("APBT")(1)	£478.1m	£339.8m	40.7%
Reported profit after tax	£501.3m	£256.9m	95.1%
Reported basic earnings per share ("EPS")	106.1p	52.9p	53.2p
Adjusted basic EPS (1)	70.9p	53.9p	17.0p
Operating cash inflow before changes in working capital	£875.6m	£786.8m	£88.8m
Net assets	£1,658.2m	£1,308.6m	£349.6m

Michael Murray, Chief Executive of Frasers Group: *"In my first full year as Chief Executive, we have delivered a strong performance across the Group. We were bold in setting our full year guidance twelve months ago, before the full impact of the cost-of-living crisis was clear, but our business has remained resilient, and we have met these expectations.*

The Elevation Strategy is continuing to drive results across every segment, and I want to thank the entire company for all their hard work in delivering our vision for Frasers Group. It has been a particularly significant year for Sports Retail, demonstrating that elevating Sports Direct was the right strategy. Our investment in the store estate, our focus on strengthening key brand partnerships, and the synergies created by strategic acquisitions is now delivering very clear results. We've also made huge progress in the year building our sector-leading ecosystem, with Frasers Plus now successfully launched across our brands and businesses.

We enter the new financial year in a strong position and are determined to unlock further growth, underpinned by our laser focus and acceleration of our Elevation Strategy."

Headlines

- Record performance, with Group revenue of £5,565.2m, an increase of 15.8%, APBT [1] of £478.1m, an increase of 40.7%, and cash inflow from operating activities before working capital of £875.6m, an increase of £88.8m.

- Reported PBT of £660.7m, an increase of 96.9% and reported profit after tax of £501.3m, an increase of 95.1%.

- APBT [1] of £478.1m, ahead of consensus [2] and within our guidance range of £450m-£500m. This guidance was set back in July 2022 before the full impact of the severe and sustained cost of living and inflation pressures that have weighed on consumers were felt.

- The key driver of APBT growth was a strong trading performance from the core Sports Direct business driven by the continuing success of the elevation strategy. In addition, there were property impairments of £99.6m and intangible impairments of £140.1m which were largely mitigated by gains on disposal of properties and subsidiaries of £139.3m and reversals of legal and regulatory provisions of £95.0m.

Summary of financial performance

- Group:
    - Revenue increased by 15.8%, largely due to acquisitions and the impact of a 53rd week in FY23 [3]. Excluding acquisitions, disposals and the 53rd week, on a currency neutral basis, revenue increased by 1.3%. [4]

    - Group gross margin decreased to 42.6% from 43.5%, which reflects the improvements in Sports Direct's product mix as a result of strengthening brand relationships, mitigated by the impact of House of Fraser store closures, brand consolidation, and a very strong post Covid-19 comparative of full price trading.

    - UK Sports Retail:
        - Revenue increased by 16.7%, largely due to the full year impact of the acquisition of Frasers Group Financial Services (formerly Studio Retail Limited 'FGFS'), which was acquired on 24 February 2022. Excluding acquisitions, and the 53rd week, revenue increased by 0.8%. [4]
        - Gross profit increased by £244.9m and gross margin increased by +180 bps to 44.9% reflecting an improved product mix in the core Sports Direct business due to strengthening brand relationships. This, combined with profits on disposal of properties, contributed to a substantial £250.1m (127%) increase in segment APBT [1] to £447.0m.

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

    - International Retail:
        - Revenue increased by 15.2%, largely due to the acquisition of Sportmaster on 16 May 2022 and an increase in the Malaysian business, offset by the reduction in revenue following the disposal of the US retail businesses on 25 May 2022. Excluding acquisitions, disposals and the 53rd week, on a currency neutral basis, revenue decreased by 2.4%. [4]

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

    - Cash inflow from operating activities before working capital movements of £875.6m, an increase of £88.8m largely driven by strong trading performance particularly in UK Sports.

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

Strategic and operational highlights

Strategic progress: Elevation Strategy

- Further strengthened brand partnerships, unlocking better products and new partnerships, with Nike listing us as one of its "Top Three Global Strategic Partners" in its FY23 fourth quarter results.
- Rolled out Frasers Plus, an FCA approved and regulated credit facility and loyalty programme, across our brands and businesses.
- Continued investment in our estate, opening a new Sports Direct flagship in Manchester, and a new Flannels flagship in Liverpool, with continued store openings and refurbishments across all divisions.
- Invested significantly in improvements across our e-commerce offering supported by the increased capabilities in our warehouse automation.

Strategic progress: acquisitions and investments

- Acquired Sportmaster in Denmark to help grow our European footprint.
- Within the Premium Lifestyle division we acquired Gieves and Hawkes, Amara Living and the Premium Brands portfolio from JD Sports Fashion plc during the year, strengthening our ecosystem and delivery of our strategy.
- Acquired The Mall Shopping Centre in Luton and The Overgate Centre in Dundee to further demonstrate our belief in the future of "bricks and mortar" retail, also underpinning our operational requirements.
- Post year end, launched new joint venture in Indonesia to support our international expansion.
- Post year end, made new strategic investments in AO World, ASOS, Curry's and Boohoo, as the Group looks to explore opportunities to expand commercial relationships, and further develop the ecosystem.

Outlook

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

Other notes

(1) This is an Alternative Performance Measure, for which the reconciliation to the equivalent GAAP measure is set out in the Glossary section below. Adjusted EPS is discussed in note 9.

(2) £461.5m as at 26/07/2023, source: Bloomberg

(3) FY23 is an irregular 53-week reporting period. FY23 figures have been adjusted on a pro-forma basis to give the like-for-like figures detailed the Glossary section below.

(4) A reconciliation to results excluding acquisitions, the 53rd week and currency neutral performance measures can be found in the Glossary section below.

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CHAIR'S STATEMENT

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

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

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

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

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

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

The Group has a clear and disciplined M&A strategy and the strategic investments the Group makes in the ordinary course of business are important to growing our ecosystem. Our strategic investment in Hugo Boss AG has been hugely beneficial, enabling us to develop a strong relationship across the business and in turn increasing the scale of our partnership, with it now being one of our biggest brand partners across the Group.

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

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

Our people
Our aim is to create a diverse and inclusive working environment at Frasers Group where everyone can be the best they can be, every day. To support this, we have evolved our company values which are: Own It, Think Without Limits and Be Relevant.
Michael Murray has strengthened and redefined our leadership team, with the introduction of new and talented individuals who bring new energy and expertise to the business.

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

In October 2022, Frasers Group employees participated in our first Employee Engagement Survey. Equipped with the insights from this survey, we have introduced several employee engagement improvements. Sport is at the core of our business, and we are dedicated to supporting the physical and mental wellbeing of our teams. We have introduced several new wellbeing initiatives, such as Frasers Fit, which encourages a fit and healthy workforce.

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

Environmental, social and governance

Led by our Chief Financial Officer, Chris Wootton, and our Sustainability team, our ESG strategy has continued to evolve in the last year, as we embed this into our wider Group strategy. Our ESG journey is a key supporting element to achieving our Group purpose and vision. We have created a simple framework across the business that focuses on three key pillars - People, Products, and Channels - which allows us to effectively implement our responsibilities into the Group.
With a focus on People, Products and Channels, we're working to continue with identifying and managing the environmental and social risks we face, and future-proofing the business against them.

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

Outlook

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

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

Dividend and share buybacks

The Board has again decided not to pay a final dividend in relation to FY23. We believe this is in the best interests of the Group, preserving financial flexibility and enabling reinvestment back into the growth opportunities for the business.
Our share buyback programme has continued during the year which is a demonstration of our commitment to shareholder returns, our confidence in our strategy and our potential for future growth.

David Daly
Non-Executive Chair of the Board
26 July 2023

KEY PERFORMANCE INDICATORS

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

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

(1) The method for calculating adjusted PBT is set out in the Glossary.
(2) Excluding associates and stores in the Baltics states that trade under fascias other than SPORTLAND or SPORTSDIRECT.com. and other niche fascias. Includes GAME and Sofa.com concessions.

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

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

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

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

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

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

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

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

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

Like for Like electricity consumption

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

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

CHIEF EXECUTIVE'S REPORT AND BUSINESS REVIEW

STRATEGIC AND OPERATIONAL HIGHLIGHTS

Introduction

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

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

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

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

Business performance and financial highlights

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

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

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

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

Brand partnerships

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

Acquisitions

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

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

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

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

Store development

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

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

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

Operations

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

Our people

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

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

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

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

Environmental, social, and governance

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

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

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

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

Michael Murray
Chief Executive Officer
26 July 2023

REVIEW BY BUSINESS SEGMENT

UK SPORTS RETAIL

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

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

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

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

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

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

UK SPORTS RETAIL STORE PORTFOLIO [3]

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

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

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

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

PREMIUM LIFESTYLE

The Group's Premium Lifestyle division offers a broad range of clothing, footwear and accessories from leading global contemporary and luxury retail brands through our fascias in the UK: FLANNELS, Frasers, House of Fraser, Jack Wills and Sofa.com, Cruise, Van Mildert and the fashion brands acquired from JD Sports, along with their related websites.

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

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

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

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

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

PREMIUM LIFESTYLE STORE PORTFOLIO

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

(1) Sofa.com store numbers include 13 concessions operating within House of Fraser fascia stores (FY22: 17).

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

INTERNATIONAL RETAIL

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

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

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

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

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

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

INTERNATIONAL RETAIL STORE PORTFOLIO [(1)]

All of the following stores are operated by companies wholly owned by the Group, except for Estonia and Latvia where the Group owns 60%, Lithuania where the Group owns 51% and Malaysia where the Group owns 75%.

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

(1) Excluding Heatons fascia stores

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

WHOLESALE & LICENSING

The Wholesale & Licensing segment operates our globally renowned heritage Group brands (such as Everlast, Lonsdale, Karrimor and Slazenger), the Group's Sports Retail division sells products under these brands in its stores and the Wholesale & Licensing division sells the brands through its wholesale and licensing activities.

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

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

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

PROPERTY REVIEW

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

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

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

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

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

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

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

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

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

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

Store Portfolio – GAME UK:
As was the case in the previous financial year, the number of GAME stores in the UK increased to 267, a net increase of 8 stores over the period. This has been driven by the smaller store in store format which forms part of new selected Sports Direct

stores. The relocation programme transitioning standalone sites into existing Sports Direct stores continued at pace and is anticipated to be broadly complete by the end of the next financial year and into 2024.

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

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

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

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

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

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

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

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

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

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

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

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

During the period, the Group opened thirteen stores across seven countries including 3 stores in France as we look to grow our presence in this strategic market. Eight of these were elevated Sports Direct stores incorporating a USC totalling over 100k sq ft of retail space.

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

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

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

Rest of World:
33 stores trading across Malaysia following 1 opening and 2 closures over FY23.

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

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

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

Freehold / Long Leasehold Property:
Investment in property assets remains an important aspect of the Group's estate strategy.
• Over FY23 a total of 9 properties were acquired across the UK, totalling approx. £143.0m. The most significant purchase was The Mall, Luton for a consideration of £58.0m.

• Two sites were acquired within the EU totalling approx. €60.3m, the most significant being the former Debenhams in Dublin City Centre.

• Disposal of property assets continues to be standard practice for the Group. Over the period 13 disposals completed within the UK for a total consideration of c. £207.6m. The most significant transaction was a portfolio sale of 9 retail parks for a combined price of approx. £205.0m.

• There were 5 property disposals across the EU totalling c.€39.7m, this was entirely due to another portfolio sale consisting of 5 sites acquired from Toys R Us over FY20.

Michael Murray
Chief Executive
26 July 2023

FINANCIAL REVIEW

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

SUMMARY OF RESULTS

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

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

(2) Adjusted basic EPS is reported basic EPS less the effects of exceptional items, realised foreign exchange, fair value adjustments to derivative financial instruments included within Finance income/costs, fair value gains/losses and profit on disposal of equity derivatives, share schemes and the tax impact of these items. Further detail on this calculation can be found in note 9.

FOREIGN EXCHANGE AND TREASURY

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

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

As at 30 April 2023 and as detailed in note 30c, the Group had the following forward contracts and bought options that qualified for hedge accounting under IFRS 9 Financial Instruments, meaning that fluctuations in the value of the contracts before maturity are recognised in the Hedging Reserve through Other Comprehensive Income. After maturity, the sales and purchases are then valued at the hedge rate.

Currency	Hedging against	Currency value	Timing	Rates
USD / GBP	USD inventory purchases	USD 380m	FY24	1.21 – 1.26
USD / EUR	USD inventory purchases	USD 60m	FY24	1.31
EUR / GBP	Euro sales	EUR 816m	FY24 - FY26	0.99 - 1.09

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

The Group has the following sold currency options and unhedged forwards:

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

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

Regular reviews of the hedging performance are performed by the Treasury team alongside senior management to ensure the continued appropriateness of the currency hedging in place and, where suitable, to implement additional strategies and / or restructure existing approaches, in conjunction with our financial institution partners.
Given the potential impact of commodity prices on raw material costs, the Group may hedge certain input costs, including cotton, crude oil and electricity.

EARNINGS

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

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

(1) Adjusted earnings per share measures provide additional useful information for shareholders on the underlying performance of the business and are consistent with how business performance is measured internally. Adjusted earnings is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies. Further details can be found in the Glossary and in note 9.

DIVIDENDS

The Board has decided not to pay a final dividend in relation to FY23 (FY22 £nil). The Board remains of the opinion that it is in the best interests of the Group and its shareholders to preserve financial flexibility and facilitate future investments and other growth opportunities. The payment of dividends remains under review.

CAPITAL EXPENDITURE

During the period, gross capital expenditure (excluding IFRS 16) amounted to £468.4m (FY22: £323.2m), which included £185.8m on freehold and investment properties (FY22: £121.3m) and £70.6m on warehouse automation (FY22: £36.8m).

STRATEGIC INVESTMENTS

The Group continues to hold various strategic investments as detailed in note 13. In addition, the Group also holds indirect strategic investments within contracts for difference and options.

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

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

ACQUISITIONS

The Group acquired a number of businesses during the period.

RELATED PARTIES

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

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

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

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

TAXATION

Total tax contribution

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

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

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

Taxes paid by country

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

Plastic Packaging Taxes

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

CASH FLOW AND NET DEBT

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

Analysis of net debt:

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

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

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

Cash flow:

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

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

SUMMARY OF CONSOLIDATED BALANCE SHEET

	30 April 2023 (£'m)	24 April 2022 (£'m)
Property, plant & equipment	1,150.7	1,011.0
Investment properties	131.3	89.2
Long-term financial assets	289.6	206.6
Intangible assets	24.1	120.6
Inventories	1,464.9	1,277.6
Net consumer credit receivables	225.9	234.2
Trade & other receivables	494.2	607.2
Trade & other payables	(711.9)	(729.8)
Provisions	(306.5)	(433.0)
Net debt	(416.8)	(491.1)
Lease liabilities	(679.9)	(620.6)
Disposal group held for sale	-	17.3
Other	(7.3)	19.4
Net assets	**1,658.2**	**1,308.6**

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

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

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

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

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

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

SUMMARY OF COMPANY BALANCE SHEET (EXTRACT)

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

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

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

Chris Wootton
Chief Financial Officer
26 July 2023

FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

For the 53 weeks ended 30 April 2023

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

ATTRIBUTABLE TO:							
Equity holders of the Group		**461.7**	**26.3**	**488.0**	224.1	25.7	249.8
Non-controlling interests		**13.3**	**-**	**13.3**	7.1	-	7.1
Profit for the period	2	**475.0**	**26.3**	**501.3**	231.2	25.7	256.9

		Pence per share	Pence per share	Pence per share	Pence per share	Pence per share	Pence per share
Basic earnings per share	9	**100.4**	**5.7**	**106.1**	47.5	5.4	52.9
Diluted earnings per share	9	**100.4**	**5.7**	**106.1**	47.5	5.4	52.9

Discontinued operations relate to the Group's US retail businesses which were disposed of during the year. See note 10.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 53 weeks ended 30 April 2023

	Note	53 weeks ended 30 April 2023 (£'m)	52 weeks ended 24 April 2022 (£'m)
Profit for the period	2	**501.3**	256.9
OTHER COMPREHENSIVE (LOSS)/INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Fair value movement on long-term financial assets		**9.9**	(8.1)
Remeasurements of defined benefit pension scheme		**(0.5)**	(26.8)
Deferred tax on remeasurements of defined benefit pension scheme		**-**	6.7
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Exchange differences on translation of foreign operations		**13.4**	6.8
Foreign exchange impact of disposal of discontinued operations		**(1.6)**	-
Fair value movement on hedged contracts - recognised in the period		**6.5**	52.1
Fair value movement on hedged contracts – recognised time value of options		**0.7**	-
Fair value movement on hedged contracts - reclassified and reported in sales		**(24.6)**	-
Fair value movement on hedged contracts - reclassified and reported in inventory/cost of sales		**(38.5)**	7.5
Fair value movement on hedged contracts - taxation taken to reserves		**14.6**	(15.8)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX		**(20.1)**	22.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**481.2**	279.3
ATTRIBUTABLE TO:			
Equity holders of the Group		**467.9**	272.2
Non-controlling interest		**13.3**	7.1
		481.2	279.3

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

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

CONSOLIDATED BALANCE SHEET
As at 30 April 2023

Company number: 06035106

	Note	30 April 2023 (£'m)	24 April 2022 (£'m)
ASSETS - NON CURRENT			
Property, plant and equipment	11	**1,150.7**	1,011.0
Investment properties		**131.3**	89.2
Intangible assets	12	**24.1**	120.6
Long-term financial assets	13	**289.6**	206.6
Investment in associate undertakings		**16.9**	-
Retirement benefit surplus		**0.8**	2.2
Deferred tax assets		**82.1**	100.8
		1,695.5	1,530.4
ASSETS - CURRENT			
Inventories		**1,464.9**	1,277.6
Trade and other receivables		**720.1**	841.4
Derivative financial assets		**79.3**	116.5
Cash and cash equivalents		**332.9**	336.8
		2,597.2	2,572.3
Assets in disposal groups classified as held for sale		-	40.0
TOTAL ASSETS		**4,292.7**	4,142.7
EQUITY			
Share capital		**64.1**	64.1
Share premium		**874.3**	874.3
Treasury shares reserve		**(644.2)**	(488.9)
Permanent contribution to capital		**0.1**	0.1
Capital redemption reserve		**8.0**	8.0
Foreign currency translation reserve		**47.4**	35.6
Reverse combination reserve		**(987.3)**	(987.3)
Own share reserve		**(66.8)**	(66.8)
Hedging reserve		**14.0**	55.3
Share based payment reserve		**33.1**	14.1
Retained earnings		**2,275.5**	1,778.1
Issued capital and reserves attributable to owners of the parent		**1,618.2**	1,286.6
Non-controlling interests		**40.0**	22.0
TOTAL EQUITY		**1,658.2**	1,308.6
LIABILITIES - NON CURRENT			
Lease liabilities		**560.3**	503.6
Borrowings	14	**749.7**	827.9
Retirement benefit obligations		**1.7**	1.6
Deferred tax liabilities		**15.7**	40.4
Provisions	15	**290.2**	433.0
		1,617.6	1,806.5
LIABILITIES - CURRENT			
Derivative financial liabilities		**66.5**	107.2
Trade and other payables		**711.9**	729.8
Lease liabilities		**119.6**	117.0
Provisions		**16.3**	-
Current tax liabilities		**102.6**	50.9
		1,016.9	1,004.9
Liabilities in disposal groups classified as held for sale		-	22.7
TOTAL LIABILITIES		**2,634.5**	2,834.1
TOTAL EQUITY AND LIABILITIES		**4,292.7**	4,142.7

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

Chris Wootton

Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

For the 53 weeks ended 30 April 2023

	Note	53 weeks ended 30 April 2023	52 weeks ended 24 April 2022 (restated)
Profit before taxation		**660.7**	335.6
Net finance cost		**23.0**	18.9
Net investment income		**(108.0)**	(24.1)
Gain on disposal of subsidiaries/discontinued operations		**(43.9)**	-
Operating profit		**531.8**	330.4
Depreciation of property, plant and equipment		**262.3**	246.6
Depreciation of investment properties		**10.2**	5.9
Amortisation of intangible assets		**6.9**	7.5
Impairment of tangible assets, intangible assets and investment properties		**239.7**	232.7
Gain on modification/remeasurement of lease liabilities		**(26.8)**	(28.3)
Profit on disposal of property, plant and equipment		**(95.4)**	(10.8)
Fair value gain on recognition of associated undertaking		**(16.9)**	-
Gain on bargain purchase		**(56.1)**	(4.8)
Share-based payment charge in equity (excluding deferred tax)		**19.0**	9.2
Pension contributions less income statement charge		**0.9**	(1.6)
Operating cash inflow before changes in working capital		**875.6**	786.8
Decrease in receivables		**95.8**	79.6
Increase in inventories		**(71.6)**	(155.0)
(Decrease)/increase in payables		**(132.4)**	7.5
(Decrease)/increase in provisions		**(132.5)**	22.9
Cash inflows from operating activities		**634.9**	741.8
Income taxes paid		**(93.2)**	(121.0)
Net cash inflows from operating activities		**541.7**	620.8
Proceeds on disposal of property, plant and equipment and investment property		**14.8**	32.0
Proceeds from sale and leaseback transactions		**185.6**	9.5
Proceeds on disposal of listed investments (1)		**172.4**	238.4
Proceeds in relation to equity derivatives (1)		**66.2**	117.4
Disposal of subsidiary undertakings		**46.5**	1.0
Purchase of subsidiaries, net of cash acquired		**(28.0)**	(0.2)
Purchase of property, plant and equipment and investment property		**(469.4)**	(323.2)
Purchase of listed investments		**(243.3)**	(198.4)
Decrease/(increase) in deposits relating to equity derivatives (2)		**53.8**	(112.9)
Investment income received		**3.0**	1.0
Finance income received		**20.1**	6.3
Net cash outflows from investing activities		**(178.3)**	(229.1)
Lease payments		**(140.7)**	(176.2)
Finance costs paid		**(50.5)**	(32.8)
Borrowings drawn down	14	**616.8**	1,374.4
Borrowings repaid	14	**(695.0)**	(1,484.4)
Proceeds from sale and leaseback transactions		**54.5**	1.5
Dividends paid to non-controlling interests		**(0.7)**	(1.3)
Purchase of own shares		**(155.3)**	(193.2)
Net cash outflows from financing activities		**(370.9)**	(512.0)
Net decrease in cash and cash equivalents including overdrafts		**(7.5)**	(120.3)
Exchange movement on cash balances		**3.6**	0.1
Cash and cash equivalents including overdrafts at beginning of period		**336.8**	457.0
Cash and cash equivalents including overdrafts at the period end		**332.9**	336.8

(1) Proceeds in relation to equity derivatives in both the current and prior periods have been shown separately from proceeds on disposal of listed investments. This has no

impact on net cash outflows from investing activities or net cash.

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 53 weeks ended 30 April 2023

	Share capital	Share premium(1)	Treasury shares	Share-based payment reserve	Foreign currency translation reserve	Own share reserve	Retained earnings	Other(2)	Total attributable to owners of parent	Non-controlling interests	Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
At 25 April 2021	64.1	874.3	(295.7)	1.3	28.8	(66.7)	1,554.5	(967.7)	1,192.9	18.1	1,211.0
Acquisitions	-	-	-	-	-	-	1.9	-	1.9	(1.9)	-
Share-based payments	-	-	-	12.8	-	(0.1)	0.1	-	12.8	-	12.8
Purchase of own shares	-	-	(193.2)	-	-	-	-	-	(193.2)	-	(193.2)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1.3)	(1.3)
Transactions with owners in their capacity as owners	-	-	(193.2)	12.8	-	(0.1)	2.0	-	(178.5)	(3.2)	(181.7)
Profit for the financial period	-	-	-	-	-	-	249.8	-	249.8	7.1	256.9
Other comprehensive income											
Cashflow hedges - recognised in the period	-	-	-	-	-	-	-	52.1	52.1	-	52.1
Cashflow hedges - reclassified and reported in inventory/cost of sales	-	-	-	-	-	-	-	7.5	7.5	-	7.5
Cashflow hedges - taxation	-	-	-	-	-	-	-	(15.8)	(15.8)	-	(15.8)
Fair value adjustment in respect of long-term financial assets	-	-	-	-	-	-	(8.1)	-	(8.1)	-	(8.1)
Remeasurements of defined benefit pension scheme	-	-	-	-	-	-	(26.8)	-	(26.8)	-	(26.8)
Deferred tax on remeasurements of defined benefit pension scheme	-	-	-	-	-	-	6.7	-	6.7	-	6.7
Exchange differences on translation of foreign operations	-	-	-	-	6.8	-	-	-	6.8	-	6.8
Total comprehensive income for the period	-	-	-	-	6.8	-	221.6	43.8	272.2	7.1	279.3

At 24 April 2022	**64.1**	**874.3**	**(488.9)**	**14.1**	**35.6**	**(66.8)**	**1,778.1**	**(923.9)**	**1,286.6**	**22.0**	**1,308.6**
Acquisitions	-	-	-	-	-	-	-	-	-	**4.0**	**4.0**
Share-based payments	-	-	-	**19.0**	-	-	-	-	**19.0**	-	**19.0**
Purchase of own shares	-	-	**(155.3)**	-	-	-	-	-	**(155.3)**	-	**(155.3)**
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	**0.7**	**0.7**
Transactions with owners in their capacity as owners	-	-	**(155.3)**	**19.0**	-	-	-	-	**(136.3)**	**4.7**	**(131.6)**
Profit for the financial period	-	-	-	-	-	-	**488.0**	-	**488.0**	**13.3**	**501.3**
Other comprehensive income											
Cashflow hedges - recognised in the period	-	-	-	-	-	-	-	**6.5**	**6.5**	-	**6.5**
Cashflow hedges - recognised time value of options	-	-	-	-	-	-	-	**0.7**	**0.7**	-	**0.7**
Cashflow hedges - reclassified and reported in sales	-	-	-	-	-	-	-	**(24.6)**	**(24.6)**	-	**(24.6)**
Cashflow hedges - reclassified and reported in inventory/cost of sales	-	-	-	-	-	-	-	**(38.5)**	**(38.5)**	-	**(38.5)**
Cashflow hedges - taxation	-	-	-	-	-	-	-	**14.6**	**14.6**	-	**14.6**
Fair value adjustment in respect of long-term financial assets	-	-	-	-	-	-	**9.9**	-	**9.9**	-	**9.9**
Remeasurements of defined benefit pension scheme	-	-	-	-	-	-	**(0.5)**	-	**(0.5)**	-	**(0.5)**
Foreign exchange impact of disposal of discontinued operations					**(1.6)**				**(1.6)**		**(1.6)**
Exchange differences on translation of foreign operations					**13.4**				**13.4**		**13.4**
Total comprehensive income for the period	-	-	-	-	**11.8**	-	**497.4**	**(41.3)**	**467.9**	**13.3**	**481.2**
At 30 April 2023	**64.1**	**874.3**	**(644.2)**	**33.1**	**47.4**	**(66.8)**	**2,275.5**	**(965.2)**	**1,618.2**	**40.0**	**1,658.2**

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

(2) Other reserves comprise permanent contribution to capital, capital redemption reserve, reverse combination reserve and the hedging reserve. All movements in the period related to the hedging reserve.

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

1. ACCOUNTING POLICIES

Frasers Group Plc (Company number: 06035106) is a company incorporated and domiciled in the United Kingdom, its shares are listed on the London Stock Exchange. The registered office is Unit A, Brook Park East, Shirebrook, NG20 8RY. The principal activities and structure of the Group can be found in the Directors' Report and the 'Our Business' section of the Annual Report.

BASIS OF PREPARATION

Whilst the financial information included in this Preliminary Announcement has been prepared on the basis of UK-adopted International Accounting standards, this announcement does not itself contain sufficient information to comply with UK-adopted International Accounting Standards.

The financial information set out in this Preliminary Announcement does not constitute the Group's Consolidated Financial Statements for the period ended 30 April 2023 but is derived from those Financial Statements which were approved by the Board of Directors on 26July 2023. The auditor, RSM UK Audit LLP, has reported on the Group's Consolidated Financial Statements and the report was unqualified and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006.

The statutory financial statements for the period ended 30 April 2023 have not yet been delivered to the Registrar of Companies and will be delivered following the Company's Annual General Meeting.

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards.

The Group's accounting policies are set out in the 2022 Annual Report and Accounts and have been applied consistently in 2023.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive's Report and Business Review above.

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review. In addition, the financial statements include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

The Group is profitable, highly cash generative and has considerable financial resources. The Group is able to operate within its banking facilities and covenants, which run until November 2025 with a one year option to extend, and is well placed to take advantage of strategic opportunities as they arise. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the continued uncertain economic outlook.

Management have assessed the level of trading and have forecast and projected a conservative base case and also a number of even more conservative scenarios, including taking into account the Group's open positions in relation to strategic investment options. These forecasts and projections show that the Group will be able to operate within the level of the current facility and its covenant requirements (being interest cover and net debt to EBITDA ratios). Management also has a number of mitigating actions which could be taken if required such as selling strategic investments at a discount to the market price if a significant share price fall occurred, reducing capital expenditure, putting on hold discretionary spend, liquidating certain assets on the Balance Sheet and paying down the Group Financing Facility. See the Viability Statement for further details.

Having thoroughly reviewed the performance of the Group and Parent Company and having made suitable enquiries, the Directors are confident that the Group and Parent Company have adequate resources to remain in operational existence for the foreseeable future which is at least 12 months from the date of these financial statements. Trading would need to fall significantly below levels observed during the COVID-19 pandemic to require mitigating actions or a relaxation of covenants. On this basis, the Directors continue to adopt the going concern basis for the preparation of the Annual Report and financial statements which is a period of at least 12 months from the date of approval of these financial statements.

New Accounting Standards, Interpretations and Amendments Adopted By The Group

The Group has not early adopted any new accounting standard, interpretation or amendment that has been issued but is not effective. The Group has applied for the first time the following new standards:

- Annual Improvements to IFRS Standards 2018-2020 Cycle - amendments to IAS 1, IFRS 9 and IFRS 16
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before intended use

- Amendment to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract
- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

By adopting the above, there has been no material impact on the Financial Statements.

International Financial Reporting Standards ("Standards") In Issue But Not Yet Effective

At the date of authorisation of these consolidated Financial Statements, there are no standards in issue from the International Accounting Standards Board ("IASB") or International Financial Reporting Interpretations Committee ("IFRIC") which are effective for annual accounting periods beginning on or after 30 April 2023 that will have a material impact on these Financial Statements.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Climate Change

We have considered the potential impact of climate change in preparing these financial statements. Tackling climate change is a global imperative. Measures which support climate change initiatives and our wider ESG agenda continue to be key components of our strategic direction, supporting sustainability, the broader social agenda and consumer choice. The risks associated with climate change have been deemed to be arising in the medium to long term, however we are working to mitigate these risks as detailed within the TCFD section of this annual report.

We have considered climate change as part of our cash flow projections within going concern, impairment assessments and viability, and the impact of climate change is not deemed to have a significant impact on these assessments currently and therefore they are not deemed to be a key source of estimation uncertainty. The Group will continue to monitor the impacts of climate change over the coming years.

The critical accounting estimates and judgements made by the Group regarding the future or other key sources of estimation, uncertainty and judgement that may have a significant risk of giving rise to a material adjustment to the carrying values of assets and liabilities within the next financial period are:

Critical Accounting Judgements

Determining Related Party Relationships

Management determines whether a related party relationship exists by assessing the nature of the relationship by reference to the requirements of IAS 24, Related Party Disclosures. This is in order to determine whether significant influence exists as a result of control, shared directors or parent companies, or close family relationships. The level at which one party may be expected to influence the other is also considered for transactions involving close family relationships.

Control and Significant Influence Over Certain Entities

Under IAS 28 Investments in Associates and Joint Ventures if an entity holds 20% or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can clearly demonstrate that this is not the case.

In assessing the level of control that management have over certain entities, management will consider the various aspects that allow management to influence decision making. This includes the level of share ownership, board membership, the level of investment and funding and the ability of the Group to influence operational and strategic decisions and effect its returns through the exercise of such influence. If management were to consider that the Group does have significant influence over these entities then the equity method of accounting would be used and the percentage shareholding multiplied by the results of the investee in the period would be recognised in profit or loss.

Mulberry Group Plc

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

- The Group does not have any representation on the board of directors of the investee.
- There is no participation in decision making and strategic processes, including participation in decisions about dividends or other distributions.
- There have been no material transactions between the entity and the investee company.
- There has been no interchange of managerial personnel.

- No non-public essential technical management information is provided to the investee.

Four (Holdings) Limited

The Group holds 49% of the share capital of Four (Holdings) Limited which is accounted for as an associate using the equity method. The Group does not have any representation on the board of directors and no participation in decision making about relevant activities such as establishing operating and capital decisions, including budgets, appointing or remunerating key management personnel or service providers and terminating their services or employment. However, in prior periods the Group has provided Four (Holdings) Limited with a significant loan. At the reporting date, the amount owed by Four (Holdings) Limited for this loan totalled £60m (£26.8m net of amounts recognised in respect of loss allowance). The Group is satisfied that the existence of these transactions provides evidence that the entity has significant influence over the investee but in the absence of any other rights, in isolation it is insufficient to meet the control criteria of IFRS 10, as the Group does not have power over Four (Holdings) Limited.

Tymit Limited

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

Kangol LLC

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

Cash Flow Hedging

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

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

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

If the forecast transactions were determined to be not highly probable and all hedge accounting was discontinued, amounts in the Hedging reserve of up to £14.0m (FY22: £55.3m) would be shown in Finance Income.

Adjustment to Regulatory Provisions in Studio

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

Management considered whether or not the reduction in provision should result in an adjustment to the amounts recognised in the acquisition balance sheet in accordance with the requirements of IFRS 3.45 and IFRS3.47 and concluded that the release should be treated as a prospective change in accounting estimate under IAS8.34 since it arose as a result of new information which has come to light since the acquisition date. It is the Group's policy to present items that "merit separate presentation" by reference to their "their size, nature and infrequency of the events giving rise to them" as exceptional items. Given the unusual size, nature and infrequency of movements in provisions of this nature, management has disclosed the income statement impact within exceptional items in the consolidated income statement.

Sale and Leaseback transactions

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

Key Estimates

Inventory provisioning

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

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

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

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

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

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

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

- Continuity inventory – the adjusted loss rate is applied to 30% of the gross holding (representing the proportion of inventory in this category that is expected to roll into the out of season category based on historical experience).
- Current season inventory – the adjusted loss rate is applied to 30% of the gross holding (representing the proportion of inventory in this category that is expected to roll into the out of season category based on historical experience).

- Out of season inventory (including inventory previously classified as continuity) - the adjusted loss rate is applied to this population, excluding those specific items that carry at 100% provision rate based on the analysis detailed above.

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

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

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

Property Related Provisions – note 15

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 15

The Group provides for its legal responsibility for dilapidation costs following advice from chartered surveyors and previous experience of exit costs (including strip out costs and professional fees). Management use a reference estimate of £100,000 (FY22 £100,000) for large leasehold stores, £50,000 (FY22: £50,000) for smaller leasehold stores (£25,000 per store for Game UK and Game Spain stores) and $/€50,000 (FY22: $/€50,000) for non-UK stores. Management do not consider these costs to be capital in nature and therefore dilapidations are not capitalised, except for in relation to the sale and leaseback of Shirebrook for which a material dilapidations provision was capitalised in FY20. The annual movement in the dilapidations provisions is considered to be immaterial.

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

Legal and regulatory provisions – note 15

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 15. Management have made a judgement to consider all claims collectively given their similar nature. In accordance with IAS37.92, management have concluded that it would prejudice seriously the position of the entity to provide further specific disclosures in respect of amounts provided for non-UK tax enquiries and legal claims.

Other Receivables and Amounts Owed By Related Parties

Other receivables and amounts owed by related parties are stated net of provision for any impairment. Management have applied estimates in assessing the recoverability of working capital and loan advances made to investee companies. Matters considered include the relevant financial strength of the underlying investee company to repay the loans, the repayment period and underlying terms of the monies advanced, forecast performance of the underlying borrower, and where relevant, the Group's intentions for the companies to which monies have been advanced. Management have applied a weighted probability to certain potential repayment scenarios, with the strongest weighting given to expected default after two years.

Impairment of Assets

a) IFRS 16 right-of-use assets and associated plant and equipment

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option. The Group will assess the likelihood of extending lease contracts beyond the break date by taking into account current economic and market conditions, current trading performance, forecast profitability and the level of capital investment in the property.

IFRS 16 states that the lease payments shall be discounted using the lessee's incremental borrowing rate where the rate implicit in the lease cannot be readily determined. Accordingly, all lease payments have been discounted using the incremental borrowing rate (IBR). The IBR has been determined by using a synthetic credit rating for the Group which is used to obtain market data on debt instruments for companies with the same credit rating, this is split by currency to represent each of the geographical areas the Group operates within and adjusted for the lease term.

The weighted average discount rates based on incremental borrowing rates used throughout the period across the Group's lease portfolio are shown below. The discount rate for each lease is dependent on lease start date, term and location.

Lease Term FY23	**UK**	**Europe**	**Rest of World**
Up to 5 years	1.4% - 5.1%	0.3% - 4%	1.5% - 5.3%
Greater than 5 years and up to 10 years	2.0% - 5.7%	0.5% - 4%	1.5% - 5.3%
Greater than 10 years and up to 20 years	2.2% - 5.7%	0.8% - 4%	1.5% - 5.4%
Greater than 20 years	2.5% - 5.9%	1.1% - 4%	1.5% - 5.6%
Lease Term FY22	**UK**	**Europe**	**Rest of World**
Up to 5 years	1.4% - 2.6%	0.8% - 1.0%	1.5% - 2.9%
Greater than 5 years and up to 10 years	2.2% - 3.2%	1.2% - 1.9%	2.4% - 4.1%
Greater than 10 years and up to 20 years	2.5% - 3.4%	1.4% - 2.2%	2.9% - 4.3%
Greater than 20 years	2.8% - 3.5%	1.7% - 2.5%	3.5% - 4.6%

The right of use assets are assessed for impairment at each reporting period in line with IAS 36 to review whether the carrying amount exceeds its recoverable amount. For impairment testing purposes the Group has determined that each store is a separate CGU. The recoverable amount is calculated based on the Group's latest forecast cash flows which are then extrapolated to cover the period to the break date of the lease taking into account historic performance and knowledge of the current market, together with the Group's views on future profitability of each CGU. The key assumptions in the calculations are the sales growth rates, gross margin rates, changes in the operating cost base and the pre-tax discount rate derived from the Group's weighted average cost of capital using the capital asset pricing model, the inputs of which include a risk-free rate, equity risk premium and a risk adjustment (Beta). Given the number of assumptions used, the assessment involves significant estimation uncertainty.

Impairments in the period have been recognised for the amount of £66.1m (FY22: £115.9m) due to the impact of ongoing challenges in the retail sector on the forecast cash flows of the CGUs, including the ongoing cost of living squeeze on customers. This is broken down as follows:

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

The key assumptions, which are equally applicable to each CGU, in the cash flow projections used to support the carrying amount of the right of use asset are consistent with the cashflow projections for the freehold land and buildings impairment assessment.

In line with IAS 36 Impairment of Assets, management have considered whether any amounts should be recognised for the reversal of prior period impairment losses with £nil (FY22: £nil) being recognised in the period. Further detail is given below.

A sensitivity analysis has been performed in respect of sales, margin, the new store exemption and operating costs as these are considered to be the most sensitive of the key assumptions:

Forecast:	**Impact of change in assumption:**	**Impairment increase / (decrease) (£'m)**
Sales decline year 1	10% improvement to 5%	(19.8)
Sales decline year 1	10% reduction to 15%	24.9
Existing gross margin year 1 > 40%	100bps - improvement	(3.7)
Existing gross margin year 1 > 40%	100bps - reduction	3.8
New store exemption (1)	Change from 1 to 2 years	(41.5)
Operating costs increase year 1	Change from 3% to 6%	4.5

(1) Stores which have been open for less than one year are not reviewed for impairment.

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

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

An asset is impaired when the carrying amount exceeds its recoverable amount. IAS 36 defines recoverable amount as the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use, the Group has determined that each store is a separate CGU.

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

- £24.1m against freehold land and buildings, including £0.2m in relation to long leasehold properties;
- £9.2m plant and equipment; and
- £0.2m investment property.

In line with IAS 36 *Impairment of Assets*, management have considered whether any amounts should be recognised for the reversal of prior period impairment losses with £nil (FY22: £nil) being recognised in the period. Further explanation is given below.

Value In Use (VIU)

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

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

Key assumptions FY23	Year 1	Year 2	Year 3	Year 4	Year 5
Sales decline	-5%	-4%	-3%	-2%	-2%
Existing gross margin > 40%	-175bps	-150bps	-125bps	-100bps	-75bps
Operating costs increase per annum	3%	3%	3%	3%	3%
Discount rate	8.5%	8.5%	8.5%	8.5%	8.5%
Terminal growth rate of 2%					

Key assumptions FY22	Year 1	Year 2	Year 3	Year 4	Year 5
Sales decline	-10%	-5%	-4%	-3%	-2%
Existing gross margin > 40%	-200bps	-175bps	-150bps	-125bps	-100bps
Operating costs increase per annum	6%	3%	3%	3%	3%
Discount rate	7.5%	7.5%	7.5%	7.5%	7.5%
Terminal growth rate of 2%					

A sensitivity analysis has been performed in respect of sales, margin and operating costs as these are considered to be the most sensitive of the key assumptions.

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

Fair value less costs of disposal

For those CGUs where the value in use is less than the carrying value of the asset, the fair value less costs of disposal has been determined using both external and internal market valuations. This fair value is deemed to fall into Level 3 of the fair value hierarchy as per IFRS 13. The property portfolio consists of vacant, Frasers Group occupied and third party tenanted units, one property can include all three types. The following valuation methodology has been adopted for each:

Scenario	Valuation methodology	Key assumptions
Vacant units	Estimated Rental Value (ERV) and suitable reversionary yield applied to reflect the market to generate a net capital value. A deduction to the capital value generated is then made based on the void period with applicable rates payable for the unit and rent-free incentive.	Void period and rent free band – two bands applied depending on circumstances: • 1 year void, 2 years rent free; or • 2 years void, 3 years rent free. Yield bands – ranging from 5.5% - 14.0%
Frasers Group occupied	Will be assumed the unit is vacant given there is no legally binding inter-company agreement in place. Therefore, a void and rent free incentive period assumed, the cost amount then deducted from the capital value generated by the ERV and reversionary yield. Although we consider the commercial reality is that fair value less costs to sell will be higher than vacant possession this very conservative assumption is in line with both technical accounting rules and that of our management experts.	Void period and rent free band – two bands applied depending on circumstances: • 1 year void, 2 years rent free; or • 2 years void, 3 years rent free. Yield bands – ranging from 5.5% - 14.0%
Third party tenanted	An ERV is applied using a percentage band on the passing rent. An appropriate reversionary yield is applied reflecting the risk of tenant and renewal to generate a capital value. This will also provide a net initial yield based off the current passing rent.	ERV is applied reflecting the market for the applicable unit. An appropriate reversionary yield is applied reflecting the risk of tenant and renewal to generate a capital value. This will also provide a net initial yield based off the current passing rent.

A 10% increase in the market valuation amounts used in the impairment calculations would result in a decrease in impairment of £3.4m (FY22: £5.0m).

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

Impairment reversals

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

Credit Customer Receivables

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

Fair value considerations

Management has concluded that the fair value of trade receivables acquired as part of the Studio Retail Limited acquisition in FY22 broadly equated to their book value and therefore that the difference on a go-forward basis will not be material given that the nature of the loan product offered (a revolving credit account) means that the portfolio has a relatively short life (i.e. loans with customers are repaid and replaced with fresh loans under the revolving account). As a result of this, management has concluded that it is appropriate to recognise the trade receivables portfolio at the gross book value less associated expected credit losses at acquisition, and to apply the accounting policies for expected credit loss that were in place at the point of the acquisition in the Studio business on a go-forward basis.

Expected credit loss

An appropriate allowance for expected credit loss in respect of trade receivables is derived from estimates and underlying assumptions such as the Probability of Default and the Loss Given Default, taking into consideration forward looking macro-economic assumptions. The assessment involves significant estimation uncertainty. Changes in the assumptions applied such as the value and frequency of future debt sales in calculating the Loss Given Default, and the estimation of customer repayments and Probability of Default rates, as well as the weighting of the macro-economic scenarios applied to the impairment model could have a significant impact on the carrying value of trade receivables. These assumptions are continually assessed for relevance and adjusted appropriately. Revisions to estimates are recognised prospectively.

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

Post model adjustment

As noted in the prior year, the impairment model was not designed to take into account changes to customer payment and default performance arising as a result of the current cost of living crisis where levels of price inflation greatly exceed income growth, as the existing model uses unemployment rates as the principal determinant in considering forward looking macro-economic assumptions.

It is our expectation that Studio's customer base has seen and will continue to see a significant reduction in real earnings as a result of the current cost of living crisis and, whilst the adverse impact payment and arrears performance has been less severe than anticipated to date, it will continue to be felt in future. Judgement has therefore been exercised in applying a post model adjustment of £6.6m (April 2022: £40.0m) to the output of the impairment model in arriving at the provision. This reflects management's best estimate based on the information available to them at the current time.

Valuation of assets acquired in business combinations

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

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

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

2. SEGMENTAL ANALYSIS

Management has determined to present its segmental disclosures consistently with the presentation in the 2022 Annual Report with the exception of merging the European Retail and Rest of World Retail segments into a new International Retail segment. The prior period numbers have been re-categorised for this change.

Management considers operationally that the UK Retail divisions (UK Sports Retail and Premium Lifestyle) are currently run as one business unit in terms of allocating resources, inventory management and assessing performance. Under IFRS 8 we have not as at 30 April 2023 met the required criteria with enough certainty to aggregate these operating segments. We will continually keep this under review at subsequent reporting dates. European and other international countries have been identified as operating segments and have been aggregated into a single operating segment as permitted under IFRS 8. The decision to aggregate these segments was based on the fact that they each have similar market characteristics, similar long-term financial performance expectations, and are similar in each of the following respects:

- The nature of the products;
- The type or class of customer for the products; and
- The methods used to distribute the products.

In accordance with paragraph 12 of IFRS 8 the Group's operating segments have been aggregated into the following reportable segments:

1) UK Retail:
   i) UK Sports Retail - includes core sports retail store operations in the UK, plus all the Group's sports retail online business (excluding Bob's Stores & Eastern Mountain Sports which were disposed of during the period, Malaysia and Baltics), the gyms, the Group's Shirebrook campus operations, freehold property owning companies excluding Premium Lifestyle fascia properties, GAME UK stores and online operations, Frasers Group Financial Services Limited, and retail store operations in Northern Ireland.

   ii) Premium Lifestyle – includes the results of the premium and luxury retail businesses FLANNELS, Cruise, Van Mildert, Jack Wills, House of Fraser and Sofa.com along with the related websites, the Missguided and I Saw it First websites, and freehold property owning companies where trading is purely from Premium Lifestyle fascias.

2) International Retail – includes all of the Group's sports retail stores, management and operating in Europe and Asia, including the Group's European Distribution Centres in Belgium and Austria, European freehold property owning companies, GAME Spain stores, and Baltics & Asia e-commerce offerings. The MySale acquisition will be reported in this segment. International Retail also includes the results of the US based retail activities until the disposal in May 2022.

3) Wholesale & Licensing – includes the results of the Group's portfolio of internationally recognised brands such as Everlast, Karrimor, and Slazenger.

Planned changes to segmental reporting

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

Segmental information for the 53 weeks ended 30 April 2023:

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

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

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

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

Segmental information for the 52 weeks ended 24 April 2022[1]

	UK Sports (£'m)	Premium Lifestyle (£'m)	UK Retail Total (£'m)	International Retail (£'m)	Total Retail (£'m)	Wholesale & Licensing (£'m)	Eliminations (£'m)	Group Total (£'m)
Sales to external customers	2,640.1	1,056.6	3,696.7	940.5	4,637.2	168.1	-	4,805.3
Sales to other segments	-	-	-	-	-	80.1	(80.1)	-
Revenue	2,640.1	1,056.6	3,696.7	940.5	4,637.2	248.2	(80.1)	4,805.3
Gross profit	1,136.8	474.8	1,611.6	414.0	2,025.6	63.1	-	2,088.7
Operating profit before foreign exchange, exceptional items and property and other related impairments	278.7	124.0	402.7	144.1	546.8	6.9	-	553.7
Foreign exchange realised	(1.1)	(0.1)	(1.2)	(3.7)	(4.9)	(0.9)	-	(5.8)
Property and other related impairments	(103.4)	(103.5)	(206.9)	(20.1)	(227.0)	-	-	(227.0)
Profit on sale of properties	10.7	-	10.7	0.1	10.8	-	-	10.8
Gain on sale of discontinued operations	-	-	-	-	-	-	-	-
Exceptional items	(1.3)	-	(1.3)	-	(1.3)	-	-	(1.3)
Operating profit	183.6	20.4	204.0	120.4	324.4	6.0	-	330.4
Investment income	43.8	-	43.8	-	43.8	-	-	43.8
Investment costs	(19.7)	-	(19.7)	-	(19.7)	-	-	(19.7)
Finance income	36.8	-	36.8	2.0	38.8	-	(8.5)	30.3
Finance costs	(42.8)	(10.0)	(52.8)	(4.9)	(57.7)	-	8.5	(49.2)
Profit before taxation	201.7	10.4	212.1	117.5	329.6	6.0	-	335.6
Taxation								(78.7)
Profit for the period								256.9

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

Inter-segment sales are priced at cost plus a 10% mark-up.

Other segmental items included in the income statement for the 52 weeks ended 24 April 2022:

	UK Sports (£'m)	Premium Lifestyle (£'m)	UK Retail Total (£'m)	International Retail (£'m)	Total Retail (£'m)	Wholesale & Licensing (£'m)	Group Total (£'m)
Property, plant & equipment depreciation	122.2	22.9	145.1	22.6	167.7	1.3	169.0
Property, plant & equipment impairment	51.7	94.0	145.7	3.5	149.2	-	149.2
IFRS 16 ROU depreciation	47.8	6.4	54.2	23.0	77.2	0.4	77.6
IFRS 16 ROU impairment	50.7	9.5	60.2	16.6	76.8	-	76.8
Investment property depreciation	5.9	-	5.9	-	5.9	-	5.9
Investment property impairment	1.0	-	1.0	-	1.0	-	1.0
IFRS 16 disposal and modification/remeasurement of lease liabilities	14.2	3.9	18.1	10.2	28.3	-	28.3
Intangible amortisation	1.0	-	1.0	-	1.0	6.5	7.5
Intangible impairment	1.3	-	1.3	-	1.3	4.4	5.7

Reconciliation of Reported PBT to Adjusted PBT for the 53-week period ended 30 April 2023

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

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

	UK Sports (£'m)	**Premium Lifestyle (£'m)**	**UK Retail Total (£'m)**	**International Retail (£'m)**	**Total Retail (£'m)**	**Wholesale & Licensing (£'m)**	**Group Total (£'m)**
Reported PBT	201.6	10.4	212.0	117.6	329.6	6.0	335.6
Exceptional items	1.3	-	1.3	-	1.3	-	1.3
Fair value adjustment to derivative financial instruments	(7.6)	-	(7.6)	-	(7.6)	-	(7.6)
Fair value (gains)/losses and profit on disposal of equity derivatives	(9.9)	-	(9.9)	-	(9.9)	-	(9.9)
Realised FX loss / (gain)	1.1	0.1	1.2	3.7	4.9	0.9	5.8
Share based payments	10.4	-	10.4	-	10.4	4.2	14.6
Adjusted PBT	196.9	10.5	207.4	121.3	328.7	11.1	339.8

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

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

The gain on bargain purchase in the current period relates to acquisition of JD brands.

The adjustment to the Studio regulatory provision is detailed in note 15.

The fair value gain on associate arose as a result of the disposal of 51% of Kangol LLC, following the loss of control.

4. INVESTMENT INCOME

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

The profit on disposal of equity derivatives in the prior year mainly relates to Hugo Boss contracts for difference. The fair value gain on equity derivatives mainly relates to Hugo Boss options. The premium received on equity derivatives mainly relates to written Hugo Boss options.

5. INVESTMENT COSTS

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

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

6. FINANCE INCOME

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

*Includes £8.4m from interest rate swaps.

7. FINANCE COSTS

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

8. TAXATION

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

Non-taxable income largely relates to differences between capital allowances and depreciation which are not timing differences on which deferred tax is provided. Expenses not deductible for tax purposes largely relates to non-qualifying depreciation and impairments not qualifying for tax allowances.

9. EARNINGS PER SHARE FROM TOTAL AND CONTINUING OPERATIONS ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year.

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

Basic and Diluted Earnings Per Share

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

Adjusted Earnings Per Share

The adjusted earnings per share reflects the underlying performance of the business compared with the prior period and is calculated by dividing adjusted earnings by the weighted average number of shares for the period. Adjusted earnings is used by management as a measure of profitability within the Group. Adjusted earnings is defined as profit for the period attributable to equity holders of the parent for each financial period but excluding the post-tax effect of certain non-trading items. Tax has been calculated with reference to the effective rate of tax for the Group.

The Directors believe that the adjusted earnings and adjusted earnings per share measures provide additional useful information for shareholders on the underlying performance of the business and are consistent with how business performance is measured internally. Adjusted earnings is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies.

	53 weeks ended 30 April 2023 Basic (£'m)	53 weeks ended 30 April 2023 Diluted (£'m)	52 weeks ended 24 April 2022 Basic (£'m)	52 weeks ended 24 April 2022 Diluted (£'m)
Profit for the period	**488.0**	**488.0**	249.8	249.8
Pre-tax adjustments to profit / (loss) for the period for the following items:				
Exceptional items	**(97.1)**	**(97.1)**	1.3	1.3
Fair value adjustment to derivatives included within finance (income)	**(32.5)**	**(32.5)**	(7.6)	(7.6)
Fair value gains and profit on disposal of equity derivatives	**(41.1)**	**(41.1)**	(9.9)	(9.9)
Realised foreign exchange loss/ (gain)	**(31.2)**	**(31.2)**	5.8	5.8
Share based payments	**19.3**	**19.3**	14.6	14.6
Tax adjustments on the above items	**20.8**	**20.8**	0.3	0.3
Adjusted profit for the period	**326.2**	**326.2**	254.3	254.3

	Number in thousands	Number in thousands	Number in thousands	Number in thousands
Weighted average number of shares	**459,911**	**459,911**	471,975	471,975
	Pence per share	**Pence per share**	**Pence per share**	**Pence per share**
Adjusted Earnings per share	**70.9**	**70.9**	53.9	53.9

10. DISCONTINUED OPERATIONS AND SALE OF SUBSIDIARIES

On 24 May 2022, the Group disposed of its US retail businesses trading as Bobs Stores and Eastern Mountain Sports for net cash consideration of approximately £43.6m. The disposal took place through the sale of 100% of the share capital of Roberts 50 USA LLC and its subsidiaries to GoDigital Media Group. These businesses are reported as part of the International operating segment.

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

The following major classes of assets and liabilities relating to the disposal group were classified as held for sale in the Consolidated Balance Sheet as of 24 April 2022:

	24 April 2022 (£'m)
Inventories	37.7
Trade and other receivables	2.3
Assets held for sale	**40.0**
Trade and other payables	10.6
Provisions	3.2
Lease liabilities	8.9
Liabilities held for sale	**22.7**

The reconciliation of the transaction is detailed below:

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

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

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

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

11. PROPERTY, PLANT AND EQUIPMENT

	Right of use assets	Freehold land and Buildings	Long-term Leaseholds	Short-term leasehold improvements	Plant and Equipment	Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
COST						
At 25 April 2021	669.1	905.4	153.3	127.4	878.8	2,734.0
Acquisitions	5.6	7.0	-	-	6.9	19.5
Additions	100.9	79.3	4.1	2.5	195.3	382.1
Eliminated on disposals	(75.9)	(42.0)	(1.2)	(4.7)	(82.0)	(205.8)
Reclassifications / Remeasurements (1)	(5.4)	(43.4)	-	-	(0.2)	(49.0)
Exchange differences	(7.7)	(2.3)	(0.5)	(0.1)	(3.0)	(13.6)
At 24 April 2022	686.6	904.0	155.7	125.1	995.8	2,867.2
Acquisitions	**43.0**	**-**	**15.7**	**-**	**7.6**	**66.3**
Additions	**116.7**	**97.5**	**6.0**	**1.1**	**275.5**	**496.8**
Eliminated on disposals	**(111.2)**	**(60.1)**	**(34.3)**	**-**	**(65.6)**	**(271.2)**
Reclassifications / Remeasurements	**7.6**	**(1.5)**	**-**	**-**	**-**	**6.1**
Exchange differences	**12.6**	**(13.3)**	**0.6**	**0.3**	**18.6**	**18.8**
At 30 April 2023	**755.3**	**926.6**	**143.7**	**126.5**	**1,231.9**	**3,184.0**
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 25 April 2021	(419.4)	(282.7)	(49.7)	(118.7)	(698.6)	(1,569.1)
Charge for the period	(77.6)	(47.9)	(12.4)	(3.6)	(105.1)	(246.6)
Impairment	(76.8)	(106.5)	(2.0)	-	(40.7)	(226.0)
Eliminated on disposals	75.9	15.7	1.1	1.8	79.1	173.6
Reclassifications / Remeasurements (1)	-	0.6	(0.1)	(1.1)	4.0	3.4
Exchange differences	6.0	0.3	0.1	0.2	1.9	8.5
At 24 April 2022	(491.9)	(420.5)	(63.0)	(121.4)	(759.4)	(1,856.2)
Charge for the period	**(75.2)**	**(43.8)**	**(11.4)**	**(1.7)**	**(130.2)**	**(262.3)**
Impairment	**(43.1)**	**(23.9)**	**(0.2)**	**-**	**(32.2)**	**(99.4)**
Eliminated on disposals	**110.8**	**16.7**	**11.6**	**(0.9)**	**57.0**	**195.2**
Reclassifications / Remeasurements	**-**	**0.2**	**-**	**-**	**-**	**0.2**
Exchange differences	**(9.4)**	**4.3**	**(0.3)**	**(0.3)**	**(5.1)**	**(10.8)**
At 30 April 2023	**(508.8)**	**(467.0)**	**(63.3)**	**(124.3)**	**(869.9)**	**(2,033.3)**
NET BOOK VALUE						
At 30 April 2023	**246.5**	**459.6**	**80.4**	**2.2**	**362.0**	**1,150.7**
At 24 April 2022	194.7	483.5	92.7	3.7	236.4	1,011.0
At 25 April 2021	249.7	622.7	103.6	8.7	180.2	1,164.9

12. INTANGIBLE ASSETS

	Goodwill (£'m)	Trademarks and licenses (£'m)	Brands (£'m)	Customer related (£'m)	Total (£'m)
COST					
At 25 April 2021	170.7	90.7	80.6	-	342.0
Acquisitions	1.3	-	-	5.7	7.0
Exchange adjustments	4.8	0.4	6.4	-	11.6
At 24 April 2022	176.8	91.1	87.0	5.7	360.6
Acquisitions	**35.6**	**11.7**	**-**	**-**	**47.3**
Additions	-	**1.0**	-	-	**1.0**
Disposals	**(0.2)**	**(2.3)**	-	-	**(2.5)**
Exchange adjustments	**2.5**	**0.3**	**1.8**	-	**4.6**
At 30 April 2023	**214.7**	**101.8**	**88.8**	**5.7**	**411.0**
AMORTISATION AND IMPAIRMENT					
At 25 April 2021	(124.0)	(86.7)	(10.8)	-	(221.5)
Amortisation charge	-	(0.5)	(6.0)	(1.0)	(7.5)
Impairment	(5.7)	-	-	-	(5.7)
Exchange adjustments	(2.7)	(0.1)	(2.5)	-	(5.3)
At 24 April 2022	(132.4)	(87.3)	(19.3)	(1.0)	(240.0)
Amortisation charge	**-**	**(0.9)**	**(6.0)**	**-**	**(6.9)**
Impairment	**(71.7)**	**(11.7)**	**(52.0)**	**(4.7)**	**(140.1)**
Disposals	**0.4**	**2.3**	**-**	**-**	**2.7**
Exchange adjustments	**(1.1)**	**(0.3)**	**(1.2)**	**-**	**(2.6)**
At 30 April 2023	**(204.8)**	**(97.9)**	**(78.5)**	**(5.7)**	**(386.9)**
At 30 April 2023	**9.9**	**3.9**	**10.3**	**-**	**24.1**
At 24 April 2022	44.4	3.8	67.7	4.7	120.6
At 25 April 2021	46.7	4.0	69.8	-	120.5

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

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

	30 April 2023				
	Goodwill (£'m)	**Trademarks and licenses (£'m)**	**Brands (£'m)**	**Customer related (£'m)**	**Total (£'m)**
Wholesale & Licensing (excl. Everlast)	**9.9**	**-**	**-**	**-**	**9.9**
Everlast	**-**	**3.3**	**10.3**	**-**	**13.6**
Studio Retail	**-**	**-**	**-**	**-**	**-**
	9.9	**3.3**	**10.3**	**-**	**23.5**

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

Acquisitions

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

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

Amortisation

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

Impairment review

The Group tests the carrying amount of goodwill and intangible assets with an indefinite life for impairment annually or more frequently if there are indications that their carrying value might be impaired. The carrying amounts of other intangible assets are reviewed for impairment if there is an indicator of impairment.

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

Significant judgements, assumptions and estimates

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

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

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

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

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

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

Results

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

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

Sensitivity Analysis

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

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

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

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

Climate Change

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

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

13. LONG-TERM FINANCIAL ASSETS

The Group is not looking to make gains through increases in market prices of its long-term financial assets, therefore on initial application of IFRS 9 the Group made the irrevocable election to account for long term financial assets at fair value through other comprehensive income (FVOCI). The election has been made on an instrument-by-instrument basis, only qualifying dividend income is recognised in profit and loss, changes in fair value are recognised within OCI and never reclassified to profit and loss, even if the asset is impaired, sold or otherwise derecognised. The majority of long-term financial assets are recognised in the UK Sports segment.

The fair value of the long-term financial assets is based on bid quoted market prices at the balance sheet date or where market prices are not available, at management's estimate of fair value.

The following table shows the aggregate movement in the Group's financial assets during the period:

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

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

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

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

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

*Other relates to interests which do not represent more than 5.0% of the voting power of the investee as at 30 April 2023.

These holdings have been assessed under IFRS 9 Financial Instruments and categorised as long-term financial assets, as the Group does not consider them to be associates and therefore, they are not accounted for on an equity basis.

Our strategic investments are intended to allow us to develop relationships and commercial partnerships with the relevant retailers and assist in building relationships with key suppliers and brands.

14. BORROWINGS

	30 April 2023 (£'m)	24 April 2022 (£'m)
Current:		
Lease liabilities	**119.6**	117.0
Non-Current		
Bank and other loans	**749.7**	827.9
Lease liabilities	**560.3**	503.6
	1,429.6	1,448.5

An analysis of the Group's total borrowings other than bank overdrafts is as follows:

	30 April 2023 (£'m)	24 April 2022 (£'m)
Borrowings - sterling	**749.7**	827.9

Group borrowings (excluding Frasers Group Financial Services Limited) are at a rate of interest of 2.0% (FY22: 2.0%) over the interbank rate of the country within which the borrowing entity resides. The securitisation loan relating to Frasers Group Financial Services Limited had a balance at 30 April 2023 of £161.6m (FY22: £143.6m). The average interest rate paid on the securitisation loan was 5.41% (FY22: 3.23%).

Reconciliation Of Liabilities Arising From Financing Activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Non-current borrowings (£'m)	**Current borrowings (£'m)**	**Total (£'m)**
At 25 April 2021	**1,240.1**	**188.5**	**1,428.6**
Cash-flows:			
- Borrowings drawn down	1,374.4	-	1,374.4
- Borrowings repaid	(1,484.4)	-	(1,484.4)
- Borrowings acquired through business combinations	232.0	-	232.0
Lease liability:			
- IFRS 16 Lease Liabilities - cash-flows	-	(176.2)	(176.2)
- IFRS 16 Lease Liabilities - modifications/remeasurements, transfers from non-current to current, and foreign exchange adjustments	(136.7)	91.1	(45.6)
- IFRS 16 Lease Liabilities - new leases	90.1	11.4	101.5
- IFRS 16 Lease Liabilities - acquired through business combinations	16.0	2.2	18.2
At 24 April 2022	**1,331.5**	**117.0**	**1,448.5**
Cash-flows:			
- Borrowings drawn down	616.8	-	616.8
- Borrowings repaid	(695.0)	-	(695.0)
Lease liability:			
- IFRS 16 Lease Liabilities - cash-flows	-	(140.7)	(140.7)
- IFRS 16 Lease Liabilities - modifications/remeasurements, transfers from non-current to current, and foreign exchange adjustments	(121.4)	101.8	(19.6)
- IFRS 16 Lease Liabilities - new leases	137.1	35.2	172.3
- IFRS 16 Lease Liabilities - acquired through business combinations	41.0	6.3	47.3
At 30 April 2023	**1,310.0**	**119.6**	**1,429.6**

On 30 November 2021 the Group refinanced its existing borrowings and entered into a combined term loan and revolving credit facility of £930.0m for a period of 3 years, with the possibility to extend this by a further 2 years. This facility was extended by one year and the facility increased to £1,052.5m as at the reporting date until November 2024 and £1,002.5m until November 2025. Given the revolving credit facility is available for a minimum of 2 years and the limited restriction of lending under the facility, the balance is classified as non-current on the Consolidated Balance Sheet.

The Group continues to operate comfortably within its banking facilities and covenants and the Board remains comfortable with the Group's available headroom. The carrying amounts and fair value of the borrowings are not materially different.

Reconciliation of Net Debt:

	30 April 2023 (£'m)	**24 April 2022 (£'m)**
Borrowings	**(1,429.6)**	(1,448.5)
Add back:		
- Lease liabilities	**679.9**	620.6
Cash and cash equivalents	**332.9**	336.8
Net debt	**(416.8)**	(491.1)

15. PROVISIONS

	Legal and regulatory	Property related	Financial services related	Other	Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
At 25 April 2021	215.8	144.1	-	1.3	361.2
Amounts provided	17.7	53.7	-	-	71.4
Acquired through business combinations	7.1	2.7	42.4	-	52.2
Amounts utilised / reversed	(10.4)	(39.3)	(0.8)	(1.3)	(51.8)
At 24 April 2022	230.2	161.2	41.6	-	433.0
Acquired through business combinations	**-**	**6.0**	**-**	**-**	**6.0**
Amounts provided	**1.3**	**69.7**	**-**	**0.8**	**71.8**
Amounts utilised / reversed	**(108.0)**	**(70.2)**	**(25.6)**	**(0.5)**	**(204.3)**
At 30 April 2023	**123.5**	**166.7**	**16.0**	**0.3**	**306.5**

Financial services related and other provisions are categorised as current liabilities, while legal and regulatory and property related provisions are non-current.

Legal and regulatory provisions
Legal and regulatory provisions reflect management's best estimate of the potential costs arising from the settlement of outstanding disputes of a commercial and regulatory nature.

A substantial portion of the amounts provided relates to ongoing legal claims and non-UK tax enquiries. On the basis of a review of the facts and circumstances prevailing at the balance sheet date in relation to these matters, management has reassessed its best estimate of the amounts provided at 30 April 2023 which has resulted in a reduction in amounts provided of approximately £95.0m compared to the prior year. In accordance with IAS37.92, management have concluded that it would prejudice seriously the position of the Group to provide further specific disclosures in respect of amounts provided for legal claims and non-UK tax enquiries.

Also included within legal and regulatory provisions are amounts relating to appeals by Studio Retail against decisions of HMRC with regard to the setting of a Partial Exemption Special Method (the means by which the recovery of input VAT on costs relating to the Company's financial services activities is restricted). As at 30 April 2023, the Group held a provision of approximately £2.5m (FY22: £6.9m), which represents management's best estimate of the likely increase in the level of restriction on the recovery of input VAT over and above that which has already been restricted in Studio Retail's quarterly VAT returns or paid to HMRC pending appeal. We note that management's best estimate is one of a number of different outcomes so the amounts provided may differ to the final costs incurred by the company in respect of this matter.

The timing of the outcome of legal claims and non-UK tax inquiries is dependent on factors outside the Group's control and therefore the timing of settlement is uncertain. After taking appropriate legal advice, the outcomes of these claims are not expected to give rise to material loss in excess of the amounts provided.

Property related provisions
Included within property related provisions are provisions for dilapidations in respect of the Group's retail stores and warehouses. Further details of management's estimates are included in note 1.

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

Management considered whether or not the reduction in provision should result in an adjustment to the amounts recognised in the acquisition balance sheet in accordance with the requirements of IFRS 3.45 and IFRS3.47 and concluded that the release should be treated as a prospective change in accounting estimate under IAS8.34 since it arose as a result of new information which has come to light since 24 April 2022. It is the Group's policy to present items that "merit separate presentation" by reference to their "their size, nature and infrequency of the events giving rise to them" as exceptional items. Given the unusual size, nature and infrequency of movements in provisions of this nature, management has disclosed the income statement impact within exceptional items in the consolidated income statement.

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

ALTERNATIVE PERFORMANCE MEASURES

CONSOLIDATED FIVE YEAR RECORD

	53 weeks ended 30 April 2023 (£'m)	**52 weeks ended 24 April 2022 (£'m)**	**52 weeks ended 25 April 2021 (£'m)**	**52 weeks ended 28 April 2020 (£'m)**	**52 weeks ended 29 April 2019 (£'m)**
REPORTED PBT	**660.7**	335.6	8.5	143.5	179.2
Exceptional items	**(97.1)**	1.3	1.6	13.1	41.0
Fair value gain on step acquisition	**-**	-	-	(20.4)	-
Fair value adjustments to derivatives included within finance (income) / costs	**(32.5)**	(7.6)	4.6	(21.3)	(39.7)
Fair value (gains) / losses and profit on disposal of equity derivatives	**(41.1)**	(9.9)	(82.2)	35.1	(3.3)
Realised foreign exchange (gain) / loss	**(31.2)**	5.8	26.3	(34.9)	(22.1)
Share scheme	**19.3**	14.6	1.3	-	-
ADJUSTED PBT	**478.1**	339.8	(39.9)	115.1	155.1

Notes to the consolidated income statement five-year record:

1. All information is presented under IFRS.
2. The five-year record has been prepared on the same basis as the Financial Statements for the 53 weeks ended 30 April 2023, as set out in note 1.

Reconciliation of excluding acquisitions and currency neutral performance measures:

	UK Retail	Premium Lifestyle	International Retail	Wholesale & Licensing	Group Total
			Revenue		
	£'m	**£'m**	**£'m**	**£'m**	**£'m**
FY23 Reported	3,080.6	1,212.9	1,083.4	188.3	5,565.2
Adjustments for acquisitions, disposals and currency neutral	(428.7)	(74.4)	(114.7)	-	(617.8)
Financial performance from 53rd week	(50.0)	(21.5)	(18.3)	(3.6)	(93.4)
FY23 Excluding acquisitions, disposals and currency neutral	2,601.9	1,117.0	950.4	184.7	4,854.0
FY22 Reported	2,640.1	1,056.6	940.5	168.1	4,805.3
Adjustments for acquisitions, disposals and currency neutral	(59.3)	-	33.1	14.9	(11.3)
FY22 Excluding acquisitions, disposals and currency neutral	2,580.8	1,056.6	973.6	183.0	4,794.0
% Variance	0.8%	5.7%	(2.4%)	0.9%	1.3%
			Adjusted PBT		
FY23 Reported	447.0	(0.1)	79.4	(48.2)	478.1
Adjustments for acquisitions, disposals and currency neutral	18.4	22.3	10.3	-	51.0
FY23 Excluding acquisitions, disposals and currency neutral	465.4	22.2	89.7	(48.2)	529.1
FY22 Reported	196.9	10.5	121.3	11.1	339.8
Adjustments for acquisitions, disposals and currency neutral	9.5	-	(75.8)	3.8	(62.5)
FY22 Excluding acquisitions, disposals and currency neutral	206.4	10.5	45.5	14.9	277.3
% Variance	125.5%	111.4%	97.1%	(423.5%)	90.8%

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