FRASERS GROUP PLC

ANNUAL REPORT & ACCOUNTS 2021.

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FRASERS GROUP PLC

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COMPANIES HOUSE

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STRATEGIC REPORT

ABOUT FRASERS GROUP

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

The Group operates a diversified portfolio of sports, fitness, premium lifestyle and luxury fascias in over 20 countries. We have more than 25,000 colleagues across five business segments: UK Sports Retail, Premium Lifestyle, European Retail, Rest of World Retail and Wholesale & Licensing.

Our purpose is to serve consumers with the world's best brands. This requires us to have the right product, in the right place, at the right time and at the right price. Our strategy is aligned to this purpose and is based on three interconnected focus pillars – the brands we sell, our digital offering and our physical stores. These are supported by a set of enablers, focused on our people, systems, automation and data.

MISSION STATEMENT

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

BUSINESS ETHOS

WE DO NOT RUN THE BUSINESS FOR THE SHORT-TERM BUT WORK TO ENSURE WE DELIVER SHAREHOLDER VALUE OVER THE MEDIUM TO LONG-TERM, WHILST ADOPTING ACCOUNTING PRINCIPLES THAT ARE CONSERVATIVE, CONSISTENT AND SIMPLE.

Our impact since 2007

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

£250M
Approx. £250m paid in staff share bonuses

25,000
Have a workforce of approx. 25,000 people worldwide, approx. 19,000 of which are in the UK

£2,100M
Contributed approx. £2,100m in VAT and Duty

£190M
Approx. £190m paid in sales commission to retail bonuses

£600M
Contributed approx. £600m in UK Corporation Tax

£180M
Contributed approx. £180m in NI employer contributions

All figures are since stock market listing in 2007

"It was the Agencies we were after"... "We had to get you in order to get to the agencies"

'TUESDAY 4 OCTOBER 2016 MR STEVE TURNER (ASSISTANT GENERAL SECRETARY UNITE UNION)'

OUTLOOK

The Group is continuing to invest in its physical and digital elevation strategy and our omni-channel offering is growing in strength. Our stores in the UK have reopened above expectations and our online channel continues to significantly outperform pre-Covid-19 periods. None the less, management remains of the view that there is a high risk of future Covid-19 pandemic restrictions, likely to be over this Winter and maybe beyond.

The board of Frasers Group has continued to consider the probable return of restrictions during FY22, including within its accounting judgements and estimates for FY21. As the effects of the Covid-19 pandemic continue to cause future uncertainty, including the Delta variant surge we are currently seeing, the board of Frasers Group considers it cannot currently confirm with enough material accuracy what the outcome for FY22 will look like.

Based on this we will not be giving a projection to the market for FY22 performance. Any projections produced by third parties such as research analysts are not produced on behalf of Frasers Group plc and Frasers Group plc takes no responsibility for such projections. As a result prospective investors and other market participants should not treat, and Frasers Group plc does not intend to treat, the financial projections produced by third parties as indicative of the market expectations of Frasers Group plc's future financial performance. We specifically note that we are under no obligation to correct estimates made by financial analysts or to inform the market should we come to believe that our actual performance will differ from those estimates.

We will review the current situation again at the half year and depending on whether there is more certainty on further restrictions or not we may be able to give guidance at that point.

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FRASERS GROUP

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GROUP AT A GLANCE

UK SPORTS RETAIL

54.3% Total Group Revenue

£1,968.5M

10.7% ↓

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

Our store footprint is significant, with 806 stores across the UK, totalling approximately 6.5m sq.ft. of retail space. The majority of stores are operated under the SPORTS DIRECT, USC, Evans Cycles and GAME fascias.

EUROPEAN RETAIL

17.0% Total Group Revenue

£615.2M

11.8% ↓

European Retail includes all the Group's sports retail stores, management and operations in Europe including the Group's European distribution centres in Belgium and Austria as well as GAME Spain. The total European store count is 486 stores and approximately 3.6m sq.ft. of retail space.

During FY21, management continued to elevate the Group's European stores and work to further tailor the Group's consumer value propositions to our local markets.

PREMIUM LIFESTYLE

20.3% Total Group Revenue

£735.6M

1.9% ↑

The Group's Premium Lifestyle division offers a broad range of clothing, footwear and accessories from leading global contemporary and luxury retail brands through our fascias in the UK: Flannels, Cruise, van mildert, House of Fraser, Sofa.com and Jack Wills along with their related websites. The majority of these fascias operate as multi-brand premium retail destinations and are focused on providing fashion conscious consumers with high-end and on trend products. The segment is supported by our Group-wide centralised commercial and support functions, giving the benefits of scale and operating efficiencies to each fascia. The segment is a significant part of the Group's new generation retail concept and as such, in certain locations, Premium and Lifestyle stores are co-located alongside our Sports retail stores to benefit from increased customer footfall and operating synergies.

The total Premium Lifestyle store count is 179 stores and approximately 4.2m sq.ft. of retail space.

REST OF THE WORLD RETAIL

4.2% Total Group Revenue

£152.7M

12.3% ↓

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

Total Rest of World store count is 76 stores and approximately 1.3m sq.ft. of retail space.

WHOLESALE & LICENSING

4.2% Total Group Revenue

£153.3M

4.3% ↓

The Wholesale & Licensing segment operates our globally renowned heritage Group brands (such as Everlast, Lonsdale, Karrimor and Slazenger) and our wholesale, licensing and distribution relationships across the world, as well as our partnerships with third party brands that we license-in to sell certain products. The Group's own brands are managed both individually and centrally within this segment. This unique, integrated approach to brand management leverages the expertise of our people, encourages innovation, and ensures consistency.

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FINANCIAL HIGHLIGHTS

8.4%

Group revenue decreased by 8.4%

Excluding acquisitions and on a currency neutral basis, revenue decreased by 11.4%[1]

42.2%

Group gross margin increased to 42.2% from 42.0%

42.0%

177.2%

Reported profit after tax was a loss of £78.0m down 177.2% from a profit of £101.0m

29.4%

Group underlying EBITDA[2] increased by 29.4% to £390.8m compared to £302.1m in the prior period

Excluding acquisitions and on a currency neutral basis, underlying EBITDA increased 16.9%[1]

95.1%

£5.8M

Underlying profit before tax[2] decreased by 95.1% to £5.8m from £117.4m

18.5p

Reported basic earnings per share fell by 189.2% to a loss of 16.5p, from a profit of 18.5p

Underlying basic earnings[2] per share decreased by 204.9% to a loss of 17.0p from a profit of 16.2p[2]

(16.5p)

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FINANCIAL HIGHLIGHTS

£143.5m → £8.5m

Reported profit before tax was £8.5m, down 94.1% from a profit of £143.5m

£427.8M

£263.1M

UNDERLYING FREE CASH FLOW (PRE-CAPEX) INCREASED TO £427.8M COMPARED TO £263.1M IN THE PRIOR PERIOD[2]

£248.9M

Net [illegible] £248.9m ([illegible] 26 A[illegible]0)[4]

↓ 2.6%

[illegible]

11.8% ↓

EUROPEAN RETAIL REVENUE DECREASED BY 11.8%, LARGELY DUE THE TEMPORARY STORE CLOSURES CAUSED BY THE COVID-19 PANDEMIC

Excluding acquisitions and on a currency neutral basis, revenue decreased by 20.5%[5], largely caused by temporary store closures due to the Covid-19 pandemic.

European Retail like-for-like gross contribution was down 15.0%[1]

10.7%

↑ 1.9%

Premium Lifestyle revenue increased by 1.9% largely due to growth in our online business, and new store openings

Excluding acquisitions, revenue increased by 1.4%[5]

Premium Lifestyle like-for-like gross contribution was down [illegible]

UK Sports Retail revenue decreased by 10.7%, largely due the temporary store closures caused by the Covid-19 pandemic offset by growth in our online business and pent up demand [illegible] reopening stores

Excluding acquisitions, revenue decreased by 14.6%[5], largely caused by temporary store closures caused by the Covid-19 pandemic

[illegible] Retail like-for-like gross contribution was down [illegible]%[1]

(1) [illegible] on a [illegible] currency neutral basis and with [illegible]
(2) [illegible] EBITDA, underlying profit before taxation and underlying EPS exclude the effects of [illegible] realised foreign exchange gains / losses in selling and administration costs, exceptional costs, and the profit/loss on disposal of subsidiaries, strategic investments and properties. Further detail on this calculation can be found in the financial review on page [illegible], in note 7 and the glossary.
(3) Underlying free cash flow is defined as operating cash flow after working capital and pre IFRS [illegible] of [illegible] EBITDA, plus realised foreign exchange gains and losses, less corporation tax paid. Further detail on the [illegible] on page [illegible].
(4) [illegible] pages 20 and [illegible].
(5) A reconciliation of excluding acquisitions and currency neutral performance measures can be found in the glossary.

STRATEGIC AND OPERATIONAL HIGHLIGHTS

FEARLESS 1000 SCHEME LAUNCHED

The scheme exists to reward our top 1000 performers when our share price reaches £10, for 30 consecutive trading days. These top performers will be nominated by their colleagues for the embodiment of our 3 core values:

Think Without Limits, Don't Hesitate, and Own It.

No. of Performers	Will recieve shares worth:
10	£1,000,000
30	£500,000
60	£250,000
200	£125,000
700	£50,000

Mulberry

SHARES WERE AT 36.8% OWNERSHIP AT YEAR END

BOSS HUGO BOSS

SHARES WERE AT 13.5% OWNERSHIP AT YEAR END

2021 ELEVATION PROGRAMME STATS

2178 TOTAL APPLICATIONS

27 TOTAL HIRES

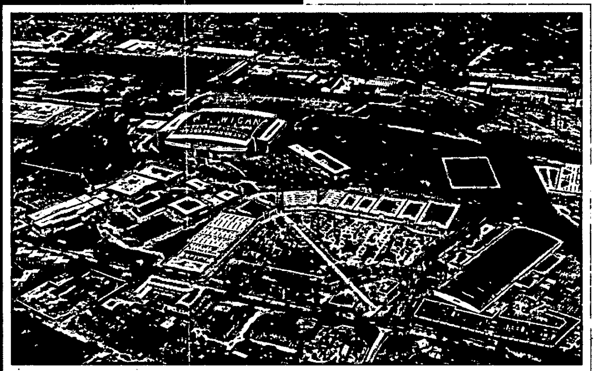
44% MALE

55% FEMALE

WIGAN RETAIL PARK

217,064 SQ FT

£41,750,000 PURCHASE PRICE



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OUR RESPONSE TO COVID-19

Throughout the Covid-19 pandemic, our highest priority has been to protect the health, safety and wellbeing of our colleagues. This reflects both our duty to keep our people safe and the business imperative: if we are not safe, we cannot trade.

Our response has been based on a number of key principles, in particular:

- following Government guidelines and exceeding them in certain aspects;
- completing thorough risk assessments and regularly updating them; and
- communicating effectively, so our people understand what we are doing and their part in keeping themselves and their colleagues safe.

The standards we have developed have been shared and followed across the Group, except where local legislation mandates a different approach.

The Group's senior management have been closely involved in our response, ensuring the safety of our people is put first and that sufficient resources and equipment are available. We have also been supported by an independent health and safety consultant, who is helping us to drive continuous improvement, including in relation to our response to Covid-19.

Our Initial Response To Covid-19

In last year's report, we detailed the steps we had taken across our warehouse, office and stores in the first few months of the Covid-19 pandemic. These steps are summarised below.

Virtually all furloughed colleagues received 100% of pay during the first lockdown, in excess of the 80% guaranteed by the Government, and we sent home on full pay all colleagues over 60, as well as those categorised as vulnerable or at risk. Other measures we have introduced included random temperature checks for colleagues, strict protocols for self-isolation after contact with a positive case, encouraging regular testing and providing full pay for people who test positive, while they are unable to work.

In summary, in the early stages of the Covid-19 pandemic we:

Warehouse

- Invited the local environmental health officer and our independent consultant to review our controls and social distancing measures
- Reduced the amount of traffic in and out of the building and in key areas, for example by staggering start, finish and break times, moving agency staff to four-day weeks and opening a new entrance to reduce traffic through reception
- Introduced seven-day health and safety coverage, to support the warehouse teams
- Provided first aiders with advice and PPE (personal protective equipment), to protect them when first aid was needed
- Implemented hygiene stations and created a new role of "Social Distancing Marshal"
- Introduced 'no contact' security checks

Office

- Required colleagues to work at home wherever possible and where they needed to shield
- Communicated restart guidance through Slack (an internal messaging service available to all head office colleagues)
- Increased cleaning, provided hygiene stations throughout and limited capacity in key areas such as kitchens and lifts
- Implemented protocols to ensure there was no mixing between warehouse and office staff in common areas such as canteens
- Allowed only authorised visitors and encouraged meetings through digital platforms

Stores

- Created a retail restart pack for stores reopening, including signage, PPE, increased cleaning schedules, lower store occupancy levels, one-way systems in-store and training documents for all new procedures
- Reduced traffic in and out of the building and in key areas by staggering start, finish and break times
- Revised delivery and processing procedures to maintain social distancing
- Added sanitisation stations throughout stores and encouraged colleagues and customers to use them
- Used unannounced visits by the Health & Safety team to ensure the retail restart pack had been correctly implemented

Our approach was well regarded by local authorities, with positive feedback following unannounced visits to our stores and warehouse.

Adapting And Developing Our Procedures

Throughout this financial year we have built on our initial actions, as we have updated our risk assessments and adapted to changing guidance. This has enabled us to introduce new and stronger measures, in particular as the Covid-19 variant first identified in Kent began to spread. Examples of our key activities undertaken in the year are set out below.

- **August 2020.** We reviewed our warehouse risk assessment and shared it with the warehouse and agency teams. We started weekly anti-viral 'fogging' of offices, sorters and other areas to supplement the regular cleaning schedule, enhanced workstation plexi-screens in the office to support social distancing and introduced maximum capacities for meeting rooms.
- **September 2020.** We reviewed our warehouse risk assessment and our first aid guidance and introduced a screening questionnaire for all visitors.
- **October 2020.** We introduced face shields on all sorting machines, as an additional layer of protection.
- **November 2020.** We reviewed and updated our warehouse risk assessment and shared it with the teams. Face coverings became mandatory in the warehouse, and were encouraged in offices (except for medical and operational exemptions), going beyond Government guidance. We issued guidance to all agencies and departments about reporting Covid-19 cases, including follow-up actions required.
- **December 2020.** We reviewed the head office risk assessment and shared it with all departments. To enhance social distancing, we closed 50% of shared work areas and the office workstations used by people who could not work from home, and further reduced meeting room capacities. We reviewed and communicated our contacts guidance and shielding requirements and made face coverings mandatory in head office. All head office colleagues received a Covid-19 controls review document, requiring an electronic signature of acceptance.
- **January 2021.** We reviewed the warehouse risk assessment and issued a warehouse working refresh. We produced risk assessments for security, transport and training and shared them with the relevant teams. Training started for all warehouse management and supervisors, with the "Covid Captain" role introduced to monitor work areas. We increased anti-viral fogging in all areas, over and above the manufacturers' guidelines, and issued guidance on pre-shift cleaning.
- **February 2021.** We further enhanced the fogging procedures and produced a risk assessment for the Personalisation team.

We believe our efforts have been highly effective. For example, infection rates at our Shirebrook campus have been consistently below those in the local community. We will continue to adapt our approach as circumstances change.

Outside of the UK we have complied with all local Covid-19 laws and guidance which, at a minimum, includes the same store and warehouse measures as implemented in the UK.

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CHAIR'S STATEMENT

Introduction

The Covid-19 pandemic continues to be a significant challenge for the country, the retail industry and for Frasers Group. Our stores were closed again in November 2020, followed by a significant closure in the week before Christmas which then led to the third lockdown in January 2021. These lockdowns resulted in virtually all of our UK stores being closed for approximately six months in FY21. Our European stores were also impacted by closures although the impact was not as punitive as it was for the UK business.

I am proud of how our colleagues have battled through these very difficult times to help us achieve a solid set of financial results on an underlying EBITDA basis. We are a resilient business but the Covid-19 pandemic has resulted in some significant non-cash accounting impairments to our asset base. Our RNS announcements in February and April 2021 gave warning of the situation and consequently we have to report an overall profit before tax of £8.5m down from £143.5m in FY20.

We appreciate the Government support with the furlough scheme and business rates relief. We are predominantly a bricks and mortar business and this support has enabled us to keep stores open that otherwise might have been closed, particularly loss making House of Fraser stores, saving many jobs. We must caution however that the return to pre Covid-19 business rates will present a threat to a number of these stores. There must be a change to the outdated business rates system for us to justify the survival of some of these House of Fraser stores.

We are looking to take on a number of ex-Debenhams stores across the country but the excessive business rates make the viability of these investments, and the jobs that could be created, less likely. Again, we ask for clarity from the Government and for a new and appropriate policy on business rates.

Elevation Without Limits

We continue to invest in all areas of the business to support our elevation strategy. Our flagship Sports Direct store on Oxford Street re-opened in June 2021 at a cost of approximately £10m to the Group and we have received overwhelming endorsements from our customers and our brand partners such as Nike and Adidas.

Our Flannels business continues to go from strength to strength since we took full ownership during 2017 and has revenue CAGR from the end of FY18 to FY21 of approximately 40%. We have an ambition to reach approximately £2 billion in gross turnover by the end of FY26, with a forecast split of 60% from physical stores and 40% from online channels.

We will continue to invest across the portfolio of our retail fascias, always pushing the boundaries and thinking without limits. Our investment in our digital capability, including on platforms and people, will continue as will investment in automation in our warehouse to support our bricks and clicks fulfilment capabilities.

The Elevation No Limits strategy is working and we are fully supported by our third-party brands as elevation is complimenting their own strategies.

Results

We do not hesitate to remind our stakeholders of our key accounting principles, namely being conservative, consistent, and simple. It is with this in mind that we present our financial results for FY21 in a period of uncertainty, with in our opinion, the effects of the pandemic far from over, and a probable risk of further restrictions.

Our results highlights are:

- Underlying EBITDA increased to £390.8m (FY20: £302.1m)
- Revenue decreased to £3,625.3m (FY20: £3,957.4m)
- Profit before tax £8.5m (FY20: £143.5m)
- Net debt of £248.9m (FY20: £366.0m)

More underlying detail is given throughout this Annual Report and Accounts. The highlights and explanations of these by segment is set out in note 4.

Our People

Our people are our finest resource and we are committed to treating all of our colleagues with dignity and respect. Throughout the pandemic we have kept colleagues engaged with regular update videos and a provision for help and wellbeing support where people needed it. Frasers Group colleagues are talented, loyal and resilient. I have been very impressed how they have found creative ways of working through the challenges of the pandemic with undiminished enthusiasm. The Board are very appreciative of the efforts of our colleagues during these challenging times.

The Board is really pleased that The Fearless 1000 share scheme was unanimously voted through at the AGM in October 2020 and is now up and running. The Board is receiving regular updates and progress reports and we are comfortable it is running as intended. The aim of the scheme is to pay out significant bonuses in the form of shares if the share price stays above £10 for 30 consecutive trading days. This could see 10 colleagues receiving shares worth £1m each if the share price is at £10 at the vesting dates. One thousand of our Fearless colleagues, who live and breathe our values of thinking without limits, not hesitating and owning it, will be eligible to receive share bonuses ranging from £50k right up to £1m if the share price is at £10 at the vesting dates. There is also a cash bonus scheme which runs concurrently with the share scheme which will pay out bonuses for those eligible colleagues who do not qualify for the Fearless 1000.

The Frasers Group Elevation Programme was introduced in September 2020 to attract highly talented people to Frasers Group. The quality of the recruits from the initial intake has been strong and they have impressed people across all levels of the organisation including the Board. We are looking to run this programme again in September 2021 with a new intake of talent and our assessment centres are now up and running. Our objective is to populate the organisation with high calibre, high potential, well trained people who we intend to be the future leaders of the Company.

Acquisitions And Strategic Investments

During the year we increased our investments in Hugo Boss and Mulberry and we also acquired the DW Sports and Fitness business. These investments are consistent with our strategic objectives and align with our elevation strategy.

As at period end, we held approximately 16.4% directly and indirectly in Hugo Boss. We consider this strategic investment in Hugo Boss to be very successful. We have strengthened our relationship with the company and have regular and constructive dialogue with the senior executive team. We have noted press speculation about a potential acquisition of Hugo Boss and stated we had no intention to bid in our RNS of 26 May 2021.

We held approximately 36.8% of Mulberry Group plc at the year end. We believe this is an iconic British brand and hope that together we can build a mutually beneficial partnership going forward.

We acquired certain assets of DW Sports Limited from administration for a cash consideration of £37m. The transaction complements the existing gym and fitness club portfolio within the Group and is consistent with the Group's elevation strategy. Frasers Group looks forward to elevating the gym and fitness assets and is also pleased to have saved a number of jobs. Further detail on the trade and assets acquired can be found in note 31.

We consider a combination of both organic and acquisitive growth will assist in the ongoing delivery and success of our Elevation Strategy and we will continue to look at potential opportunities across a range of categories to complement and enhance our Group offering, in the UK, Europe and beyond if appropriate.

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Environmental, Social & Governance

We are proud of the successes we have had with our sustainability agenda to date. For instance the majority of our waste from our Shirebrook delivery centre is recycled and we are targeting zero waste to landfill from Shirebrook in the next few years. Excluding acquisitions during the year, our stores and gyms are operating on 100% renewable power and we are targeting a reduction of 10% power usage in our stores over the next few years. Sustainability will continue to play a key role in our future processes and procedures led by our Sustainability Steering Group which is executive sponsored by our Chief Financial Officer.

We are proud to invest in local communities and to support a key facet of British life, the high street. We provide jobs for over 20,000 people in the UK alone and during the pandemic we have done our utmost to retain and support as many colleagues as possible with very few redundancies.

During the year we have given approximately £25m in discounts to NHS staff as we reopened in June 2020 in gratitude to the unbelievable job they have done during the Covid-19 pandemic.

Our workers representative Cally Price is a shining example of good corporate governance and we thoroughly recommend the appointment of such a position across the boardrooms of corporate Britain. Cally brings colleague queries and concerns directly to the boardroom for action by the Board. Cally takes a very active part in every Board meeting, which she attends in full, and her vote counts for as much in a Board vote as mine or the executive team. Alongside Cally, the rest of our Non-executive Directors bring their own knowledge and experience to their roles in helping to ensure we do the right thing by our stakeholders.

The Board

We recently went through an independent review of the Board which is a mandatory obligation once every three years. We are very happy with the findings and will act on the recommendations.

We will continue to look at the construction of the Board ensuring we have the appropriate blend of skills and experience. We consider diversity, and energetic and passionate individuals to be priorities as we look to strengthen the Board in the future.

Due to the success of the Worker's Representative Board role we have decided to extend the tenure of Cally Price for a further few years and she will be proposed for re-election at the 2021 AGM.

Dividend And Share Buyback

Our share buy back programme has continued which is a demonstration of our confidence in the Company and the strategy for future growth. Further details can be found in Note 36.

No final dividend will be payable in relation to FY21 as we intend to make further investments in the business to support the elevation strategy.

Outlook

The Covid-19 pandemic continues to create uncertainty and we must be prepared for more lockdowns in the future. There must be concerns about the stability of some retailers as Government support schemes come to an end, yet there still seems to be very little tangible long-term action being taken by the Government to save the high street. Notwithstanding the probable risk of further lockdowns, which are considered and do impact our property accounting estimates, Frasers Group is confident in our long-term strategy which we believe will help us to get through this difficult period.

We will continue on the path of elevation and to invest in our talented and loyal colleagues. Our business is built on rock solid foundations and we believe we are well set for some promising times in the future.

David Daly

Non-executive Chair

5 August 2021

OUR BUSINESS

Business Model

Founded by Mike Ashley as a single Store in Maidenhead in 1982, Frasers Group plc today operates a diversified portfolio of sports, fitness, premium lifestyle and luxury store fascias. The Group's colleagues work together with our suppliers and our third-party brand partners to serve customers in over 20 countries. The Group aspires to be an international leader in sports, lifestyle, and luxury retail. The Board is committed to treating all people with dignity and respect. We value our people, our customers and our shareholders and we strive to adopt good practices in our corporate dealings. We aim to deliver shareholder value over the medium to long-term, whilst adopting accounting principles that are conservative, consistent and simple. Our strategy is set out in the "Our Strategy – Elevation.No Limits" section of this report.

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

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

Business Structure

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

In UK Sports Retail, we offer a complete range of sporting apparel, footwear and equipment through our predominant fascia, SPORTS DIRECT.

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

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

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

In Rest of World Retail, we operate 43 stores trading as Bob's Stores and Eastern Mountain Sports and we also have 33 stores trading as SPORTS DIRECT in Malaysia.

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

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Multi-Channel Elevation Strategy

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

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

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

Progression Of The Elevated Store Model

The elevation of the Group's stores continues to progress and evolve across fascias and territories. As reported last year, for Sports Direct the enhanced concept introducing an area not just for USC, but also for Game with a Belong Gaming arena and Evans Cycles was delivered at the new Portsmouth store. These combined elements develop the destination status of our stores catering to a wider customer base. The Group has also pushed boundaries with the opening of the game changing Sports Direct flagship store on London's Oxford Street shortly after financial year end. The store features world class design incorporating new activation spaces, technology and features including a first in kind bra fitting studio.

Following the success of the Flannels regional concept, the Group has developed a new regional flagship concept. This concept encompasses a much larger footprint and incorporates new categories for the fascia including beauty and food & beverage. The first store to launch in this new concept is at Meadowhall Shopping Centre with further sites due to open in the coming financial year such as Fosse Park in Leicester and Liverpool city centre.

A significant milestone for the Group was delivering the new Frasers concept with the opening of Frasers Wolverhampton. The store extends to c.34,000 sqft housing beauty, fashion, lifestyle, kids, home and food & beverage. This new store is a live example of the Group's vision for the fascia focusing on experience, brands and service.

The Group is highly acquisitive across fascias for new stores and with co-operative landlords can offer a portfolio of new store deals providing a variety of retail offerings. The Group is prepared to sign long term leases for those landlords willing to co-invest in the elevated store concepts.

Investment in Freehold properties remains an option to assist the store elevation strategy as has been the case in previous financial years.

Further details of the property strategies and current property portfolio are included within the Chief Executive's Report and Business Review section of this annual report.

Our People

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

Remuneration and Rewards

Our policy is to foster a reward-based culture that enables our colleagues to share in the success of the Group. It is Company policy to pay above the statutory National Minimum Wage, including rates that are above the statutory National Living Wage for those over 25 years of age in the UK. In addition to this, in current period the Group paid awards and incentives of approximately £7.0m, from which both permanent and casual colleagues benefited.

We are pleased that the Fearless 1000 share scheme is now up and running along with the Fearless Focus performance reviews. One thousand of our Fearless colleagues, who live and breathe our values, thinking without limits, not hesitating and owning it, will be eligible to receive share bonuses ranging from £50k right up to £1m if the share price is at £10 at the vesting dates.

Workers' Representative

The Frasers Group Workers' Representative is Cally Price, a Manager at our Cardiff Bay store. The Workers' Representative has a unique insight in to the Group and will speak on behalf of the Group's workforce at all scheduled meetings of the Board in order to facilitate a healthy and constructive dialogue. Due to the success of the Worker's Representative Board role we have decided to extend the tenure of Cally Price for a further few years and thus she will be proposed for re-election at the 2021 AGM.

Colleague Engagement

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

Our Global Third-Party Brand Partners

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

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

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Our Strategy – Elevation No Limits

Our purpose is to serve consumers with the world's best brands. This requires us to have the right product, in the right place, at the right time and at the right price. Our strategy is aligned to this purpose and is based on three interconnected focus pillars – the brands we sell, our digital offering and our physical stores. These are supported by a set of enablers, focused on our people, systems, automation and data. By continuing to elevate our performance across all areas of our strategy, we will achieve our vision: to become the elevated multi-channel platform for sports, premium and luxury.

Strategy	Key achievements in FY21	Priorities for FY22
Brands Our customers want to have the choice of the world's best brands, whether in sporting goods or the premium and luxury segments. Being able to offer these brands is essential for our success. We therefore focus on building excellent relationships and truly integrated teams with key third-party brand owners. This powerful brand offering is supported by our complementary range of own brands, where we aim to offer unrivalled choice and value, and drive growth through influencer partnerships and brand collaborations. We will continue to consider strategic acquisitions that bring attractive brands into the Group.	During FY21, our achievements included: • further growing our relationships with key brand owners, such as Nike for Sports Direct, Burberry for Flannels, and Hugo Boss for House of Fraser, giving us improved access to the products our customers demand; • increasing our strategic investment in Hugo Boss AG, reflecting our growing relationship, our confidence in its future and the potential for synergies between our businesses; and • increasing our strategic investment in luxury handbag retailer Mulberry.	During FY22, our priorities are to: • continue to build our successful third-party brand partnerships and further improve our access to their best products; and • invest in evolving our own brands, to ensure they remain relevant to consumers by responding to changing styles and trends, and continue to complement the key third-party brands we offer. Reference to Principal Risks, see page 31.
Digital Both customers and brands want access to digital channels that offer an excellent experience. Through our digital elevation strategy we are investing more than £100m to elevate our proposition across our retail channels. This investment will build on our core digital foundations, to support future growth and agility. It includes continuing to improve the online customer experience and carefully targeted investment in platforms that support customer service, engagement and data. We are also investing in digital marketing to drive sales growth.	During FY21, our achievements included: • significantly improving the customer experience, customer service and the underlying platform for our digital business, reflecting the critical importance of a strong web presence during Covid-19 related lockdowns; and • introducing our first digital marketing programme, to support branding and sales growth.	During FY22, our priorities are to: • further invest in our online retail capabilities, particularly on the luxury side of the business, including our website, customer service and payment platforms; and • continue to invest in digital marketing and use of social media, to both drive sales and provide insights into customer behaviour. Reference to Principal Risks, see page 31.
Physical The continual elevation of our physical store estate is a fundamental part of our strategy to make them destinations customers want to come to and where brand owners want their products to be seen. We do this by rolling out elevated stores and by elevating existing stores. To drive efficiencies in running our store estate, we will continue to develop our operating model and introduce new store technology. We will also consider strategic acquisitions that add attractive locations to the store estate.	During FY21, our achievements included: • continuing to open new concept stores, including a flagship multi fascia offering in Portsmouth and a new Frasers store in Wolverhampton. • significantly investing in our flagship Sports Direct store on Oxford Street, London which opened to great acclaim in June 2021; and • acquiring the trade and assets of DW Sports, complementing our existing gym and fitness club portfolio.	During FY22, our priorities are to: • roll out new elevated stores, including new concepts such as food and beverage and beauty for Flannels; • develop the latest iterations of our elevated store concepts; • progress the ongoing elevation of our existing store portfolio; and • selectively open elevated stores in Europe, with a focus on the Sports Direct and USC fascias. Reference to Principal Risks, see page 31.
Enablers We need to have talented people who will enable us to succeed, supported by training that empowers them to achieve. To attract new talent, we will continue to develop our employer brand, while further improving internal communication to drive engagement with existing colleagues. We will also continue to invest in our systems and automation to enhance efficiency, and in our data capabilities, so we can make data-driven decisions wherever possible.	During FY21, our achievements included: • making significant progress with how we attract, engage and develop talent, including defining our core values, welcoming 27 new people in our commercial department through the Frasers Group Elevation Programme, introducing the Fearless 1000 bonus scheme and Fearless Focus performance reviews, and developing a new learning management system (LMS); • further investing in automation, in particular to improve fulfilment for our digital business; and • enhancing data sharing with suppliers through electronic data interchange (EDI), improving management of stock and streamlining supplier payment processes.	During FY22, our priorities are to: • roll out our new performance reviews across the business, go live with the LMS, and recruit the next intake for the Elevation Programme; • continue to increase automation, to support fulfilment in our digital business and restocking our physical stores as quickly and effectively as possible; • continue onboarding products onto EDI; and • capture customer data and insights through growth in our digital business, digital marketing and the roll-out of our loyalty programme. Reference to Principal Risks, see page 31.

Key Performance Indicators

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

	52 weeks ended 25 April 2021	52 weeks ended 26 April 2020	52 weeks ended 28 April 2019
Group revenue	£3,625.3m	£3,957.4m	£3,701.9m
Underlying EBITDA[1]	£390.8m	£302.1m	£287.8m
Group gross margin	42.2%	42.0%	42.8%
Underlying basic earnings per share[2]	(17.0p)	16.2p	17.6p
Underlying free cash flow[3]	£427.8m	£263.1m	£273.3m
Net debt[4]	£248.9m	£366.0m	£378.5m
NON-FINANCIAL KPIS			
Number of retail stores[5]	1,547	1,534	968
Workforce turnover	28.9%	28.6%	23.0%
Packaging recycling[6]	11,164 tonnes	12,358 tonnes	12,807 tonnes

(1) The method for calculating underlying EBITDA is set out in Note 4 and the Glossary.
(2) The method for calculating underlying basic earnings per share is set out in Note 15.
(3) Underlying free cash flow is defined as operating cash flow after working capital and pre IFRS 16, made up of underlying EBITDA plus realised foreign exchange gains and losses, less corporation tax paid. Further detail on this calculation can be found in the Financial Review.
(4) The method for calculating Net debt is set out in the Financial Review.
(5) Excluding associates and stores in the Baltic states that trade under fascias other than SPORTLAND or SPORTSDIRECT.com, and other niche fascias. Includes GAME and Sofa.com concessions.
(6) Cardboard and plastic recycling.

The Directors believe that underlying EBITDA, underlying basic EPS and underlying free cash flow provide further useful information for shareholders on the underlying performance of the business in addition to the reported numbers and are consistent with how business performance has been measured internally. They are not recognised profit measures under IFRS and may not be directly comparable with "adjusted" performance measures used by other companies. See Glossary for further information on the Group's Alternative Performance Measures.

Management will, from FY22, change our main reporting KPI from underlying EBITDA to adjusted profit before tax (PBT). From FY22, the Group will therefore no longer report underlying EBITDA. Adjusted PBT is reported profit before tax less the effects of exceptional items, unhedged foreign exchange (FX), gains and losses on strategic investments and share scheme charges.

Management has taken this decision for the following reasons:

- With the continued significant investment in and roll out of our elevation strategy on both the physical and digital fronts, the importance of depreciation and amortisation to both the Board and our stakeholders in terms of assessing performance has grown.
- Our understanding from a number of financial sectors, including the banking sector, is that IFRS16 is becoming an increasingly important consideration.
- With this new measure, we are trying to align with the Financial Reporting Council's thematic standpoint with regard to 'alternative performance measures' as far as possible, whilst retaining a degree of interpretation given that factors outside of our control, such as FX and strategic investments movements which are exceptionally difficult to forecast, particularly months in advance.

Adjusted PBT for the 52 weeks ended 25 April 2021 was a loss of £53.7m. See Glossary for reconciliation to reported PBT.

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Group revenue

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

Underlying EBITDA

Underlying EBITDA shows how well the Group is managing its trading and operational efficiency and therefore the overall trading performance of the Group.

Group gross margin

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

Underlying basic earnings per share (EPS)

Underlying basic EPS is a measure of adjusted total shareholder return and ultimately an indicator to our shareholders of the success of our elevation strategy.

Underlying free cash flow

Underlying free cash flow is considered an important indicator for the Business of the cash available for investment in the elevation strategy.

Net debt

Net debt is an indicator of both the Group's investment in the elevation strategy and its covenant headroom which is a key component of the Group's going concern considerations.

Number of retail stores

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

Workforce turnover

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

Packaging recycling

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

CHIEF EXECUTIVE'S REPORT AND BUSINESS REVIEW

Performance Overview

Group revenue decreased by 8.4% to £3,625.3m in the year. UK Sports Retail decreased by 10.7% to £1,968.5m, Premium Lifestyle revenue increased by 1.9% and European Retail decreased by 11.8% to £615.2m. Rest of World Retail revenue was £152.7m, down 12.3% and revenue in the Wholesale & Licensing division decreased by 4.3%.

Group gross margin in the year was consistent with the prior year with a small increase of 20 basis points from 42.0% to 42.2%. UK Sports Retail margin increased 110 basis points to 42.1% (FY20: 41.0%) largely due to the continually improving product mix. Premium Lifestyle's gross margin decreased by 340 basis points from 48.3% to 44.9% largely due to a reduction in concession sales within House of Fraser as a percentage of total sales which have a higher gross margin. European Retail gross margin increased 60 basis points from 38.4% to 39.0% largely due to the continually improving product mix. Rest of World Retail margin decreased 250 basis points from 44.4% to 41.9%, largely due to the lower margin rate in the US business which makes up a larger proportion of the segment in FY21. Wholesale & Licensing gross margin increased 310 basis points to 44.0% (FY20: 40.9%), largely due to UK wholesale.

Group operating costs decreased by 15.7% to £1,140.0m (FY20: £1,353.0m), largely driven by savings in store costs during the lockdowns as a result of the Covid-19 pandemic, Government support schemes such as CJRS (Coronavirus Job Retention Scheme) and business rates relief particularly in House of Fraser. The amount received by the Group in the period in regard to the CJRS (or equivalent where received in non-UK territories) was approx. £80m. The amount of business rates relief received by the Group in the period (or equivalent where received in non-UK territories) was approx. £97.5m. See the Financial Review for a reconciliation of Group operating costs to selling, distribution and administrative expenses.

As a result, Group underlying EBITDA for the year was up 29.4% to £390.8m (FY20: £302.1m). Excluding acquisitions and on a currency neutral basis, underlying EBITDA increased 16.9%. UK Sports Retail underlying EBITDA was £279.2m up from £227.4m in FY20, while Premium Lifestyle underlying EBITDA was £53.9m, up from £4.5m in FY20. European Retail underlying EBITDA was £4.1m, down from £51.8m in FY20. Rest of World Retail underlying EBITDA was £25.6m, up from a loss of £6.8m in FY20 and Wholesale & Licensing underlying EBITDA increased to £28.0m from £25.2m.

There were property related impairments in the period totalling £317.0m (FY20: £122.6m), including £168.2m in relation to right of use assets (FY20: £97.8m), £84.4m in relation to freehold land and buildings (FY20: £nil), £63.8m of other property, plant and equipment (FY20: £24.8m) and £0.6m of investment properties (FY20: £nil). Property related impairments have been recognised following a re-assessment of future expected cash flows largely driven by anticipated future lockdowns as a result of the Covid-19 pandemic, the change in consumer behaviour in moving from physical to online shopping, the impact of Direct-To-Consumer and increasing costs as a result of Brexit. Further details including sensitivity analysis is included within Note 2.

Depreciation and amortisation charges have increased by 11.3% to £307.5m (FY20: £276.3m) largely due to an increase in freehold land and buildings depreciation, following the change in useful economic life estimate in the period. See accounting policies for further details.

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Group underlying profit before tax [1] decreased to £5.8m (FY20: £117.4m), largely due to the effects of the Covid-19 pandemic including the closure of retail stores, the associated provisioning and impairment and depreciation and amortisation charges. Underlying basic EPS for the year decreased by 204.9% to a loss of 17.0p (FY20: profit of 16.2p).

Within other comprehensive income, the Group's hedging contracts decreased by £16.5m (FY20: decreased by £18.7m) as a result of the fair value movements in the period. With regard to the Group's long-term financial assets, fair value movements have resulted in a gain of £77.3m (FY20: loss of £19.7m) in the period.

The Group generated free cash flow during the year of £427.8m, up from £263.1m in the prior period. Net debt decreased by £117.1m to £248.9m at period end. Spend on acquisitions and capex, including Wigan Robin Retail Park and warehouse automation, was offset by continued strong cash generation in the core business. Net debt currently stands at 0.5 times reported EBITDA (FY20: 0.7 times).

(1) Underlying profit before taxation excludes the effects of IFRS 16, realised foreign exchange gains / losses in selling and administration costs, exceptional items, and the profit / loss on disposal of subsidiaries, strategic investments and properties.

REVIEW BY BUSINESS SEGMENT

UK Sports Retail

The UK Sports Retail segment includes all of the Group's sports retail and USC store operations in the UK (including Northern Ireland), all of the Group's sports online businesses (excluding Bob's Stores, Eastern Mountain Sports, Baltics and Malaysia), the Group's gyms, Evans Cycles, GAME UK stores and online operations and the Group's Shirebrook campus operations. UK Sports Retail is the main driver of the Group and accounts for 54.3% (FY20: 55.7%) of Group revenue.

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
UK Sports Retail Revenue	1,968.5	2,203.3
Cost of Sales	(1,139.2)	(1,300.1)
Gross Profit	829.3	903.2
Gross Margin %	42.1	41.0

Revenue decreased 10.7% to £1,968.5m. Excluding acquisitions, revenue fell 14.6%. This was largely due to the temporary store closures in the UK caused by the Covid-19 pandemic, partially offset by growth in our online business and pent up demand on store reopening.

UK Sports Retail gross margin increased to 42.1% (FY20: 41.0%), largely due to the continually improving product mix. Excluding acquisitions gross margin increased to 45.0% (FY20: 43.5%).

Operating expenses decreased by 16.8% to £548.7m largely driven by savings in store costs during the store closure periods as a result of the Covid-19 pandemic. Excluding acquisitions, operating expenses decreased by 20.2% largely driven by savings in store costs and Government support schemes during lockdowns as a result of the Covid-19 pandemic.

Underlying EBITDA for UK Sports Retail was £279.2m (FY20: £227.4m), an increase of 22.8% for the year, largely due to the strong reopening of stores after lockdowns, growth in our online business and improved operating efficiencies.

UK Sports Retail Store Portfolio[1]

	25 April 2021	26 April 2020
England	394	367
Scotland	39	37
Wales	31	28
Northern Ireland	21	17
Isle of Man	1	1
USC	25	27
Evans Cycles	48	50
GAME UK[2]	247	242
TOTAL	**806**	**769**
Opened	93	25
Closed	(98)	(53)
Acquired	42	256
Area (sq.ft.)	approx. 6.5m	approx. 6.3m

(1) Table excludes the Group's standalone Gyms.
(2) The GAME UK store numbers include 71 concessions (FY20: 3) operating within Sports Direct fascia stores and does not include BELONG arenas.

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Premium Lifestyle

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

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Gross Transaction Value (GTV)[1]	788.1	903.1
Premium Lifestyle Revenue	735.6	722.0
Cost of sales	(405.3)	(373.4)
Gross Profit	330.3	348.6
Gross Margin %	44.9	48.3

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

Premium Lifestyle sales increased by 1.9% to £735.6m (FY20: £722.0m), mostly due to new Flannels stores and increased web sales. Excluding acquisitions, sales increased 1.4%. The Premium Lifestyle gross margin for the year decreased by 340 basis points to 44.9% (FY20: 48.3%) largely due a reduction in concession sales within House of Fraser as a percentage of total sales which have a higher gross margin.

Premium Lifestyle operating costs decreased by 20.1% to £275.1m (FY20: £344.1m) largely driven by savings in store costs during the store closure periods as a result of the Covid-19 pandemic and Government support schemes such as business rates relief particularly in House of Fraser. As a result, underlying EBITDA improved from £4.5m in FY20 to £53.9m in the year, largely due to Flannels store openings, growth in our online business, continued operating efficiencies and business rates relief particularly in House of Fraser.

Premium Lifestyle Store Portfolio

	25 April 2021	26 April 2020
Flannels	41	37
Cruise	5	5
von mildert	1	1
Jack Wills	60	67
House of Fraser / Frasers	43	48
Sofa.com[1]	24	21
18Montrose	3	-
Garment Quarter	1	-
Psyche	1	-
	179	179
Opened	12	10
Acquired	5	117
Closed	(17)	(42)
Area (sq.ft.)	approx. 4.2m	approx. 4.5m

(1) Sofa.com store numbers include 17 concessions (FY20: 12 concessions) operating within House of Fraser fascia stores.

European Retail

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

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
European Retail Revenue	615.2	697.7
Cost of Sales	(375.5)	(429.8)
Gross Profit	239.7	267.9
Gross Profit %	39.0	38.4

Revenue decreased 11.8% to £615.2m. On a currency neutral basis and excluding acquisitions, European Retail revenue decreased by 20.5% largely due to the temporary store closures caused by the Covid-19 pandemic.

European Retail gross margin increased to 39.0% (FY20: 38.4%) largely due to the continually improving product mix. Excluding acquisitions and on a currency neutral basis, margin is up 100 basis points to 46.3%.

Operating expenses increased by 10.2% to £238.1m (FY20: £216.1m). Excluding acquisitions and on a currency neutral basis operating costs increased by 9.3% largely due to property related provisions including prior year releases as a result of disposals. As a result, underlying EBITDA decreased 92.1% to £4.1m.

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

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European Retail Store Portfolio [1]

	25 April 2021	26 April 2020
GAME Spain	236	261
Republic of Ireland[2]	39	35
Belgium	34	35
Estonia[1]	21	25
Austria	20	22
Portugal	20	21
Latvia[1]	17	18
Lithuania[1]	18	18
Poland	14	16
Slovenia	13	14
Czech Republic	12	12
Hungary	8	8
Cyprus	6	6
Holland	5	5
Slovakia	5	5
France	4	4
Germany	2	2
Luxembourg	2	2
Spain	9	1
Iceland	1	1
TOTAL	**486**	**511**
Opened	13	11
Closed	(38)	(14)
Acquired	-	265
Area (sq.ft.)	approx. 3.6m	approx. 4.0m

(1) Includes only stores with SPORTSDIRECT.com and SPORTLAND fascias
(2) Excluding Heatons fascia stores

Rest Of World Retail

Rest of World Retail includes sports stores in Malaysia trading under the SPORTS DIRECT fascia, retail stores in the US trading under Bob's Stores and Eastern Mountain Sports and their online businesses. In Malaysia the Group has 33 stores which are 51.0% owned by the Group.

	52 weeks ended 25 April 2021	52 weeks ended 26 April 2020
	(£m)	(£m)
Rest of World Revenue	152.7	174.2
Cost of sales	(88.7)	(96.9)
Gross Profit	64.0	77.3
Gross Margin %	41.9	44.4

Rest of World Retail sales were £152.7m for the year. Gross margin was 41.9%, down from 44.4% in the prior year, largely due to the lower margin rate in the US business which makes up a larger proportion of the segment in FY21. Underlying EBITDA was £25.6m, from a loss of £6.8m in FY20. This was largely due to operating efficiencies in the US business.

Rest of World Retail Store Portfolio

	25 April 2021	26 April 2020
Malaysia	33	31
Bob's Stores	22	24
Eastern Mountain Sports	21	20
	76	75
Area (sq.ft.)	approx. 1.3m	approx. 1.3m

Wholesale & Licensing

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

	52 weeks ended 25 April 2021	52 weeks ended 26 April 2020
	(£m)	(£m)
Wholesale	131.5	134.4
Licensing	21.8	25.8
Total Wholesale & Licencing Revenue	**153.3**	**160.2**
Cost of Sales	(85.8)	(94.7)
Gross Profit	67.5	65.5
Gross Margin %	44.1	40.9

Wholesale & Licensing total revenue decreased by 4.3% to £153.3m (FY20: £160.2m).

Wholesale revenues were down 2.2% to £131.5m (FY20: £134.4m), due to reductions in UK wholesale activity offset by an increase in the US. Total gross margin increased by 320 basis points to 44.1% (FY20: 40.9%). Wholesale gross margins increased 430 basis points to 33.6% (FY20: 29.5%), largely due to UK wholesale.

Licensing revenues in the year were down 15.5% to £21.8m (FY20: £25.8m).

Operating costs decreased by 2.2% to £39.4m (FY20: £40.3m). As a result, underlying EBITDA increased by 11.1% to £28.0m (FY20: £25.2m).

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PROPERTY REVIEW

The store elevation program remains a key focus point for the Group across all fascias and territories. For Sports Direct, the new stores continue to push boundaries as demonstrated by the opening of the new Portsmouth Sports Direct store incorporating a USC, Evans and Game, as well as a Belong gaming arena. Further to this, shortly after financial year end the newly refurbished London, Oxford Street flagship opened featuring world class design incorporating new activation spaces, technology and features including a first in kind bra fitting studio. In Europe, the portfolio of six Toys R Us properties acquired during FY20 in Spain have now been developed launching as elevated Sports Direct stores in the same format as the UK.

A significant milestone for the Group was delivering the new Frasers concept with the opening of Frasers Wolverhampton, another example of the continued store elevation programme. The opening of such stores demonstrates the Group's commitment to physical retail and ability to create genuine retail destinations.

Flannels remains an important fascia for the Group. The key focus has been the development of the Regional Flagship concept introducing new categories for the fascia such as beauty, food & beverage and active. Terms have been agreed to launch this new concept at Meadowhall Shopping Centre which is set to open in the coming financial year. Further sites for this concept are also due to open at Fosse Park in Leicester and Liverpool city centre.

Another notable event in FY21 was the acquisition of 42 DW Stores. The acquisition enhanced the Group's gym and UK Sports Retail estate. A refurbishment and rebranding exercise commenced shortly after acquisition and will continue into the coming financial year.

The primary objective for the estate continues to be the transition to turnover based rents. The Group is highly acquisitive across fascias and with co-operative landlords can offer a portfolio of new store deals providing a variety of retail offerings. The Group is prepared to sign long term leases for those landlords willing to co-invest in the elevated store concepts.

With leasehold activity across the Group expected to increase over the coming year, the same is likely to apply with freehold acquisitions as we capitalise on favourable market conditions coupled with the Group's growing requirement for retail space.

UK RETAIL STORE PORTFOLIO

Sports Stores in the UK (including Northern Ireland):

- The Group is currently operating from 394 stores in England, 39 in Scotland, 31 in Wales and 21 in Northern Ireland. There were 14 openings and 20 closures for Sports Direct fascia stores over the period. 42 stores were acquired as part of the acquisition of DW Sports comprising a number of 'combined' sites with retail and leisure. Six of the store closures were sites acquired as part of this acquisition where agreements could not be reached with landlords resulting in 33 'combined' and 3 stand-alone Sports Direct stores as additions in the period. 13 of the remaining 14 closures occurred due to relocations into elevated multi-fascia stores.
- Noteworthy openings include Portsmouth, Birmingham Fort, Scunthorpe and Wrexham where existing Sports Direct stores were closed to relocate into an elevated multi-format store.
- All new store openings include a USC lifestyle offering as part of the elevated store model across all formats. As mentioned previously, both a GAME and Evans Cycles concept has been developed to form part of the elevated Sports Direct format in selected locations. Over the coming financial period there will be a push towards more multi-fascia store openings incorporating each of these fascias.

Evans Cycles

- There are currently 48 Evans Cycle stores operating, a reduction of two stores over the period. During FY21 the Evans Cycles concept was first introduced as a store-in-store area in our latest Portsmouth multi-fascia store alongside Sports Direct, USC, Game & Belong. This concept will continue to be developed to roll out into selected future store openings.

GAME UK

- Over the period, the relocation programme moving Game into selected Sports Direct stores was accelerated. Coupled with the new Sports Direct store openings featuring an area for Game, the overall number of stores for the UK estate increased to 247 having closed 67 and opening 72 (net increase of 5 stores).
- The Belong gaming arenas are building their presence across the UK featuring in a number of the new Sports Direct openings such as Portsmouth.

PREMIUM LIFESTYLE STORE PORTFOLIO

Flannels, Cruise and Van Mildert

- Across Flannels, Cruise and van mildert during FY21 there were 6 openings and 2 closures, resulting in a net increase of 4 stores. Combining these fascias, the total estate amounts to 47 stores.
- Key openings for Flannels include Rushden Lakes, Kingston Upon Thames and Wolverhampton. The Glasgow Cruise store was also extensively refurbished and expanded.
- A major area of development has been the Flannels Regional Flagship concept, incorporating new categories such as beauty, food & beverage and active. The first regional flagship to open will be Flannels Meadowhall which will extend to approximately 55,000 sqft with further locations to follow over the coming financial year including Fosse Park in Leicester and Liverpool city centre.

House of Fraser

- At the end of FY21 there were 43 House of Fraser stores trading, a net decrease of 5 stores after 6 closures and 1 opening.
- A key highlight was the delivery of the new 'Frasers' store concept at Wolverhampton. This new store showcases the elevated format and what can be provided upon agreeing appropriate new long term lease deals.
- Much of the estate continues to remain on short term flexible leases. Whilst negotiations are ongoing to transition stores to long term leases it is anticipated that there will be further closures, particularly as business rates come back into effect in FY22.
- However following the demise of major high street retail chains we envisage new location opportunities to come to fruition over the coming financial period, albeit again punitive business rates at many of these locations put the viability of doing these lease deals in doubt.

Jack Wills

- Over FY21 there were 7 store closures and no openings reducing the estate to 60 stores.. We continue to negotiate with landlords to move to long term leases.
- A new store concept is under development with the ambition to open in new key markets across the UK. The new concept is intended to be finalised over FY22.

Forecast Openings UK FY22

- Over FY21, despite the challenges faced relating to the Covid-19 pandemic the Group continued the elevated store roll out programme. For the coming financial year the Group's ambition is to increase the new store activity across fascias, with a particular focus on Sports Direct and Flannels. Key new stores include the new Flannels Regional Flagships along with new Sports Direct flagships such as Birmingham city centre. However, it should be noted that program risk remains relating to factors linked to the Covid-19 pandemic.

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EUROPEAN RETAIL STORE PORTFOLIO

Republic of Ireland (ROI)

- Over FY21 the remaining Heatons store conversions to include Sports Direct were completed.
- There was one opening in the year, with 39 stores at the period end. Shortly after the year end a new store in Galway opened, a first for the Group in that market.
- The intention for the coming financial year is to increase the store estate across ROI, this has been bolstered by the increasing number of new location opportunities now being presented. In certain locations other Group fascias not currently trading in the ROI are being considered.

Continental Europe

- The Group continues to operate sports stores in 18 countries in continental Europe.
- 211 Sports retail stores in Europe, excluding Republic of Ireland (plus 26 non-core, speciality and outlets).
- Total sq.ft. of approximately 2.7m of all sports fascias in Europe (including Sportland, Lillywhites, Sportsworld etc).
- Closed 25 GAME stores in Spain during the period as part of rationalising the estate and removing duplication finishing the period on 236 stores.
- Twelve openings in four different countries, three of which were relocations.
- 10 closures in seven different countries with a mixture of closing non-performing stores and closures linked to relocations. The 1 Austrian store closure was due to a sale of our freehold property in Salzburg.
- During the period 8 Sports Direct stores incorporating a USC were opened during the period totalling 117,165 sq ft of retail space. 5 of these were freeholds purchased in FY20 that have been refurbished and opened as elevated Sports Direct stores. A further freehold store opened in Malaga shortly after FY21.
- As is the case in the UK, the Group is firmly committed to the rollout of elevated stores across Europe. Due to the accelerated shift to online experienced across Europe due to the effects of the Covid-19 pandemic and a number of retailers reducing their portfolio size. The Group believes it can capitalise on these market conditions to efficiently expand our physical estate, focusing on capital city and flagship opportunities.

REST OF WORLD RETAIL STORE PORTFOLIO

- 33 stores in Malaysia with three openings and one closure in FY21. The closure was a Tesco based store leaving us with three as we continue to relocate our stores to higher performance locations.
- The Malaysian elevation and expansion drive continues, with 2 new elevated stores opened in the period. We now have a total of seven elevated stores in the region in line with UK standards and four stores with a USC retail area.
- As a major milestone our flagship ASEAN HQ opened in FY21 in the Sunway Pyramid shopping centre with the adjoining retail store opening shortly.
- 43 stores in the USA, following two closures and one opening in FY21.

Freehold / Long Leasehold Property Purchases:

- Over FY21 a total of 14 properties were acquired across the UK totalling £84.3m. The most significant purchase was Robin Retail Park in Wigan for £41.8m. No properties were acquired in Europe or RoW.
- Disposal of property assets continues to be standard practice for the Group. During the period 4 disposals completed in the UK and 3 disposals completed in the EU.
- For the upcoming financial period it is anticipated that there will be an increase in acquisition activity as we capitalise on favourable market conditions coupled with the groups growing requirement for retail space. Disposals will continue as has been the case in previous financial years.

Mike Ashley

Chief Executive

5 August 2021

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FINANCIAL REVIEW

The Financial Statements for the Group for the 52 weeks ended 25 April 2021 are presented in accordance with International Financial Reporting Standards (IFRS).

Summary Of Results

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Revenue	3,625.3	3,957.4
Reported EBITDA	536.5	551.0
Underlying EBITDA	390.8	302.1
Reported profit before tax	8.5	143.5
Underlying profit before tax	5.8	117.4
Earnings per share (EPS)	Pence per share	Pence per share
Reported basic EPS	(16.5)	18.5
Underlying basic EPS	(17.0)	16.2

EBITDA is earnings before investment income and investment costs, finance income and finance costs, tax, depreciation, amortisation and impairment. It includes the Group's share of losses from associated undertakings and joint ventures. Underlying EBITDA is calculated as EBITDA before the effects of IFRS 16, realised foreign exchange gains / losses in selling and administration costs, profit / loss on disposal of subsidiaries, strategic investments and properties.

Group Operating Costs

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Group operating costs	1,140.0	1,353.0
Depreciation and amortisation	225.4	145.3
Intangible impairment	-	5.9
IFRS 16 depreciation	82.1	122.6
IFRS 16 disposal and modification/remeasurement of lease liabilities	(27.7)	(9.7)
IFRS 16 reversal of rent expense	(127.3)	(137.5)
IFRS 16 reversal of onerous lease provision	(36.6)	(35.5)
Realised FX loss/(gain)	26.3	(34.9)
Operating income	36.8	32.5
SELLING, DISTRIBUTION AND ADMINISTRATION COSTS	**1,319.0**	**1,441.7**

Group operating costs for the purposes of management reporting:

i. Excludes depreciation, amortisation and impairments of property, plant and equipment, intangible assets and realised FX gains and losses; and

ii. Includes other operating income.

Foreign Exchange And Treasury

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

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

As at 25 April 2021 and as detailed in note 29c the Group had the following forward contracts that qualified for hedge accounting under IFRS 9 Financial Instruments, meaning that fluctuations in the value of the contracts before maturity are recognised in the Hedging Reserve through Other Comprehensive Income. After maturity, the sales and purchases are then valued at the hedge rate.

Currency	Hedging against	Currency value	Timing	Rates
USD / GBP	USD inventory purchases	USD 720m	FY22 - FY23	1.36 - 1.41
USD / EUR	USD inventory purchases	USD 120m	FY22, FY24	1.21 - 1.31
EUR / GBP	Euro sales	EUR 240m	FY23	0.99

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 IFRS9 Financial Instruments. The fair value movements before maturity are recognised in the Income Statement.

The Group has the following currency options and unhedged forwards:

Currency	Expected use	Currency value	Timing	Rates
EUR / GBP	Euro sales	EUR 380m	FY23	0.99

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

Regular reviews of the hedging performance are performed by the Treasury team alongside senior management to ensure the continued appropriateness of the currency hedging in place, and where suitable, either implementing 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.

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Taxation

The effective tax rate on profit before tax in FY21 was 1017.6% (FY20: 29.6%). This reflects the impact of the increase in property impairments and disallowable depreciation.

Earnings

	52 weeks ended 25 April 2021	52 weeks ended 26 April 2020	Change (%)
Reported EPS (Basic)	(16.5)	18.5	(189.2)
Underlying EPS (Basic)*	(17.0)	16.2	(204.9)
Weighted average number of shares (actual)	501,955,281	505,826,890	

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.

*The underlying basic EPS reflects the underlying performance of the business compared with the prior period and is calculated using the weighted average number of shares. It is not a recognised profit measure under IFRS and may not be directly comparable with "adjusted" performance measures used by other companies. Further details can be found in the Glossary.

Dividends

The Board has decided not to pay a final dividend in relation to FY21 (FY20 £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 £219.4m (FY20: £323.5m), which included £84.3m on freehold properties (FY20: £177.2m) and £48.5m on warehouse automation (FY20: £31.1m).

Strategic Investments

The Group continues to hold various strategic investments as detailed in Note 20. In addition the Group also holds indirect strategic investments within contracts for difference and options.

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

Acquisitions

On 22 August 2020, the Group acquired the trade and assets of DW Sports for cash consideration of £37.0m which is deemed to be the fair value of the consideration. The acquisition complements the Group's existing gym and fitness club portfolio and is consistent with the Group's elevation strategy. Goodwill represents the premium associated with advantageous site locations, potential growth opportunities offered by economies of scale, and the assembled workforce. The fair value adjustment to property, plant and equipment relates to the management's assessment of the price that would be paid for the acquired assets in an orderly transaction between market participants at the acquisition date. The leases were acquired under short-term licences and therefore no right-of-use asset or lease liability has been recognised on acquisition.

During the year the Group acquired the entire share capital of Psyche Holdings Limited, the entire share capital of GRMNT Limited, and the trade and assets of 18 Montrose for consideration of £2.7m. These acquisitions will provide increased product offerings in the Premium Lifestyle division. The fair value adjustment to property, plant and equipment relates to the recognition of right-of-use assets and lease liabilities.

Related Parties

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

In the year all properties are assessed. Those that are considered by the Group's independent Non-executive Directors to have completed development and be eligible for review at the year-end are assessed and if required valued by an independent valuer who confirms the value created by MM Prop Consultancy Limited. The Group's independent Non-executive Directors then review and agree the value created and have full discretion to approve a payment to MM Prop Consultancy Limited of up to 25% of the value created. There is a current pipeline of properties that may be eligible to be assessed both positively and negatively by the Group's Non-executive Directors in future years.

In the current year £2.5m has been accrued based on 25% of the value created on two properties where the gain has crystallised through contract exchange or completion of sale (FY20 - £nil provided and £nil paid, MM Prop Consultancy Limited was last paid in relation to FY19). This is payable to MM Prop Consultancy Limited and agreed by the independent Non-Executive Directors.

During the period the Group entered into an agreement with M.P.M Elevation Limited, a company owned and controlled by Michael Murray in relation to elevation strategy services. M.P.M Elevation Limited will be paid an annual fee of £0.1m in relation to the provision of the elevation strategy services.

Other related parties are disclosed in note 34.

Cash Flow And Net Debt

Net debt decreased by £117.1m from £366.0m at 26 April 2020 to £248.9m at 25 April 2021. Interest on bank loans and overdrafts decreased to £11.2m (FY20: £17.8m) largely due to reduced usage of the RCF in the period.

The analysis of net debt at 25 April 2021 and at 26 April 2020 was as follows:

	25 April 2021 (£m)	26 April 2020 (£m)
Cash and cash equivalents	457.0	534.0
Borrowings	(705.9)	(900.0)
NET DEBT	(248.9)	(366.0)

The Group's Working Capital Facility is £913.5m (FY20: £913.5m). It is available until November 2021 and is not secured against any of the Group's assets. £847.5m of the facility is due to expire in November 2022.

The Group continues to operate well within its banking covenants and the Board remains comfortable with the Group's available headroom. Note: due to the timing of payroll and supplier payments, net debt at calendar period end 30 April 2021 was approximately £350.0m (FY20: approximately £408.0m).

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CASH FLOW

Total movement is as follows:

	52 weeks ended 25 April 2021 (£m)[1]	52 weeks ended 26 April 2020 (£m)
Underlying EBITDA	390.8	302.1
Realised FX (loss) / gain	(26.3)	34.8
Taxes paid	(59.3)	(48.5)
Movement in inventory	99.3	(120.8)
Working capital and other	23.3	95.5
UNDERLYING FREE CASH FLOW AFTER WORKING CAPITAL	**427.8**	**263.1**
INVESTED IN:		
Purchase of own shares	(4.3)	(43.9)
Dividend paid to non-controlling interest	(0.9)	-
Purchase of subsidiaries, net of cash acquired	(39.4)	(7.3)
Purchase of listed investments	(113.3)	(24.8)
Purchase of intangibles	(1.0)	-
Purchase of associates	-	(5.6)
Proceeds on disposal of investments and derivatives	55.1	4.9
Proceeds on disposal of intangibles	7.5	-
Net capital expenditure	(198.8)	(170.9)
Exchange movement on cash balances	(5.3)	5.0
Investment income received	0.5	0.5
Finance income received less finance costs paid	(10.8)	(8.5)
DECREASE IN NET DEBT	**117.1**	**12.5**

(1) This table excludes the impact of IFRS16.

CONSOLIDATED BALANCE SHEET

Significant balance sheet items are shown below:

	25 April 2021 (£m)	26 April 2020 (£m)
Property, plant and equipment	915.2	1,041.9
Right of use assets	249.7	305.7
Long-term financial assets	263.3	83.8
Inventory	1,096.6	1,198.3
Trade and other receivables	546.5	414.2
Provisions	(361.2)	(336.0)
Trade and other payables	(646.3)	(602.5)
Lease liabilities	(722.7)	(624.1)

The majority of the decrease in property, plant and equipment relates to the impairments of freehold land and building and plant and equipment due to the Covid-19 pandemic and factors such as changes in consumer behaviour.

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

Long-term financial assets have increased during the period due to the additions of Hugo Boss AG and Mulberry Group plc.

Inventory has decreased largely due to a reduction in inventories held within the Rest of World segment.

Receivables includes a £118.3m reimbursement asset in relation to the Group's ongoing non-UK tax enquiries (FY20: £118.3m) and £131.0m relating to deposits in respect of derivative financial instruments (FY20: £71.3m) with the increase mainly relating to Hugo Boss.

Provisions have increased mainly due to an increase in property provisions as a result of the Covid-19 pandemic.

Payables have increased largely due to rent payments under negotiation as a result of the Covid-19 pandemic.

COMPANY BALANCE SHEET

Significant balance sheet items are shown below:

	25 April 2021 (£m)	26 April 2020 (£m)
Investments	1,494.9	1,235.8
Debtors	166.6	86.8
Creditors: amounts falling due within one year	(609.0)	(901.5)

Investments relates to investments in subsidiaries and long-term financial assets. The majority of the increase relates to additions due to a reorganisation of our US businesses and purchases of physical shares in Mulberry Group plc and Hugo Boss AG.

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

Creditors relates to amounts owed to Group undertakings, the decrease relates to subsidiary dividends declared during the period.

Chris Wootton

Chief Financial Officer

5 August 2021

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NON-FINANCIAL INFORMATION

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

Requirement	Location	Relevant Policies
Environmental Matters	ENVIRONMENT - pages 26 to 27	Environmental policy
Employees	HUMAN RESOURCES - page 23 STAFF INVOLVEMENT - page 62	Staff Handbook Employee Data Privacy Statement Acceptable Use Policy
Social Matters*	COMMUNITY INVOLVEMENT - page 25	
Human Rights	SUPPLY CHAIN - page 25 MODERN SLAVERY ACT 2015 - page 25	Anti-Slavery and Human Trafficking Policy
Anti-Bribery & Corruption policy	ANTI-BRIBERY & CORRUPTION - page 25 WHISTLEBLOWING - page 25	Staff Handbook Anti-Bribery & Corruption policy Whistleblowing Policy Code of Conduct / Supply Policy
Business Model	BUSINESS MODEL - page 10	
Principal Risks and Business Activity	RISKS AND UNCERTAINTIES RELATING TO THE GROUP'S BUSINESS - pages 30 to 36 VIABILITY STATEMENT - page 36	Risks Register and Principal Risks Profile Customer Data Privacy Policy Data Retention Policy
Non-Financial Key Performance Indicators	KEY PERFORMANCE INDICATORS - page 12	

* We continually work to ensure that we improve in this sector. Our policy is not formalised although evidence of what we do can be located on pages 23 to 30

Further information is provided within the Group's ESG Report on page 23.

WORKERS' REPRESENTATIVE REPORT

I have now been the Workers' Representative and Non-executive Director for over two years. The role has been challenging given the pressures of the Covid-19 pandemic. However, it is immensely rewarding and I remain proud to be representing my colleagues at Frasers Group.

With the continuous lockdowns and the uncertainty the Covid-19 pandemic has brought during the past year to the Group, protecting our colleague's wellbeing and maintaining consistent, transparent communication have been vital. I continue to have full control and ownership of a confidential whistleblowing hotline for retail colleagues, as well as the staff welfare portal, where every colleague has the opportunity to anonymously raise any concerns or queries that they may have. I operate with complete transparency and any findings from these platforms are shared with the rest of Board.

As part of my role as the Workers Representative, I have collaborated with our Training team and the Retail Trust to safeguard the wellbeing of our colleagues. Using the most frequently asked questions from the staff portal, the Retail Trust's psychologists and counsellors have used their expertise to answer our colleague queries. We have run regular webinars and discussed financial support, emotional support and coping mechanisms for all Frasers colleagues during the Covid-19 pandemic. Each webinar was recorded and made available across all of our communication platforms.

Furthermore, I am pleased to confirm that despite the evident challenges that the Covid-19 pandemic has brought, we are currently implementing pay reviews for our retail teams, demonstrating the value and faith we place in our people. In addition to this, we have launched our 'Fearless 1000' bonus scheme where some of our colleagues have the potential to be rewarded with life-changing bonuses. I am proud to represent my colleagues and a business that rewards its people so highly and places its people at the forefront of any successes.

This year, despite the shift to working virtually, I remain fully involved in all Board and strategy meetings, giving fresh insights and perspectives on decision making, and my relationship with the other Board members has gone from strength to strength. I continue to be involved in all decisions and correspondence regarding safe systems of work to maintain good Covid-19 practices at our warehouse, offices and stores.

Whilst we navigate the year ahead and the challenges it will undoubtedly bring, I hope I can continue to make a positive difference at Board level to ensure that our people continue to be at the heart of all business decisions, and to help drive our Elevation No Limits strategy forward.

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ESG REPORT

Our People

We employ more than 25,000 people across the Group. Despite the challenges raised by the Covid-19 pandemic, during FY21 we continued to enhance many aspects of how we manage our people, to ensure that those who work hard and want to be challenged can excel and quickly progress within Frasers Group.

Culture And Values

Having the right culture is critical to sustainable business success. We want our colleagues to feel valued and engaged, and to have a culture that helps us to attract, retain and develop talent to create our future leaders.

This year, we worked with a specialist consultancy to develop an employer value proposition for the Group. As part of this we looked to understand how our people perceive our culture, including our unique strengths and where we can improve. Interviews with people at all levels of the business showed that we have a culture of acting fast and without hesitation, and where people rise to the challenge and are valued for their contribution. We see strength in difference, offer the potential to progress and develop strong loyalty among our people.

Areas for improvement included the need for better communication, more focus on work-life balance and clear objectives. We have already begun to address these matters, including establishing an internal communications team. Our 'Your Company, Your Voice' portal also supports engagement and communication, allowing our people to raise questions and concerns with the Workers Representative, with the responses then published. Other initiatives this year include our new performance management process (see below) which includes objective setting. Following a return to the office under Covid-19 guidelines, we have also introduced 'Frasers Fridays', so head office colleagues can request to work from home on Fridays.

Drawing on our people's responses, we have defined the core values that underpin how we work. These are:

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

We have communicated these values across the Group and use them in our recruitment, performance management and reward schemes (see below). We will continue to embed them going forwards.

The project also enabled us to define our employer value proposition. For our existing talent, this is about being trusted to perform. For future talent, Frasers Group is 'for the fearless'.

Retention

We aim to hire the most talented and capable individuals across our sector, and to retain their valuable knowledge and experience within the Group. During FY21, 29% of our UK salaried colleagues left the Group which is consistent with FY20.

Store Manager stability within Sports Direct is currently sitting at 84%, this is a decrease of 1% compared to FY20. Assistant Manager stability currently sits at 87%, an increase of 2% compared to FY20. Footwear Manager stability currently sits at 94%, an increase of 6% compared to FY20.

A significant proportion of our people have been furloughed at various times in FY21, in particular when store closures have been mandated. Use of the furlough scheme has enabled us to retain people within the business, while accessing Government support when our stores have not been able to trade.

Diversity And Inclusion

We believe diversity plays an important role in a successful business. We strive to ensure that our people reflect the diverse cultures and values of our customer base. We endeavour to provide equal opportunities, recruit those with the best skills and capabilities for the role and to ensure that training, career development and promotion opportunities are available to all. We will not tolerate discrimination on grounds of gender identity, sexual orientation, race, nationality, religion, age, disability or any other grounds.

We endeavour to meet our responsibilities to train and employ disabled people. Applications for employment by people with any disability are given full and fair consideration for all vacancies and are assessed in accordance with their skills and abilities. People who have a first language other than English are important to our business. We provide free English language lessons, to help them participate and be successful in our workplace and more broadly as citizens. Since their introduction in January 2017, 248 colleagues have attended these classes.

The table below shows the gender diversity of our workforce at the year end. Approximately 53% of our workforce is female, including 35% of our senior management (FY20: 32% UK workforce). We aim to ensure that both male and female candidates are provided with equal opportunities to apply for and work in all positions across the Group.

	Female	Male
Directors	25%	75%
Other senior managers	35%	65%
Other employees	53%	47%

Gender Pay Gap

Our gender pay gap report for 2020 was published in August 2021. We are pleased to report that we have maintained a 0% average gender pay gap across the Group over the past three years compared to 6.3% in 2017. We attribute this change to a continued focus on reviewing and applying our pay structures consistently across the business. We recognise there is a difference in total earnings between female and male colleagues. We are therefore continuing to explore and implement methods that will establish enhanced processes and training tools for our employees and engaged workers to achieve maximum earning potential through our various bonus and commission schemes.

Talent And Capability Development

We invest without limit in people who show the potential to be future managers and leaders, and who can drive the elevation strategy. Home-grown talent is key to us and many of our management and senior positions are filled through internal promotions.

To inspire our home-grown talent, we offer existing colleagues the chance to take apprenticeships, including obtaining relevant external qualifications. Over 100 colleagues have started apprenticeships since May 2020, learning about topics such as customer service, HR, finance, IT, warehouse management and various levels of retail management. We have also recruited new people into apprentice positions within IT and are looking at extending this to other areas of the business.

We ran our first early careers programme for graduates this year, with 27 people joining our commercial function through the Frasers Group Elevation Programme. This two-year programme will create the future leaders for that part of the organisation and enable the highest performing participants to earn up to £80,000 in their second year or to enter other areas across the commercial team. The trainee commercial managers (TCMs) started with an intensive three-week orientation, covering the Group's purpose, strategy and culture as well as all aspects of the commercial division and the essential skills required. The TCMs also took part in a three-day business simulation, to learn how their decisions affect other areas of the business.

The 2020 intake also has a dedicated Early Careers Manager who is responsible for their learning and development, running frequent

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professional coaching and mentoring sessions to ensure they are getting the most out of the programme and supporting them in all areas of the role. The Early Careers Manager also supports the entire commercial team to ensure the programme runs effectively. The Frasers Team has been on hand to shift the structure and scope of the programme to fit in with the business's strategy throughout the Covid-19 pandemic and make sure all the relevant learning needs are accounted for. A second cohort of people will join us in September 2021 and we will look to recruit for other parts of the Group in future. We also continue to run placement years for undergraduates, primarily within IT.

Managing performance is essential for identifying key talent and helping our colleagues to achieve their growth potential. We have therefore introduced our Fearless Focus performance reviews which went live for head office colleagues in March 2021 and will be rolled out across the business. We have identified competencies against which to judge performance and will also assess behaviours against the values described above. Each function's objectives will filter down to the objectives for individuals and provide clear expectations about performance. We will also generate development plans, so colleagues can improve in their current roles or fulfil their aspirations to progress, in conjunction with our succession planning.

Learning And Development

Ensuring our teams have the knowledge they need to perform at the highest level is paramount to the continued success of the business. While we have had to adapt our approach to learning and development during the Covid-19 pandemic, we are looking forward to resuming regular in-person training when possible, as part of a blended approach. Our Shirebrook training centre is state of the art and is supported by our brand partners Nike, Puma and Adidas who have their own environments in the campus. The facilities offer an unrivalled training environment, which alongside the Shirebrook store, give colleagues the perfect mix of classroom and on-the-job training.

We offer a varied portfolio of training options for our teams. The training and development portfolio continues to grow and includes brand and product knowledge, customer service, management training and induction, as well as our apprenticeship courses and free English lessons.

In FY21, we started to develop a new learning management system (LMS) on Netex's Learning Cloud platform. This went live to selective groups in early 2021 with the aim to roll out to all UK employees by the end of the calendar year. Learning Cloud is industry leading in size and scope, showing the importance we place on the continued learnings of our colleagues. It contains a blend of interactive e-learning modules, videos and documents on specific skills and capabilities, as well as allowing us to create bespoke content and digital events. The system will give managers the option to recommend further training to their teams and to report on engagement, which will allow us to understand the uptake of training and to monitor completion of any mandatory courses. Learning Cloud is easily accessible and is compatible with PC's, laptops, tablets and mobile phones, giving every employee the option of how they wish to absorb their training.

While the Covid-19 pandemic has reduced the opportunity for face-to-face training, we have stepped up the use of online platforms. This has included our Fearless Fortnights, where we record a webinar every two weeks on a specific topic. Examples include webinars on performance reviews and on improving communication skills.

Remuneration And Reward

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

The Fearless 1000 incentive scheme aligns the interests of our people and our shareholders. Colleagues can be awarded points for their performance by leaders across the organisation, including for living our values. The scheme runs for four years and if a £10 share price target is reached for 30 consecutive days, it will result in an award of shares or a cash equivalent for the top 1,000 people, with the top ten receiving an award equivalent to £1m at a share price of £10 on vesting. The scheme also includes a cash reward for all other colleagues outside of the top 1,000 people based on their length of service with the Group.

We have also introduced the Frasers Champions recognition scheme, which allows people to nominate colleagues for an award for demonstrating our values. The strongest nominations each month are championed across the business and receive an additional month's pay. As at April 2021, 72 people had received an award.

In addition, the introduction of the Fearless Focus performance reviews described above will support the move to a more structured and robust performance-related pay review process.

Casual Workers

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

Casual workers are also included in the Fearless 1,000 bonus scheme.

Health And Safety

As the Group grows, we have continued to increase our focus on consistently implementing health and safety measures and evaluating our safety performance. We implement our polices, in conjunction with legal standards, to protect our colleagues and customers.

During the year, the Group introduced a new improvement team, responsible for enhancing the efficiency and effectiveness of our operations at Shirebrook. This team is reviewing all processes across the site and pulling together contributions from different teams, including health and safety. This has the potential to further improve our safety performance at Shirebrook.

In FY20 we implemented a new accident and incident reporting system, replacing paper-based reporting with an online system accessible from all our stores and businesses. We are now reviewing the potential to implement a more integrated system, which will link to claims and capture the information required by our insurers.

Appropriate health and safety training is vital and we have focused this year on training the store management teams. This training covers all aspects of in-store safety, from testing fire alarms to carrying out evacuations and reporting incidents. The Covid-19 pandemic has limited the number of people who have been able to take this training in FY21 and we are looking to introduce a digital format to speed up the roll-out and make the training more engaging.

The majority of in-store health and safety incidents relate to customer trips and falls. The elevation programme is helping to reduce this, by providing more space in store aisles and an elevated shopping experience.

Health And Safety Performance

All RIDDOR incidents are recorded and are reportable to the local authority. The health and safety team meet the Derbyshire local authority with responsibility for Shirebrook on a quarterly basis and work closely with other authorities when required. All accidents and incidents are investigated in a timely manner and warehouse RIDDOR incidents are reviewed during these meetings.

During FY21 there were no fire, local authority or environmental enforcement actions or prosecutions and no work related fatalities.

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Wellbeing

Colleague wellbeing is always a focus for us and has become even more important during the Covid-19 pandemic. We continue to partner with Retail Trust, which provides all Frasers Group colleagues with access to free and confidential wellbeing support. Retail Trust offers advice, financial assistance, face-to-face and telephone counselling, cognitive behavioural therapy, non-repayable grants, career development support, legal guidance and on-site critical incident support. The helpline is available 24 hours a day, seven days a week.

To ensure our people know what support is available through Retail Trust, we have elevated our communications during the Covid-19 pandemic. This has included webinars and education sessions for managers, so they are aware of what is available, as well as social media messaging and other communications for colleagues. This has resulted in a noticeable uplift in use of the Retail Trust service.

Human Rights And Modern Slavery

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

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

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

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

Developing Our HR Function And People Policies

We are investing in the structure and capability of our HR function, to enable it to effectively support the Group as it continues to grow. As part of this, we are reviewing our people policies and the way that they govern our people's behaviours, as well as the appropriate mechanisms we need to have in place to ensure compliance. This will allow us to take a more preventative approach to instances of non-compliance.

Our main focus for policies under review includes attendance management, maternity/ paternity/parental leave, performance capability and redundancy. A significant and positive change will be the maternity policy for our casual workers where they will remain engaged with us throughout their maternity leave period.

Community And Charity

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

Our Sports Directory subsidiary has been a specialist supplier of sports equipment to the education sector for over 25 years, and part of the Frasers Group since 2016. Sports Directory plays a key role in giving back to schools in the UK and helping to keep our young people fit and healthy, often giving children their first experience of team sports. Through its 'My School' scheme, schools purchase sports equipment from the business and Sports Directory gives them the opportunity to claim a voucher worth 25% of every purchase. To date, Sports Directory has issued over 42,000 vouchers to UK schools, which equates to more than £3.2 million worth of free sports equipment. Sports Directory has also, via the Professional Footballer's Association, donated free equipment to 72 football league clubs.

In addition to Sports Directory, we support the development of grass roots talent in tennis via Slazenger. We have donated over £350,000 of tennis equipment to schools and tennis clubs via the Slazenger Academy. The Academy is supported by Tim Henman, as well as the All England Tennis Club.

Closer to the Shirebrook campus, we donated winter clothing to Nottinghamshire YMCA, which was distributed to homeless people in the local community. Store managers also contribute to their local communities. An example of this is in Aberdeen, where the store has in previous years worked alongside a local hospital to donate presents to the staff. Due to the Covid-19 pandemic, this was not possible this year, so instead the store donated to a local food bank.

Frasers has also worked on a number of initiatives to empower women in sport. The highlights of this include working with Women in Sport to supply kit for their "Daughters and Dads" programme, which encourages girls to play more sport. The Group also sponsored the "Driving Force" series on Sky Sports that highlights the challenges faced by elite sportswomen.

As discussed in the Chair's statement, on 15 June 2020, in England, we offered a 50% discount to all NHS staff in our Sports Direct stores as a gesture of goodwill to these fantastic individuals as our stores re-opened; it was an overwhelming success with gross sales of approximately £50m before discount and approximately £25m after discount.

Anti-Bribery And Corruption

The Group has an Anti-Bribery and Corruption Policy in place, which was originally created following the introduction of the UK Bribery Act. As a result of the Act, all policies and procedures were reviewed to ensure compliance measures were put in place to mitigate staff being offered and / or accepting bribes. We have a zero-tolerance approach to bribery and corruption at Frasers Group, and we encourage our people to speak-up if they have concerns that bribery or fraud is taking place. No instances of bribery, corruption or fraud have been reported during FY21.

Due to the number of acquisitions into the Group since 2018, the Group is reviewing policy to ensure that the policy remains effective. The revised policy will be subject to Audit Committee oversight.

Whistleblowing

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

A policy review and revision process is ongoing. The updated whistleblowing policy and related processes will be subject to Audit Committee reporting, approval and oversight on an ongoing basis.

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ENVIRONMENT

We recognise that supporting and protecting the environment is important to our stakeholders and to the future success of our business. We therefore look to be proactive in making a positive contribution to the environment, including through reducing our energy use and greenhouse gas (GHG) emissions, minimising waste, maximising recycling and considering how we can make our products more sustainable.

Frasers Group welcomes the introduction of the Taskforce for Climate-related Financial Disclosures (TCFD). We understand this is an important step in tackling global climate change and we look forward to sharing our first full disclosure in next year's Annual Report. As part of this process we have engaged external advisers to carry out a gap analysis to ensure we are in a strong position to meet these requirements. There is more to do and we have already begun identifying opportunities and risks around climate change and are using these findings to inform future strategy.

Embedding Sustainability

During FY21, we formalised our approach to sustainability in a number of ways. This included creating a dedicated sustainability function, which has been seeking out and implementing projects that are beneficial to the Group and the environment.

Towards the end of the 2020 calendar year, we formed a network of Sustainability Champions under the sponsorship of the CFO. This reflected our belief that the best way to embed sustainability across the Group is to take everyone on the journey with us. All colleagues were given the opportunity to take part and we received a significant number of applications from around the business, demonstrating our colleagues' interest in environmental issues.

The Sustainability Champions work within their own departments, using their unique knowledge of their day-to-day roles to help make all areas of the business more sustainable. They feed back to the newly formed Steering Group, which has representatives from senior management and key departments, including experts in retail, procurement, design, legal, HR and finance. The Steering Group set the Group's sustainability strategy and monitor our progress, as part of our wider ESG approach. This will enable us to take a more strategic approach to environmental matters in the years ahead.

Training for our Sustainability Champions has been delayed due to the Covid-19 pandemic but will take place as soon as practicable. We intend to run workshops, bring in external speakers and provide an opportunity for our Champions to share good practice and learn from each other.

Enhancing Energy Efficiency

The sustainability team's primary focus in the year was on reducing energy use and GHG emissions, primarily through behavioural changes and best practice. The vast majority of our sites have smart meters, giving us live and accurate data which is fed into a monitoring and alerts system. This allows us to take action when usage issues are identified.

We continue to comply with the UK Government's Streamlined Energy and Carbon Reporting (SECR) and have identified key areas where we can make further energy reductions, in particular energy usage in our stores and efficient transport and logistics.

Improving the environmental performance of our store portfolio is a significant focus for us and presents the greatest opportunity for associated costs savings. For example, LED light replacements resulted in a 52% energy reduction and rapid payback on their upfront cost. All new light fittings are now LED and we are rolling out a programme of LED lighting upgrades at a rate of two stores a week. We have also upgraded the external lighting at Shirebrook to LED.

We have trialled replacing overhead door heaters in stores with infrared heaters, which are much more energy efficient. In our Mansfield store trial, for example, we replaced three 12kw blow heaters with a single 3kw infrared heater. However, store closures due to the Covid-19 pandemic halted these trials and we are awaiting more data and feedback from store colleagues on the heaters' effectiveness, before planning a full roll out.

In addition, we carried out desktop studies of the feasibility of replacing air conditioning units in our stores with more efficient units. While these studies showed that retrofitting stores is not cost effective, particularly for leasehold premises, we are using more efficient units in new stores. We will continue to review the practicality of replacing existing units, at least annually.

In support of the transition to a low-carbon economy, we have installed 18 electric vehicle chargers at several points around our head office which are provided at cost to colleagues.

Excluding acquisitions during the year the electricity supplied to all of our stores and gyms is from 100% renewable sources. Our Shirebrook distribution centre electricity is from a local independent power supplier, which supports the grid during the transition to a green network and a zero-carbon economy.

Transport

The Group's truck fleet all meet the Euro 6 standard and we use an engine fuel additive to further reduce emissions. By using container optimisation, which maximises the amount we can get into a container, we save approximately 0.6315 tonnes of carbon per forty foot container. Therefore, since 2013, we have cut our transport impact by approximately 26,473 tonnes of carbon. That is equivalent to 31,478,002 kilometres of lorry travel or 787 times around the world.

We work with our factories and third-party brands to optimise our container space and reduce the number of containers shipped, to avoid fuel waste caused by 'shipping air'. Our freight forwarders continue to work hard to condense shipping and to compare the impact of different transport modes, such as rail or road.

All parcels we send to customers via DPD are carbon neutral and we receive a certificate each quarter settin--g out the GHG emission savings as a result. During the year we sent 56,572 parcels via DPD, saving 24,275kg of CO2, the equivalent to planting 93 trees.

Waste And Recycling

Reducing waste and maximising recycling is another important area of focus for us and we have a target to send zero waste to landfill from our UK operations by 2025. We are planning to look at targets for the rest of the world once our UK waste streams are managed as efficiently as possible.

Our approach to managing each of our waste streams is set out below.

Cardboard

Sorting our recycling into different streams at our Shirebrook warehouse allows us to facilitate the recycling of approximately 95% of our cardboard.

We are a AAA producer of cardboard waste, which means that we produce clean, high density bales of a consistent quality. This attracts a high buy-back price and ensures we are a preferred supplier when demand is low. 90% of our cardboard is reprocessed in mills in the UK by our recycling partner who we work closely with to constantly improve recycling rates. On average, we recycle around 900 tonnes of cardboard each month.

Paper

All office paper is made from Steinbeis recycled paper in partnership with the Woodland Trust and recycled after use. From January to December 2021, the partnership has created 3,363.36m² of new native woodland in the UK to remove 130,494kg of carbon dioxide.

Plastic

We have a separate baling operation for plastic, which eliminates end-of-bale contamination. The plastic we produce on site is high grade, making it very suitable for recycling. Office plastics are also separated at source and recycled.

We aim to reduce single-use plastic within the business as far as possible, such as tags, pallet straps and packaging bags. We are working hard to identify the 'hotspots' we need to address first and actively procure more sustainable alternatives.

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Electrical Waste

IT waste is disposed of by a specialist contractor who also cleans any hard drives of sensitive information where required.

The majority of electrical waste we generate is light bulbs and tubes which are loaded into waste containers provided by Electrical Waste Ltd and exchanged as required.

Fridges and freezers are collected by the supplier, as required.

Occasional appliance waste is put in the scrap metal bins for recycling.

Metal

We recycle scrap metal from Shirebrook and our stores through a partnership with two local companies. We are now sorting different grades where possible, to facilitate a faster and more efficient process.

General Waste

Every month, around 105 tonnes of dry mixed recycling (non-sorted recyclables / general waste) are baled from our Shirebrook distribution centre. Once baled, the waste is sent to a third party for recycling at cost to us. This has reduced by approximately 45 tonnes per month from last year, partly due to the Covid-19 pandemic and partly due to better separation of waste which ensures we can sell more of our own recycling.

Recycling Initiatives In FY21

We continue to work on reducing waste and increasing recycling. During the year, we have communicated to all colleagues that our expectation is for waste to be recycled. We have supported this by replacing individual bins at desks with recycling bins in offices to sort waste at source. Food waste is also now recycled. We are trialling waste segregation in store, to further increase our recycling rates.

Recycling Performance

In FY21, we recycled 86% of the waste we generated at our Shirebrook distribution centre (FY20: 88%). This included:

- 6,418 tonnes of cardboard (FY20: 12,358 tonnes)
- 30 tonnes of waste paper (FY20: 27 tonnes)
- 285 tonnes of plastic (FY20: 623 tonnes)
- 771 tonnes of metal (FY20: 778 tonnes)
- 3,227 units of electrical equipment (FY20: 5,051 units)

In FY21, we separated and directly recycled 7,558 tonnes (86%) of materials. A further 1,241 tonnes (14%) of mixed waste was collected by specialised recyclers.

This compares to FY20 where we separated and directly recycled 10,200 tonnes (88%) of materials and sent away a further 1,517 tonnes (12%) of mixed waste to specialised recyclers.

The recycling rate has stayed broadly consistent year on year but the absolute quantity of waste produced and recycled this year is down significantly due to store closures because of the Covid-19 pandemic. There was therefore much less stock coming into the warehouse and no waste coming back from stores during the country-wide lockdowns.

Product Design And Sourcing

We continue to explore ways to enhance the sustainability of our products. Carrying out a 'sustainability check' is now part of the design and procurement process for all new products to ensure we use the most sustainable materials and processes for each line. We review continuity products annually and refresh them with a more sustainable material or process, if a viable option exists.

For FY22, our biggest sustainability project will be to improve the sustainability of the products we offer, looking at water use, chemicals, carbon emissions and raw material production.

As part of this, we are a founding signatory of WRAP's (Waste and Resources Action Programme) Textiles 2030 initiative, which is designed to accelerate the fashion and textiles industry's shift towards circularity and system change. Signatories will collaborate on carbon, water and circular textile targets, and contribute to national policy discussions. To help move our product improvements forward WRAP provides a scenario planning tool which calculates environmental impacts such as water and energy saving benefits from swapping materials or processes. We continue to look for more recycled content in our products and request a recycled content or reduced impact option with every proposal from suppliers.

Improving Our Packaging

We continue to work to reduce the volume of packaging for our products and to increase the recycled content of the packaging that remains. For example, we use an auto-boxing machine that cuts boxes to the exact size required, substantially reducing the quantity of card used. We continue to use 100% recycled card for all our own-brand shoeboxes and all our card for packaging or labelling is non-laminated, for easier recycling and plastic reduction. This required substantial research and development to get the desired quality and appearance, while minimising the environmental impact.

The Group has joined the On-Pack Recycling Label (OPRL) scheme, which ensures UK-wide adoption of a simple recycling symbol system, to help increase recycling rates. All the packaging we have produced since April 2020 has an OPRL symbol assigned and printed on it, to help consumers dispose of it at home within the correct waste stream.

Our new Sports Direct bag for life which is coming in Summer 2021 will have 85% recycled content, up from 70% recycled content in FY20. We are also introducing standard Sports Direct carrier bags made from 100% recycled material (80% post-consumer waste and 20% factory waste) later in the year and all fascias with a plastic carrier will have at least 30% recycled content. Our plans to roll out these recycled in-store bags have been delayed, as we use up old stock due to store closures because of the Covid-19 pandemic.

Frasers stores will have an FSC certified recycled grass paper bag.

Our in-store hangers are now made from more than 80% recycled polypropylene, replacing the virgin plastic hangers we previously used.

Reducing Water Use

Reducing water usage in our estate is a focus for us. We have begun installing water-saving Hippo blocks in toilets in our stores and at the Shirebrook distribution centre. These save around three litres of water per flush. The installation in stores is taking place in line with the annual maintenance rota, meaning all stores will be covered within 12 months.

Other Environmental Initiatives

The Group is involved in a number of other environmental initiatives.

Group subsidiary Gul Watersports has teamed up with the Big Blue Ocean Cleanup (BBOC) to be its official partner for the next 3 years. The BBOC mission is to drive positive change towards clean oceans that support all marine wildlife and sustainable living.

The Eco boat operated by BBOC will be conducting one of the biggest microplastic surveys in the world by collecting vital microplastic data using manta nets. The open-source data collected will be available to Governments and groups across the world to use for policy change. The team will also rescue marine animals that have become trapped in pollution.

Another huge part of BBOC's work is beach and river clean ups. It provides equipment to help volunteers clear beaches and rivers around the world.

For Earth Day 2021, we partnered with Trees for Cities to support its work planting trees in urban communities and promote the health benefits of spending time outdoors.

Frasers' donation allowed it to plant 3,500 trees on our behalf and supported work to improve air quality in school playgrounds, as well as teaching children to grow vegetables whilst learning about where their food comes from.

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GREENHOUSE GAS EMISSIONS AND ENERGY CONSUMPTION

REPORTING PERIOD	1 May 2020 to 30 April 2021
BASELINE YEAR[1]	FY20
CONSOLIDATION APPROACH	Financial control
BOUNDARY SUMMARY	All entities and facilities globally, either owned or under financial control, were included. Emissions from air conditioning and refrigeration units are excluded due to the cost of data collection. These are expected to be a negligible percentage of scope 1 emissions.
CONSISTENCY WITH FINANCIAL STATEMENTS	Organisations are encouraged to align information to financial years, to aid comparability and consistency of information with financial performance. SECR reporting has been prepared on an annual basis to 30 April 2021 which is aligned with financial year of Frasers Group. The difference in emissions of these date ranges is expected to be negligible.
EMISSION FACTOR DATA SOURCE	DEFRA GHG emission factors covering the period July 2019 – July 2020 have been used for all emissions sources.
ASSESSMENT METHODOLOGY	The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines, including SECR guidance. Scope 2 reporting uses the market-based calculation approach.
ESTIMATIONS	2.8% of the energy data (kWh) and 2.3% of the emissions data used to prepare these results is based on estimations or extrapolations, as calculated by a third-party provider.
INTENSITY RATIO	Emissions per £m of revenue

(1) Due to the impact of Covid-19, the base year chosen for all future SECR comparisons is FY20 (1st May 2019 to 30th Apr 2020. For the end of March and all of April 2020, there is now analysis available for the emissions movements driven by the adherence to Coronavirus Restrictions guidance and predominately the closure of "non-essential retail", removing previous estimates.

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

Scope 1 GHG emissions comprise the emissions associated with the combustion of fuels and operation of any facility by the Group. Scope 2 GHG emissions comprise the emissions associated with electricity consumption by the Group, as well as emissions from any generated electricity. The non-UK emission factors are those published by IEA and specific to each country. Scope 3 GHG emissions are calculated based on the purchased quantities of commercial fuels, using published emission factors for the Well to Tank (WTT) impact and additionally from metered electricity consumption and published emission factors for the Transmission & Distribution (T&D) aspect of the delivered utilities.

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

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

Year	FY21	FY20
Scope 1 CO2 emissions (tonnes)	19,179	20,987
Scope 2 CO2 emissions (market based) (tonnes)	24,260	68,162
Scope 3 CO2 emissions (tonnes)	6,359	7,550
Total Scope 1, 2 and 3 emissions (tonnes)	49,798	96,699
CO2 emissions (tonnes) / £m turnover	13.7	24.4
CO2 emissions vs Turnover Index (2020 = 100)	56.1	100

65.4% of Scope 1 and 2 emissions relate to the UK and UK offshore areas.

The table below shows the Group's energy consumption. Scope 1 consumption relates to the consumption of fuel and consumption from facilities operated by the Group. This excludes consumption from refrigerants due to the cost of data collection, although this is expected to be negligible in comparison to the Group's total consumption. Scope 2 consumption is based on the amounts of electricity purchased through the period, as well as heat and steam the Group generates for its own use.

Year	FY21	FY20
Scope 1 consumption (kWh)	95,479,574	101,337,897
Scope 2 consumption (kWh)	205,650,446	276,618,984
Total Scope 1 and 2 consumptions (kWh)	301,130,020	377,956,881

The Covid-19 pandemic has brought about significant emission reductions.

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

Year	FY21	FY20
Scope 1 consumption (kWh)	79,342,651	80,667,717
Scope 2 consumption (kWh)	141,502,624	195,475,533
Total Scope 1 and 2 consumptions (kWh)	220,845,275	276,143,250

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

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

- Each Retail site in the UK has been set a weekly target for consumption. The actual consumption versus the Target has been reported on a weekly basis using the half hourly data from the previous week, in a league table format. Any Retail sites consuming more than target have been contacted and given guidance on actions to take to bring consumption down. This has been part of a wider project to influence behaviour, by communicating the process of controlling Retail consumption, on a daily basis. When Frasers Group returns to "business as usual", there is an indication and expectation that consumption will have reduced by 10% due to the actions taken during the previous 12 months versus the FY20 baseline;
- We continue to upgrade fluorescent lighting to LED. For the Retail sites all opportunities to replace lighting during a refit were taken and the resulting consumption has reduced by c. 52% for those sites that have had a full refit of lighting to the latest LED technology.
- The number of face-to-face meetings with colleagues and suppliers has reduced through the increased availability of video conferencing thereby reducing the amount of travel and further reducing Frasers Group carbon footprint.
- We are Implementing mini Building Management Systems that are highly flexible based on common industry standards and provide excellent energy savings;
- We are using additional submetering within sites and properties to improve real time energy consumption and promote granular in-depth review of facility energy data;
- Heating and Ventilations systems are undergoing trials that include retrofits to improve energy efficiency; and
- We are implementing voltage optimisation projects that provide cost effective solutions and deliver optimised supply voltage.

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

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Environmental Policy

During FY21, we defined an environmental policy for the Group. This sets out our commitments to:

- have robust and transparent reporting and governance of environmental issues
- minimise our carbon dioxide emissions
- reduce waste, so we meet our target of zero waste to landfill by 2025
- consider the environmental impact of our supply chain, and
- work with partners to enhance environmental performance.

The policy will be shared with suppliers along with our regular terms and provided to new colleagues upon induction.

Our newly formed Steering Group will ensure the policy is implemented as part of business as usual. This will be supported through regular tracking and reporting of targets and with the engagement of a third party energy and carbon reduction specialist.

The policy is further supported by our commitment to initiatives such as WRAP's 'Textiles 2030' which obliges us to measure and report our progress annually.

SECTION 172 STATEMENT

The Directors confirm that, during FY21 they consider they have acted in good faith, and in the way that would be most likely to promote the success of the Group for the benefit of its members as a whole having regard to the stakeholders and matters set out in s172(1)(a)-(f) of the Companies Act 2006.

This statement sets out the matters considered under each subsection of S172(1) (a)-(F) and provides cross references to where further information can be found in the Annual Report. Details of some key decisions taken have also been provided.

The Likely Consequences Of Any Decision In The Long Term

The Directors are mindful that any decisions they make now can, have possible long-term consequences. The Directors take into consideration the strategy, purpose, values and culture when making decisions. During the year the Directors have made decisions based on Board papers, presentations from senior executives, information documents, and discussions with external advisors.

Principal Decision/Steps: During the year the Board commissioned a report on the culture of the Group. The outcome from this was three key principles, set out below, which will enhance the Group's journey in enabling colleagues to implement the elevation strategy long term.

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

c. The Interests Of The Company's Employees

Details of initiatives and engagement with our colleagues is set out in the Our people report and the Directors' Report.

Principal Decision/Steps: During the year the Group introduced the Fearless 1000 Bonus scheme which was approved by shareholders at the 2020 AGM and the Frasers Group Elevation Programme to attract the best talent to the Group.

d. The Need To Foster The Company's Business Relationships With Suppliers, Customers And Others

Details of the Company's business relationships with suppliers, customers, regulators and lenders are set out in the Corporate Governance Report.

Principal Decision/Steps: The Directors have worked closely with suppliers and banks during the Covid-19 pandemic to ensure that the Group remains in the best possible financial situation. The Elevation No Limits strategy targets stronger relationships with key brand partners, and this continues to be a priority. Enhancements were made to the retail websites to enhance customer experience, due to the higher demand for online purchases during the Covid-19 pandemic.

e. The Impact Of The Company's Operations On The Community And The Environment

The ESG report details of the initiatives we have undertaken in sustainability and the community.

Principal Decision/Steps: During the year discounts worth approximately £25 million were offered to NHS staff working in our local communities to recognise their contribution in the Covid-19 pandemic. A network of sustainability champions has been set up across the business together with a steering group which sets the ESG strategy and monitors progress. The Board has also adopted an Environmental Policy during the year.

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f. The Desirability Of The Company Maintaining A Reputation For High Standards Of Business Conduct

At all times we endeavour to adhere to strict corporate governance standards. An external Board evaluation was carried out during the year covering all aspects of Board and committee performance. Recommendations will be reviewed and appropriate action plans put in place. The Non-executive Workforce Director is another method by which we are implementing good corporate governance. Cally Price brings colleague queries and concerns directly to the boardroom for action by the Board. Further details can be found within the Workers Representative Report.

Principal Decision/Steps: Although an external review is only required once every three years, the Board has decided to undertake yearly external reviews. External advisors have been appointed to review the Group's policies and ensure they reflect best practice. Further details can be found within the External Board Review.

g. The Need To Act Fairly As Between Members Of The Company

All members of the Company hold ordinary shares which attach the same rights and benefits. Shareholders are able to raise any queries through the Investors Relations email address. All investor presentations are made available on the Group website for shareholders to access. The AGM allows an opportunity for all shareholders to attend and ask questions of the Board. Following the lifting of Covid-19 restrictions we intend to revert to an in-person AGM this year. This will allow shareholders to meet face-to-face with Directors.

Principal Decision/Steps: The re-commencement of the share buyback programme has benefited all shareholders by increasing the percentage ownership held by each investor by reducing the total number of outstanding shares.

PRINCIPAL RISKS AND UNCERTAINTIES

Our Risk Management Framework

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

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

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

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

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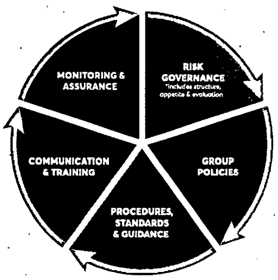
Our approach to risk management:

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



Principal risks are cascaded to operational teams and central functions for discussion and action on risk mitigations, as part of operational risk management activity. Operational risk management facilitates the elevation of risks to the Compliance & Risk Group, for onward reporting to the Audit Committee. We continue to elevate our operational risk activity as part of our risk management roadmap for FY22 and we have put plans in place to focus on this in the next period.

During the period, the Audit Committee, on behalf of the Board, has:

- undertaken a full review of the Group risk register;
- received reports on the continued development of the risk management framework, including risk appetite parameters and internal controls definitions; and
- received risk owner presentations, detailed risk reporting and summary update reporting on the Group's principal risks profile, for further discussion and challenge.

The key elements of the Group's internal control framework are monitored throughout the year in this way.

Board Review

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

Assessment Of Principal Risks

We have carried out a robust assessment of our principal and emerging risks in the period and our principal risks profile remained largely unchanged through the period.

We have continued to respond well to the challenges presented by the Covid-19 pandemic. The effects of the pandemic on economies and society at large have been more prominent than expected. Whilst mandated restrictions are currently easing, travel is opening up and the vaccination programme in the UK continues at pace, new variants continue to emerge. Uncertainty therefore remains over the period of time needed to bring the Covid-19 pandemic under control. As a result, this risk remains a key focus for us.

During the period, we have continued to respond to the pandemic by:

- prioritising the safety of our people and customers;
- re-aligning our strategic response, to ensure we are able to serve our customers;
- evaluating the strength of our business on all levels; and
- optimising opportunities for growth and investment, to ensure we are well placed for the period of economic recovery.

As a result, our operating performance has remained robust. This risk has therefore been evaluated through the normal course of reporting and in our viability statement, rather than through separate risk disclosure in this period.

Brexit has presented some challenges to the Group in respect of administration, planning and logistics, but we do not currently consider these to be material. Accordingly, our evaluation of Brexit risk has reduced since the prior period, though this remains part of our ongoing monitoring of broader global macroeconomic conditions, events or political factors. We will continue to monitor the full effect of implementing the UK-EU Trade and Co-operation Agreement and the development of the trading relationship with the EU.

Environmental, social and governance (ESG) issues feature more prominently in our disclosures. Climate and sustainability risks have remained an integral part of our commitment to ESG and our business operations, but have previously been incorporated into our broader disclosures on corporate and social responsibility. With increasing regulation and in recognition of the potential significance of this emerging risk to the Group in the future, we have enhanced our reporting and have included this as a separate principal risk for greater transparency.

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

Reference To Strategy

- Building excellent relationships with the world's best brands
- Elevation in our digital offering
- Elevation of our physical stores
- Enablers : People, Training, Brand, Communication, Systems, Automation, Data

Risk Trends

↑ Increasing

↔ Unchanged

↓ Decreasing

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PRINCIPAL RISKS

Strategy

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

We continue to deliver well against all aspects of our strategy, during a challenging operating period.

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

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

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

Our supply chain is international and is subject to stringent management of supply chain logistics and working capital, to ensure the flow of product in line with our strategic ambition.

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

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

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

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The global pandemic and Brexit are core aspects of this risk in the period under review. We also monitor global and national political change on an ongoing basis, for impacts on our strategy and supplier networks. These are external events and we respond well to those factors we can control. The strength of our business and our performance enables us to absorb the broader indirect economic impacts associated with this risk, as we have a proven track record of responding with agility to prioritise trade and performance and maximise opportunity.

We are committed to escalating our elevation programme and building on opportunities that support product and brand availability through our digital offering and physical stores.

RISK	CONTROLS AND MITIGATIONS
Failure to anticipate, evaluate or appropriately respond to external events such as Brexit, or broader global/macroeconomic conditions, events (pandemic) or political factors, may risk the achievement of our performance targets, impact our strategic direction or longer-term viability, or result in lost opportunities for growth.	**Pandemic:** - We have implemented effective response procedures, with Board oversight and prioritisation. - Our mandated safe working and operating standards prioritise colleague and customer wellbeing. - We deployed new safety requirements quickly, with external validation and ongoing evaluation, review and monitoring. - We made an agile switch to focus on e-commerce delivery, as a result of mandated periods of lockdown. - Investments in our on-line capability and customer service delivery support our accelerated growth in e-commerce. - Effective supplier and supply chain management optimises working capital and leverages and strengthens our commercial relationships. - Effective management of cash flows and committed facilities supports our liquidity, long-term viability and trading partner support. - We conduct ongoing scenario analysis, with timely reporting to management. - We leverage opportunities for investment, through strong management oversight. **Brexit:** - We carry out an ongoing evaluation of Brexit risk impacts with reporting to the Board. - We monitor UK-EU trade relationship developments and the implementation of the Trade and Co-operation Agreement. - Our focus on transport logistics, new documentation requirements and the flow of goods supports product availability. **Monitoring of economic and political change:** - We ensure ongoing Finance and Commercial evaluation of economic and political change, with senior management oversight and Board reporting. - The executive-led Compliance & Risk Group holds emerging risks discussions, with oversight reporting to the Audit Committee.

Treasury, Liquidity And Credit Risks

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

Funding availability remains a principal risk but the overall risk level trended downwards towards the end of the period, based on our trading performance and strategic delivery through the height of the pandemic. Whilst revenue has been impacted by the Covid-19 pandemic and prolonged periods of mandated store closures, we have increased our e-commerce trade, supporting our liquidity position. We are also prioritising renewal of our working capital facility which matures in November 2022, through strong funder dialogue and engagement, supported by the Group's robust business performance.

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

RISK	CONTROLS AND MITIGATIONS
Failure to appropriately manage our funding and liquidity positions and secure access to funding markets might impact our plans for growth, the ability to manage our trading requirements, meet longer-term liabilities and the ongoing viability of our business.	- Our Board reporting on debt, covenants, funding and cash flow positions includes stress testing and extensive business risk scenario analysis, including Brexit, Covid-19, mandated store closures and related costs. - The Group Treasury function manages liquidity, interest rate and foreign exchange risks. - The Group treasury policy, with Board oversight, outlines delegated authorities for operation, monitoring and reporting. - We have a working capital facility available until November 2022, with ongoing early dialogue and engagement with funders for renewal. - Ongoing monitoring and reporting of going concern and viability are part of our standard suite of internal and external reporting. - Our hedging strategy is reviewed and approved annually as part of our treasury governance, with hedging activity reported to Board. - Investments of surplus cash, borrowings and derivative investments are made under pre-approved investment criteria. - We use forward foreign currency contracts to hedge against highly probable foreign currency trading transactions. - We have a credit policy in place, with regular monitoring of customer and counter-party credit risks.

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

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Customer

Customer engagement and retention is vital to our Group, whether through our physical stores or online. Harnessing customer value and loyalty across the Group is multi-faceted but underpinned by our product offerings, price and service.

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

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

RISK	CONTROLS AND MITIGATIONS
Failure to anticipate and respond to customer needs or changes in consumer trends and spending, or to drive and deliver customer service excellence, may impact our growth, value, reputation and strategic ambition.	- Ongoing monitoring of customer insights and feedback, and competitor and market trends, enables us to respond and drive our customer-led strategy. - Continued investment in our customer service offering, systems and communication enables us to understand and improve our customer experience, both online and through the development of our store operating model, supported by new in-store technology. - We continue to develop and invest in our online offering, capacity and capability, including our automation capabilities and payment platforms, for an improved customer experience. - Targeted social media and digital marketing programmes support our customer groups and branding. - We use influencer engagement to raise brand and product awareness. - Ongoing enhancement of our ESG agendas supports our strategy, in line with our customer focus.

Legal And Regulatory Compliance

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

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

RISK	CONTROLS AND MITIGATIONS
An action or incident may occur which results in a legal or regulatory breach and which impacts our business financially, commercially or reputationally and/or may result in litigation.	- Our experienced and qualified in-house legal team provides core services and advice as well as oversight of new and emerging legislative and regulatory requirements. - External advisers provide additional services and training in specialist areas, as required by the business and legal team. - Key legislative and regulatory compliance risk areas are prioritised and include all Government-mandated requirements in response to the Covid-19 pandemic, the Group's intellectual property rights, the Listing Rules, data protection and health and safety. - Our Code of Conduct supports our ethics, behaviours and culture, and our regulatory policies include, for example, Anti-Bribery & Corruption, Corporate Gifts & Hospitality and Conflicts of Interest. - We review the approach and content of mandatory induction, policies and ongoing training across relevant areas, for all colleagues. - A review of our framework for ongoing monitoring of compliance is in progress. - The Legal team is a key contributor and adviser to the Compliance & Risk Group.

Technology Capability And Infrastructure Renewal

We operate in a competitive and challenging customer-focused market. Our systems need to be at the forefront of customer service excellence and support our end-to-end supply chain logistics. Available technology is constantly evolving and managing changes and transformation in this environment is a key focus.

We have invested heavily in this period in our automation, platforms and delivery capabilities, which support an enhanced online and in-store customer experience, and our business resilience.

Our roadmap includes improved technology and information security capabilities, aligned to our business continuity and IT disaster recovery review, which continues to strengthen our controls.

RISK	CONTROLS AND MITIGATIONS
Failure to maximise the use of our existing technology or to renew our infrastructure in a timely and effective way may affect our ability to keep up with the pace of change and deliver our strategic ambition.	- We have a Group technology strategy in place, aligned to the business strategy. - Our forward programme of infrastructure renewal enables us to operate our businesses efficiently and supports our ability to compete. - Our streamlining and decommissioning programme supports acquisitions and integration activity. - Investments in our online trading capabilities, warehouse management systems and in-store technology enhance the end-to-end customer experience and improve product availability and fulfilment. - Growth of our experienced in-house Technology team, including external hires, supported by ongoing skills training, helps us to keep abreast of emerging technologies and customer-leading insights. - We have an ongoing cycle of training programmes to support effective use of existing technologies and new technologies across our businesses, as they are introduced. - Strengthening our information security capability has enhanced our transformation programme, our strategic technology delivery and the robustness of our second-line oversight.

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Cyber Risks, Data Loss And Data Privacy

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

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

RISK	CONTROLS AND MITIGATIONS
A cyber-attack may result in data loss and/or denial of service, impacting our business financially through fines and penalties or lost trade, as well as our reputation and our ability to operate. Failure to adequately protect the data we hold and process may result in legal or regulatory breach, loss of trust and financial loss.	- We have strategies and policies in place to support our IT security. - We collaborate closely with our industry leading service partners, who provide core services beyond our in-house capabilities. Capability delivery, security and savings are core drivers. Our partners include Microsoft, as well as other strategic partnerships for content delivery network support for our website and cyber mitigations. - Protection tools, including encryption, and detection tools are in place to support effective monitoring and reporting, and are reviewed regularly. - We have enhanced our information security capabilities and strengthened our second-line monitoring. - We conduct an annual external review of our cyber posture and penetration testing across Group. - Strengthening our data protection mandate, enhancing our policies and procedures and ongoing internal training help to mitigate data protection and privacy risks and support delivery of our change and transformation programme. - We have an ongoing programme of security and privacy monitoring across our Group and extended enterprise. - Our in-house Legal team supports second-line monitoring and reporting of legislative compliance. - We make ongoing investments in data protection training and communications (and local legislative equivalents in our overseas operations). - We routinely action and retain Data Protection Impact Assessments. - Our policy framework is subject to ongoing review and revision, with external support and in line with our governance agenda. - Benchmark standards form part of our controls improvement activity.

Business Continuity Management And Incident Response

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

RISK	CONTROLS AND MITIGATIONS
Failure to respond effectively or on a timely basis to operational or IT incidents or events might impact the Group financially through lost revenue or have a reputational impact based on our capability and communications.	- Our Business Continuity and IT Disaster Recovery plans are undergoing review, revision and testing with external support. - Our governance structure supports agile incident response, with clear roles, responsibilities and reporting lines. - Annual external review and challenge of our processes supports our commitment to continuous improvement. - Ongoing training supports good practice and knowledge sharing for continuity. - Internal and external communications, marketing and PR capabilities are integral to our incident response plans. - Recovery prioritisation of IT systems and processes forms part of our business impact analysis review. - We have recovery time targets for both critical and normal service functions. - Critical recovery capabilities align to our insurance cover, appetite and controls.

Group Entities And Extended Enterprise

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

We have an appetite for acquisitions as part of our strategic growth agenda. Our integration strategy is being formalised and captures lessons learned to support ongoing efficient and effective acquisition engagement and management.

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

People, Talent Management And Succession

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

We have made significant progress in the period in this area and when new initiatives have time to embed, we expect to see this risk trend decrease.

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

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Environmental, Social & Governance (ESG)

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

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

RISK	CONTROLS AND MITIGATIONS
Failure to maximise our position and value relating to ESG factors might impact our ability to achieve our growth, value, reputation and strategic ambitions.	- We have Board-level engagement and an Executive sponsor of our ESG agenda. - The Sustainability Steering Group broadens our actions and the continued development of our sustainability strategy. - Dedicated operational leadership continues to drive project and programme initiatives and engagement through our supply chain. - We have Sustainability Champions in place, to mobilise cross-Group and cross-functional support. - We have appointed a Group Carbon Reduction Manager. - We are evaluating our readiness for compliance with the Taskforce for Climate-related Financial Disclosures (TCFD). - We have an environmental policy in place, which has been reviewed and approved by the Board. - We are reviewing a supplier control framework to capture commitments from suppliers and brands on ESG matters. - We have energy efficiency targets, monitoring and measurement, with external specialist support. - We continue to launch ranges and products that drive responsible and sustainable purchasing decisions. - Our community initiatives support the provision of free sportswear to organisations and schools. - Review and ongoing development of the Group Code of Conduct supports our values, colleague engagement and colleague and supplier onboarding.

Property

This is a new risk added during FY21. The retail landscape continues to see significant changes with a high volume of retail properties vacant due to the high level of retail insolvencies and retailers moving away from bricks and mortar to e-commerce due to the shift in consumer behaviour, which has further been increased due to the Covid-19 pandemic.

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

RISK	CONTROLS AND MITIGATIONS
There is a financial risk to the Group if our commitment to a lease or the value of our freehold properties decline where high vacancy rates make the area less attractive for our consumers and drive less footfall to our stores.	- For new store leases we actively engage and work with our landlords to support rents that are flexible and linked to store turnover. - We aim to align rent free packages and capital contributions from landlords to reflect the elevated store fit outs. - As units become more affordable we look to move into more prime locations with more footfall and consumer resilience. - We are actively reviewing our lease portfolio and looking to renegotiate with landlords in relation to underperforming stores. - The freehold estate is actively managed by the property team and we will look to dispose of sites which are not aligned with the Groups strategy.

Mike Ashley

Chief Executive on behalf of the board

5 August 2021

VIABILITY STATEMENT

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

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

The Group continues to face the challenges presented by the Covid-19 pandemic on the retail industry and changing consumer behaviour, in addition to supply chain issues due to both the Covid-19 pandemic and Brexit.

The Board chose to review these over a three and a half year period to 27 October 2024. This period is partially covered by the Group's Revolving Credit Facility (RCF) up to November 2022 plus two years beyond the maturity date. Management are currently of the opinion that any negotiations to replace the current facility will be concluded well in advance of maturity with the expectation that a new facility will have a minimum term of three years. This period also best reflects both the short term budgeting and planning process of the Group, the longer term forecasting and the expected timescales for strategy implementation. The process adopted to prepare the model for assessing the viability of the Group involved input from a number of departments across the business to model a conservative scenario.

In relation to each viability related risk the Board has:

Covid-19

- reviewed the impact of the pandemic on the Group's sales and margin in relation to both store and online revenue;
- forecast and modelled future temporary full store closures from potential further lockdowns (two months in FY22 and two months in FY23), potential Government support, foreign exchange exposure and cost saving initiatives.

Market Forces

- tested the business model's resilience to changes in the retail market and responses to variability in sales and margins;
- taken into account further consumer shift from bricks and mortar to online; and
- forecast the impact of key suppliers going direct to consumer.

Treasury & Financial Risk

- reviewed the RCF and its suitability for the Group's cash flow cycle and liquidity requirements;
- considered the maturity date of the Group's RCF and the potential financing options post November 2022; and
- reviewed the Group's hedging strategy.

Brexit

- forecast and modelled increased costs associated with leaving the EU and impact on margin.

Supply Chain

- reviewed the arrangements with key suppliers; and
- forecast and modelled increased costs associated with such items as container shortages.

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Viability has been assessed by performing sensitivity analysis and stress testing of the Group's FY22 budget and forecast for the viability period prepared by management. This comprised a recent review by the Board of a number of scenarios in which the Group's income statement, balance sheet and cash flow forecasts were stress tested to determine how much the Group's trade would need to be affected in order to breach the Group's covenants (being interest cover and net debt to EBITDA ratios). These scenarios included:

- a further decrease in sales of 10%, margin remaining consistent with original budget and direct costs falling in line with sales;
- a further decrease in sales and margin of 10%, with no change in direct overheads;
- maximum breakpoint, being breach of covenants per the Group's RCF (Sales would need to reduce by a further 20% than forecast, with no change in direct overheads)

The Group's working capital facility is at £913.5m (FY20: £913.5m) available until November 2021 and is not secured against any of the Group's assets. The Group enacted an extension option for a further year to November 2022 for £847.5m.

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

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

Based on its assessment, the Board has a reasonable expectation that the Group will be able to continue operating and be able to meet its liabilities as they fall due for a period of approximately three and a half years, to the end of the expected minimum maturity of new Group finance arrangements and facilities (the period of the assessment).

The Viability Statement was approved by the Board on 5 August 2021, and signed on its behalf by:

Chris Wootton

Chief Financial Officer

5 August 2021

THE BOARD

DAVID DALY

Non-Executive Chair, Chair of the Nomination Committee

Appointed: 2 October 2017

Committees: Nomination and Remuneration Committees

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

Present roles:
David is a Non-executive Director of Fulham Football Club.

Key skills, experience and contribution:
David's career at Nike gave him significant first-hand knowledge of the sporting goods industry. He has worked in senior roles in sales, marketing, product development and general management, giving him a thorough understanding of consumer trends and behaviour. He spent 18 years working outside the UK and this international experience has proven crucial to the Board. David joined the Board in October 2017, allowing him to gain a sound understanding of the business before being appointed as Chair in October 2018. His focus has been on improving best practices, corporate governance, promoting diversity and driving the elevation strategy. He ensures the Board functions effectively by facilitating an open and productive debate and providing constructive challenge.

MIKE ASHLEY

Chief Executive

Appointed: 1982 (founder)

Previous roles:
Mike established the business of the Group on leaving school in 1982 and was the sole owner until the Group's listing in March 2007. He was Executive Deputy Chair prior to being appointed Chief Executive in September 2016.

Key skills, experience and contribution:
Mike was the founder of the Group and has the necessary skills for formulating the vision and commercial strategy of the Group. With over 40 years in the sports retail business with Sports Direct he is invaluable to the Group. Mike's knowledge and experience in all areas of retailing, buying, warehousing and logistics ensures that he is crucial to the effective and efficient running of operations. During the continuing Covid-19 pandemic his decisive leadership has meant the Group has managed to come out of this crisis in good health and will be able to take advantage of future opportunities.

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CHRIS WOOTTON

Chief Financial Officer

Appointed: 12 September 2019

Previous roles:
Chris worked in the assurance practice at PwC for much of his accounting career, including working on large corporates and listed entities.

Key skills, experience and contribution:
Chris is a Chartered Accountant. After joining the Group, he quickly understood the business and progressed rapidly within the Finance team. He has helped the Group on its elevation path and significantly improved the Finance team's skills, experience and capabilities. Chris is a key driver of the Group's accounting principles, namely being conservative, consistent and simple.

Chris has had to play a key role as part of the Leadership team in the Group's response to the Covid-19 pandemic, including stakeholder management, and cashflow management and forecasting.

CALLY PRICE

Non-Executive Workforce Director and Workers' Representative

Appointed: 1 January 2019

Previous roles:
Cally began her career with Frasers Group as a casual sales assistant in our Sports Direct Aberdare store in 2007.

Present roles:
the Company's Workers' Representative and Manager of the Cardiff St David's Sports Direct store.

Key skills, experience and contribution:
With over 12 years' experience with Frasers Group, starting on the shop floor working under a zero hours contract, Cally is ideally placed to ensure that the voice of the workforce is at the forefront of the Board's discussions and decision-making. She has current knowledge of every aspect of the day-to-day running of a retail outlet and applies this to her directorship. Cally is committed to ensuring full transparency across the Group and has control of the workforce company app and confidential hotline, taking on the responsibility of answering every colleague personally. Cally reports to the Board with worker issues raised and consistently challenges them from her unique perspective. Alongside our colleague development team, Cally has been committed to ensuring that the wellbeing of all Frasers Group colleagues is paramount during these unprecedented times. Through our relationship with the Retail Trust, Cally has presented company-wide webinars with trained mental health advisors, to offer support and guidance to our colleagues. When restrictions have permitted her to do so, Cally also sits with Senior Management at our Shirebrook Head Office twice weekly, ensuring that she is continuously involved in the running of Frasers Group. Cally has become both the voice and face of our people, representing all of our colleagues and providing a collective voice for all.

RICHARD BOTTOMLEY OBE

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

Appointed: 1 October 2018

Committees: Audit and Nomination Committees

Previous roles:
Richard has over 25 years' experience working with listed companies during his time as a senior partner at KPMG, and he remains a member of the Audit Committee Institute. Prior to joining the Board, Richard was a Non-executive Director of Newcastle Building Society, where he chaired the Audit Committee.

Present roles:
Richard is Chair of Trustees of the Greggs plc 1978 Retirement and Death Benefits Scheme. He is also a Non-executive Director of MSL Property Care Services Ltd, Marsden Packaging Limited and Jessgrove Limited.

Key skills, experience and contribution:
Richard has strong experience in corporate governance, corporate finance and strategy. His experience in the audit sector has proven beneficial. Richard has been influential in the recruitment of a Head of Internal Audit, ensuring that risks are properly assessed and mitigated.

DAVID BRAYSHAW

Independent Non-executive Director, Chair of the Remuneration Committee

Appointed: 8 December 2016

Committees: Audit, Nomination and Remuneration Committees

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

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

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NICOLA FRAMPTON

Independent Non-executive Director

Appointed: 1 October 2018

Committees: Audit and Remuneration Committees

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

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

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

CORPORATE GOVERNANCE REPORT

Chair's Introduction

As Chair, I am responsible for leading the Board to make decisions that will benefit the Group and ultimately its stakeholders. My role is to ensure that we adhere to high standards of corporate governance and allow the Group to thrive during these particularly challenging times. From the downturn of the high street to the current Covid-19 pandemic, we have remained resilient and robust in our approach to corporate governance.

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

The Board and the Audit Committee held more meetings than usual during the year, to ensure that matters arising from the Covid-19 pandemic were dealt with effectively and promptly. I would like to thank Board members for their additional time and commitment throughout this period.

With increasing stakeholder focus and incoming regulation, we have increased our work on improving our environmental impact and sustainability. During the year, the Sustainability Steering Group was formed under the CFO's leadership. Further details are included in our ESG report.

Further information regarding our compliance with the Code can be found in our Corporate Governance Statement.

David Daly

Non-executive Chair

5 August 2021

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CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Report and Statement sets out how the Company has applied the principles in the 2018 UK Corporate Governance Code during its financial year ended 25 April 2021. A copy of the Code is available at www.frc.org.uk.

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

The Board considers that it complied with the majority of the principles and provisions of the 2018 UK Corporate Governance Code for the period ended 25 April 2021. The following table sets out the provisions which have not been fully complied with during FY21:

Provision	Requirement	Reason for non-compliance	Resolution
36	Remuneration schemes should promote long-term shareholdings by Executive Directors that support alignment with long-term shareholder interests. Share awards granted for this purpose should be released for sale on a phased basis and be subject to a total vesting and holding period of five years or more. The Remuneration Committee should develop a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.	The Group does not have an LTIP share scheme for the Executive Directors.	As noted in the Directors' Remuneration Report, an executive share scheme will be put to shareholders at the AGM in respect of Chris Wootton.

BOARD LEADERSHIP AND COMPANY PURPOSE

The Board

There were no Board changes during the year. The Board's stability has enabled the Company to confidently meet the challenges of, and navigate successfully through, these unprecedent times.

The Board decided to renew the appointment of our workforce Director, Cally Price, for a further few years, subject to AGM election until October 2024. Cally has had a huge impact on the Board and successfully acts as a conduit between the workforce and Directors. She brings new insights and perspective to the Board and plays a key role in helping colleagues understand the challenges and opportunities facing the business. She has continued to work tirelessly in briefing the workforce on developments during the Covid-19 pandemic. I am also pleased to be continuing in my role of Chair for a further term of three years, following its renewal by the Board in July 2020.

Business Model

The Group's business model remains consistent in providing customers with the world's best brands. This requires us to have the right product, in the right place, at the right time and at the right price. In ensuring the sustainability of this we have applied the multi-channel elevation strategy in elevating not only our stores and brands, but also the customer experience. Further information on the Group business model and strategy can be found in the Strategic Report. Governance plays a key role in the business model and the delivery of strategy as the Board defines expectations and verifies performance towards the delivery of strategic aims and objectives.

Culture

During the year, the Board received an independent report on the employee value proposition, including the culture of the Group which is discussed further in the Our People and External Board Review section of this Annual Report. Our culture is embodied in a strong work ethic, creativity and risk, underpinned by three key principles to guide our people in an aspirational and instructive way:

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

Further information on the Group's culture is contained within the "Culture and Values" section of this report.

Stakeholder Engagement

The Group has a number of stakeholders to consider and we use a variety of methods to ensure that we capture their views and use them to shape our decisions. Stakeholder engagement is important to our performance, and we take on board both commendation and constructive criticism. However, whilst we are mindful of each stakeholder group, we have to balance their views against other competing factors and recognise that the result may not be positive for all stakeholder groups. During the year, the Board has made decisions based on Board papers, presentations from senior executives and discussions with and reports from external consultants.

Employees

Please see the Directors' Report for details of colleague engagement.

Shareholders

Our AGM provides an opportunity for all shareholders to engage with the Board and submit questions. Due to the Covid-19 pandemic, the 2020 AGM was a closed meeting. However, shareholders were invited to submit questions prior the meeting. All resolutions were passed at the meeting and no resolutions received an "against" vote of 20% or more.

The views of major shareholders are shared amongst the Board when received and we respond as necessary. The Board ensures that it is available for questions at the half year and full year results presentations, to which major shareholders are invited. Shareholders' opinions are closely monitored through analyst and broker reporting and all correspondence received from major investors is circulated to the relevant committee chair or the Board as appropriate.

Customers

We strive to continually improve customer engagement and satisfaction. The Customer Service function has continued with its elevation phase, to support customers by offering innovative, easy to use technology and creating a culture of highly engaged colleagues. A new contact management solution has been deployed across all fascias within the Group, improving customer communication channels, allowing customers to self-service and improving the level and speed of response provided by the Customer Service teams. This work continues, as we offer more contact channels to enable customers to reach out to one of our customer care team, helping to resolve enquiries faster than ever before.

We are committed to listening to our customers and have recently engaged an independent external partner to help us understand and act upon customers' feedback. We have improved our reporting, resulting in process changes and helping us increase our external Customer Satisfaction (CSAT) score. The Board approved measures for store reopening following the Covid-19 pandemic to ensure the safety of

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customers and colleagues. The Board also approved a 50% discount for customers employed by the NHS in recognition of their work during the pandemic.

Through our digital elevation strategy we are investing more than £100m to elevate our proposition across our retail channels. This investment will build on our core digital foundations and includes initiatives to improve the online customer experience by carefully targeted investment in platforms that support customer service, engagement and data. We are also investing in digital marketing to drive sales growth.

Suppliers

We aim to forge strong and transparent relationships with all of our suppliers, to enable us to provide customers with excellent products and to meet the standards that our brand partners set for their products. The Elevation No Limits strategy targets stronger relationships with key brand partners (including our Strategic Investments) and this continues to be a priority. Having worked with Nike for over 30 years, the Chair is instrumental in engaging and helping to maintain our relationship with one of our key brand partners, Nike.

Dedicated relationship and procurement and commercial teams support truly integrated supplier engagement. Electronic Data Interface (EDI) capability also improves our process efficiency through the commercial cycle and enhances supplier engagement, through a dedicated supplier portal.

We have long-standing relationships with two key gateway suppliers, which we use to source Group own-branded products.

Further details in relation to environmental and ethical considerations can be found within the Environment Report.

Regulators

The Group makes every endeavour to comply with its legal and regulatory obligations. We regularly liaise with HMRC, the FRC and the FCA in an open and transparent manner. The Finance team and the Board have established regular communications with tax authorities internationally.

During the Covid-19 pandemic, Board members liaised with the Government on a number of occasions, to clarify the Group's position, for example, regarding store closures.

Lenders

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

During the Covid-19 pandemic, the Board discussed cash flow forecasts and the availability of headroom in the RCF. This uncertain time also led to Board discussions regarding other financing methods, including the Covid Commercial Finance Facility.

Our Finance team has engaged with our lenders during the year. There was a particular focus during the early period of the Covid-19 pandemic in the UK, as management held regular conference calls with lenders to say engaged and informed.

Community

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

Workforce Concerns

Workforce concerns regarding the business and its operations are taken seriously and we provide a number of ways that colleagues can voice their issues. When issues arise, colleagues are encouraged to speak to their line managers, or they can seek advice from the Retail Trust. If colleagues want to express their concerns confidentially or anonymously, they can use the whistleblowing hotline or 'Your Company, Your Voice'. Cally Price works with colleagues across the business to resolve issues and she reports issues to the Board during scheduled meetings. The Company Secretary is made aware of all whistle blowing reports and has access to independent advice as appropriate.

Director Concerns

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

Conflicts of Interest

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

Corporate Governance Policy Review

During the year, external advisors were appointed to review the Group's governance policies and ensure they are documented and reflect best practice. A review of these findings will take place in FY22 once the external review is completed.

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DIVISION OF RESPONSIBILITIES

The Chair

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

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

The Chief Executive

The Chief Executive has a pivotal role in formulating and implementing the Group's strategy. He is responsible for the day-to-day running of the business, equipping himself with a team of executives to ensure that the Board's decisions are implemented. The Chief Executive is the main point of communication between the senior executives and the Non-executive Directors, and regularly updates the Board on the Group's trading position.

The Senior Independent Director

Richard Bottomley, OBE, is the Senior Independent Non-executive Director. He supports the Chair and Non-executive Directors and is available to assist shareholders if they have concerns.

Role Of The Non-executive Directors

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

Independence

There are currently three independent Non-executive Directors, as well as a Non-executive Chair, a Non-executive Workforce Director and Workers' Representative, and two Executive Directors. All Non-executive Directors, other than the Non-executive Workforce Director and Workers' Representative, were considered independent upon appointment. The Non-executive Workforce Director and Workers' Representative is not considered to be independent as she is employed by the Group.

Delegation of Responsibilities

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

REMUNERATION COMMITTEE

Remuneration policy

Remuneration schemes

Service contracts for senior executives

KEY BOARD RESPONSIBILITIES

Approving budgets

Setting the Group's values and standards

Approving strategic aims and objectives

Approving acquisitions and disposals

Approving the appointment or removal of Board members

Approving foreign exchange and commodities transactions above a material level

AUDIT COMMITTEE

External audit

Financial reporting

Internal audit

Risk management

Compliance and fraud

NOMINATION COMMITTEE

Composition of the Board

Succession planning

Matters Reserved For The Board

There is a formal schedule of matters that require Board approval, as they could have significant strategic, financial or reputational impact on the Group. These matters were reviewed and updated by the Board during the year.

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Board Performance

On an annual basis the Non-executive Directors, led by Richard Bottomley, review the performance of the Chair, taking into account the views of the Executive Directors. The outcome of the review is relayed to the Chair, with constructive comments to improve future performance. During the period, the Chair reviewed the performance of all Non-executive Directors, to ensure their performance remains effective and that they are committed to and capable of performing the role. The Chair has discussed with each Non-executive Director how they can improve their knowledge, behaviour and skills, in order to be better equipped for the role. The performance of the Executive Directors was also reviewed by the Chair and the Non-executive Directors and performance objectives set.

An external review by Belinda Hudson Limited was also carried out during the year and this is discussed within the Board Review report.

A number of informal meetings also took place throughout the year between various Non-executive Directors and the Chair without the Executive Directors present.

Director Commitment

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

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

Appointment Documentation

Details of Executive Directors' service contracts, and of the Chair's and the Non-executive Directors' appointment letters, are contained within the Directors' Remuneration Report.

Copies of service contracts and appointment letters are available for inspection at the Company's registered office during normal business hours and at the Annual General Meeting. Neither of the Executive Directors hold a directorship of another FTSE 350 company.

Meeting Documentation

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

During Board meetings, presentations are made on business or strategic issues where appropriate, and the Board considers the Group's strategy at least annually. Minutes of Committee meetings are circulated to all Board members for agreement. Copies of analysts' reports and brokers' notes are also provided to Directors. Guest attendees are invited to present at Board meetings.

Board Meeting Attendance

The Board has a formal schedule of regular meetings, where it approves major decisions and uses its expertise to advise and influence the business. The Board will meet on other occasions as and when required.

The Directors' attendance at Board and Committee meetings during the year, and the total number of meetings that they could have attended, are set out in the table below. Attendance was high for all Directors, who attended all meetings unless prevented from doing so by a prior commitment. There was a high number of unscheduled meetings during the year, to discuss the Group's response to the Covid-19 pandemic and its impact on our colleagues and stores. A number of additional Audit Committee meetings also took place. A strategy day was held in October.

	Board Meetings: Scheduled	Board Meetings: Unscheduled	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
Mike Ashley	6/6	7/7			
Richard Bottomley[1]	5/6	6/7	8/8		3/3
David Brayshaw	6/6	7/7	8/8	3/3	3/3
David Daly	6/6	7/7		3/3	3/3
Nicola Frampton	6/6	7/7	8/8	3/3	3/3
Chris Wootton	6/6	7/7			
Cally Price	6/6	7/7			

(1) Richard was unable to attend one Board meeting which was scheduled at short notice, due to being on holiday.

Note: A number of Audit Committee, Remuneration Committee and Nomination Committee meetings were attended by Board members who were not members of the Committees. The Board members concerned attended these meetings at the invitation of the Committee Chairs. Board members attended these meetings for information rather than influence, and may not have attended for the full duration of the meetings.

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Company Secretarial Support

All Directors have access to the advice and services of the Company Secretary, and may take independent professional advice at the Company's expense, subject to prior notification to the other Non-executive Directors and the Company Secretary. The company secretarial team has been strengthened during the year, to support the Group's expansion and ensure compliance with increased regulation.

The Company Secretary ensures that the Company maintains appropriate insurance cover in respect of its Directors and Officers. He also advises the Board on corporate governance matters. During FY21, external training was provided to the Board on the Market Abuse Regulation.

The Group's Position And Prospects

The Board take responsibility for the preparation of the Annual Report and Accounts for FY21, and is in agreement that taken as a whole, they are fair, balanced and understandable. We are confident that the Annual Report and Accounts provide sufficient detail and that our shareholders have been provided with the necessary information on the Group's position, performance, business model and strategy, further details of which can be found in the Strategic Report. Detailed information on the Group's financial position and performance can also be located in the Group Financial Statements.

The Covid-19 pandemic and the resulting closure of non-essential retail stores for much of the year, has had significant impact on high-street retailers, including the Group. During this period the Board has met on a number of occasions to discuss the impact of the Covid-19 pandemic on trading and the Group's long-term future. The Covid-19 pandemic is deemed to be a highly significant issue for the Group. The Board is confident that the Group has adequate resource to remain in operational existence for the foreseeable future and has continued to adopt the going concern basis of accounting in preparing the financial statements. As a result of its findings, the Board has adopted a going concern statement for FY21, and full details of this can be found in the Directors' Report. The Directors have also assessed the prospects of the Group over 3.5 years, the Viability Statement can be found at pages 36 to 37.

Risk Management

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

Controls in respect of financial reporting and the production of the consolidated financial statements are well established. Group accounting policies are consistently applied and review and reconciliation controls operate effectively. Standard reporting packages are used by all Group entities to ensure consistent and standard information is available for the production of the consolidated financial statements. The Group Accounting Manual is under a cycle of ongoing review and forms part of our internal-controls continuous improvement activity during FY22.

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

AUDIT COMMITTEE REPORT

Dear Shareholder

I am pleased to present the report of the Audit Committee (the Committee) for the 52-week period ended 25 April 2021. The report sets out the Committee's work and areas of focus during this unprecedented year, which has seen the global spread of Covid-19 and Government-mandated lockdowns impacting all geographies across our Group. The Committee has therefore focused on and discussed the Group's performance, and the impacts of, and response to these external factors.

We monitored the Group's ongoing viability and going concern positions, incorporating the impacts of the pandemic and including the review of key accounting judgements and estimates. We have kept the Group risk profile and emerging risks under continued review and had clear oversight of the activities of the executive Compliance & Risk Group. We have also monitored the Group's response to opportunities and acquisitions, to ensure we come through the period stronger and on track to meet our strategic targets on the return to broader economic recovery.

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

We have built a strong and productive working relationship with RSM since their appointment in 2019 as our External Auditor and we value the integrity, strength and depth of their audit and approach.

The Committee has supported management with the Group's RCF renewal with potential new and existing lenders and is comfortable with the strength of engagement and financial support for the business and its strategic intent.

We have made strong progress against our continuous improvement assurance agenda across governance, risk and control and this was noted in the Group's external Board evaluation which is discussed in more detail within the External Board Review report We also continue to strengthen relationships with our Big 4 and Top 10 co-source partners. We have closely monitored the Government's audit and governance reform agenda and considered our approach to readiness as part of our FY21 and FY22 agendas.

The Committee values the ongoing work of the Group's Retail Support Unit and Digital Risk teams and continues to seek assurance that their work remains a strength in our Group. Our performance as a business has remained strong in these extremely challenging circumstances. It has been impressive to see the continued strength and depth of experience across all our business teams and their ability to withstand and manage the significant risks that materialised.

Taking its responsibilities as a whole, the Committee is satisfied that the going concern basis of accounting is appropriate (see further detail at page 64) and that the Group is viable over its assessment period (see page 36).

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

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Membership

During the year, the Audit Committee comprised three Non-executive Directors, David Brayshaw, Nicola Frampton and myself as Chair. Biographies of each Committee member are set out in the Directors' profiles on pages 37 to 39 of this Annual Report.

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

Meetings

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

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

The Main Responsibilities Of The Audit Committee

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

Financial Statements And Reporting:

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

External Auditor

- The effectiveness of the external audit process taking into consideration relevant UK professional and regulatory requirements; and
- Developing and implementing policy on the supply of non-audit services by the External Auditor and approving any such work.

Risk Management And Internal Controls

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

In addition, the Committee:

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

During The Period

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

- Monitored the business response, internal controls and impact on the Group's financial performance and reporting as the Covid-19 pandemic risk materialised;
- Reviewed the Group's financial statements and assessed whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements;
- Reviewed the detailed scenarios and assumptions behind the going concern basis of accounting and longer-term viability;
- Assessed the effectiveness of the external audit process and considered the reappointment of RSM as the External Auditor for FY22;
- Monitored the effectiveness of the Group's risk management and internal control systems and received detailed reports and presentations on principal risks management;
- Continued to support the Finance leadership and evaluated the strength and depth of the Finance team;
- Reviewed its Terms of Reference; and
- Together with the Board, considered the Committee's own effectiveness.

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Risk Management And Internal Controls

Information on our approach to risk management and internal control is set out in the risk section of the Strategic Report and concluding of our review of these systems is set out on page 30. Our plans for continuous improvement of our risk management and internal control systems remained in place during the year and establishing a Group Internal Audit & Risk Management function has reinforced our progress. The work of our Retail Support Unit is central to the Group's system of internal control. The Unit provides internal assurance on the efficacy of controls over our retail operational procedures and systems.

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

- Solvency and liquidity;
- Business continuity, IT disaster recovery and incident response;
- Key legislative and regulatory obligations, including data protection, pandemic-related regulation and oversight of Government plans for audit and governance reform - strengthening controls over financial reporting;
- Cyber risk and data loss prevention, including strengthening of our information security capability;
- Progress against business and finance systems transformation;
- Updates on the governance policies review and reporting;
- Reviewing significant accounting judgements and estimates;
- The valuation of assets and stock and the calculation of associated provisions;
- The effectiveness of hedge accounting and the management of foreign currency exposures;
- Property and the systems in place to ensure impairments are recognised on a timely basis;
- Climate risk and our environmental, social and governance agenda, supporting Taskforce for Climate-related Financial Disclosures reporting; and
- The Group's banking arrangements.

See further at page 39 for the Board's statement on Corporate Governance.

Audit Quality

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

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

The Committee will continue to oversee the development of plans for compliance readiness in response to the current consultation.

External Auditor

The Committee was pleased to recommend the reappointment of RSM as External Auditor for FY21 following a robust external audit review of FY20. The length of tenure of RSM as external auditors is 2 years.

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

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

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

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

We have a stringent policy and approval process in place in respect of non-audit services and our view is to keep this type of engagement minimal unless in exceptional but reasonable circumstances, and in line with Group policy.

Opinion On The Annual Report And Accounts

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

The Committee has reviewed the process for preparing this Annual Report in order to assess whether other information contained in it is consistent with the Group's financial statements for the 52 weeks ended 25 April 2021. This process has included the following key elements:

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

The Committee has advised the Board that it considers the Annual Report and Financial Statements for the year ended 25 April 2021, when taken as a whole, to be fair, balanced and understandable and that they provide the necessary information to assess the Group's position, performance, business model and strategy.

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Significant Financial Reporting Issues

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

Going concern and viability	The Audit Committee has held extensive talks with management on going concern and viability, and the Committee as a whole has reviewed and challenged management analysis and assumptions used in both these assessments. This includes reviewing cash flow forecasts, sensitivity analysis, finance facilities and future funding plans. We considered areas of ongoing uncertainty in respect of the pandemic, Brexit and the broader economic downturn. Whilst the Group's RCF expires in November 2022, management and the Committee are confident new financing will be arranged with the Group's syndicate of lenders, replacing the current facility by the time it expires. On this basis, the Committee is satisfied that the going concern basis of accounting is appropriate and the Group is viable over its assessment period. Further information is included within the Viability Statement and the Director's Report.
Inventory	The Committee has considered the work performed on inventory valuation and provisioning and has reviewed management's methodology. The Committee is satisfied the approach is consistent with the prior period and has appropriately considered the impact of the Covid-19 pandemic on the Group's inventory position.
IFRS 16: accounting for leases	The Committee has considered all aspects of IFRS16: accounting for leases including management's methodology, judgements and assumptions and the presentation in the Financial Statements. The Committee is satisfied that management's approach is reasonable.
Impairment of right-of-use assets; property, plant & equipment; freehold property and related property provisions	The Committee reviewed and challenged management's impairment testing including the key assumptions and methodologies used. The projected cash flows, discount rates and third-party valuations used in the evaluation were considered appropriate within the context of the Covid-19 pandemic, changes in consumer behaviour and economic uncertainties.
Forward currency contracts	The Committee reviewed and discussed with management the valuation methodology used and accounting treatment applied to derivative contracts. The Committee also review delegated authorities in place for the execution of such transactions and is satisfied these are appropriate.
Accounting for investments and associates	Investments: the Committee considered management's work on presentation and classification risk, in respect of investment shareholdings in excess of 20%. This work involves management judgement on whether or not the Group has significant influence over these entities. The Committee has discussed with management and reviewed their representations in determining significant influence. Associates: the Committee also considered management's work on presentation and classification risk in relation to associates. The Committee has similarly discussed with management and reviewed its representations in determining whether the Group has control over its associates. The Committee is satisfied that management judgements are appropriate, that the investment in Mulberry in the period has been treated and disclosed appropriately and there is otherwise no material change from the prior year position impacting its conclusion.
Related parties	The Committee has evaluated the appropriateness of related-party disclosures through discussions with management and review of papers outlining the valuation of the loan to Four Holdings Limited and the FY21 payment and approach to provisioning in respect of MM Prop Consultancy Limited. The Committee is satisfied that the disclosures, payment and approach to provisioning are appropriate.
Government support (furlough)	The Group has received Government support in the period in the form of the Coronavirus Job Retention Scheme based on mandated store closures and the need to preserve jobs. The complexities of the scheme and the need to ensure compliance with its legislative and regulatory framework have made this a key area of focus during the year and for external audit review. The Committee is satisfied, when considering the work of the internal teams and external advisers that management has appropriately accounted for and recognised the Government support received and that there is no material error in the processes supporting these claims. The Committee also notes the transparency and engagement with HMRC throughout this process.
Legal and other provisions and accruals	The Committee has reviewed and discussed with management its judgements and determinations in respect of legal provisioning and accrual for tax-related matters at the period end. Given the inherent levels of uncertainty and estimation in these areas, the Committee has carefully considered and challenged management's conclusions and reviewed independent third-party reports where available. As a result, the Committee is satisfied the classification and presentation of legal and other provisions are appropriate.

CMA Order 2014 Statement Of Compliance

Frasers Group confirms that it was in compliance with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 during the financial period ended 25 April 2021. The Committee has discussed all the items above in detail with the External Auditor.

Review Of The Committee's Effectiveness

The annual review of the Committee's effectiveness was included in the externally facilitated Board evaluation during the period. The Committee is pleased to see the positive outcome of that report, as well as its observations and recommendations.

The Committee has improved its governance and annual planning cycle in the year and will continue to build on this in FY22. I monitor and assess the effectiveness of the Committee regularly as Chair and invite input from the External Auditor on this.

Key Objectives For FY22

The Committee's key objectives for FY22 are:

- Continue to monitor the impacts of the pandemic on our business, its performance, its response and its financial position;
- Oversee the development of plans in response to the Government's reform proposals: restoring trust in audit and corporate governance;
- Monitor continuous improvement of the Group's systems of risk management and internal control;
- Maintain a strong relationship with our External Auditor and engagement on the delivery of a robust, efficient and effective external audit; and
- Strengthen assurance activity across the Group based on the three lines model, (accountability, actions, assurance).

Richard Bottomley

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

5 August 2021

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NOMINATION COMMITTEE REPORT

Dear Shareholder

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

Biographical details of each Committee member are shown in the Board of Directors' profiles on pages 37 to 39.

The Nomination Committee usually meets formally twice a year, although additional meetings take place when appropriate. The Committee formally met three times during FY21, with all meetings being held virtually due to the Covid-19 pandemic. The Committee members also had a number of informal discussions during the year. All members of the Nomination Committee are Non-executive Directors and, with the exception of the Chair, are considered to be independent.

The Responsibilities Of The Nomination Committee Include:

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

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

What Has The Committee Done During The Year?

Board Nominations

- The Committee considered and recommended to the Board the reappointment of Cally Price as Non-executive Workforce Director. In making this recommendation, the Committee recognised the enormous value and contribution that Cally brings to the Board. She provides great insight and perspective on all important issues that affect the performance of the workforce across the organisation.
- The Committee considered and recommended the election or re-election of all Directors at the AGM, following consideration of their effectiveness and commitment.

Composition of the Board

- The Committee has reviewed the Board's composition and we continue to look to add talented people to the Board, who will bring the appropriate skills and experience. The restrictions as a consequence of Covid-19 lockdowns have slowed the process but we remain committed to strengthening our Board. We have again spoken to Audeliss recruitment which specialises in recruiting diverse talent and we have also had discussions with a number of candidates with strong experience and a background in HR. Audeliss has no other connection with the Company or any of its Directors.
- In considering new appointments to the Board, the Committee will identify suitable candidates to fulfil the skill-sets required, by taking into account succession planning and diversity objectives. Members of the Committee and the executive management team will then meet with the candidate before the Committee considers recommending the appointment to the Board.

Board Evaluation

- Belinda Hudson Ltd was engaged to conduct the FY20 external Board evaluation. Due to restrictions caused by the Covid-19 pandemic this was delayed until FY21. Neither the Company nor any of its Directors has any other connection with Belinda Hudson Ltd. The evaluation was conducted via one-to-one interviews with individual Directors and key members of senior management. This is discussed within the Board Review report.

Annual Performance Appraisals

All Board members, both Executive and Non-Executive, went through an annual performance review during FY21 and each Director engaged fully in the process. This included setting objectives for each individual. I led these appraisals, as Chair of the Board and the Nomination Committee. This process will be repeated annually. Richard Bottomley, Chair of the Audit Committee and Senior Independent Non-executive Director, led my performance appraisal and goal setting.

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

Diversity and Inclusion

The Board reviewed various diversity and inclusion policies from other companies, to enable us to benchmark ourselves against industry standards. As a consequence we have now updated our Board Diversity policy, which can be found on our website at https://frasers.group/

The Board has two female Directors, representing 28% of the Board. There is currently no representation from ethnic minority backgrounds on the Board. However, we note the contents of the Hampton Alexander Report and the Parker Review for FTSE 250 companies and we are continually seeking to increase diversity at Board level, as reflected in our objectives below.

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

- To ensure that the Board has an appropriate mix of skills, experience and knowledge, to ensure a variety of perspectives are represented on the Board and enable the Board to effectively oversee and support the Group's growth and management;
- To maintain Board representation from the workforce, which brings the voice of colleagues into the boardroom, supports our strategy of investing in our people and enables the Board to effectively oversee and support the Group's growth and management.
- To increase female representation on the Board to 33%, in line with the Hampton Alexander target; and
- To strive to appoint at least one Director of colour to the Board by 2024, as recommended by the Parker Review.

The Group achieved its Diversity policy objective in respect of gender and age, by having a strong gender balance in senior management and their direct reports (see

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gender diversity table of page 23, and a varied representation of ages in middle and senior management. When reviewing candidates who may become potential Board members, the Committee has regard to factors including professional experience, skills, education, gender, ethnicity and background to ensure a variety of perspectives are represented at Board level. As discussed above, we have been working with a recruitment agent specialising in diverse candidates. The Board is conscious that to successfully deliver the strategic goals of the business our people, including the Board of Directors must reflect the diverse cultures and values of our customer base.

The Committee recognises the advantages of having a diverse team and has therefore reviewed the composition of the senior management team, including their direct reports. A number of senior management roles were held by women at period end, including the Head of Internal Audit and Risk Management and UK Financial Controller. Our senior leadership team is 27% female, whilst the overall UK workforce is approximately 52% female.

We were pleased that our most recent Gender Pay Gap Report showed a reduction in the median gender pay gap within our largest relevant subsidiary (SPORTSDIRECT.com Retail Limited) to 0%. However, we will continue to explore ways to address other gender pay gap differences within our business.

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

Frasers Group Elevation Programme

During FY21, we worked with We are Wiser to launch the Group's new Elevation Programme. This has resulted in the recruitment of a diverse mix of talent, with the potential to become the future leaders of the Group.

David Daly

Chair of the Nomination Committee

5 August 21

EXTERNAL BOARD REVIEW

We recognise that some of the main driving forces behind the success of Frasers Group are our Board, Committees and management teams. To ensure we are getting the best from our Board, we undertook an independent review of our Board and Committee effectiveness. We hoped that this review would provide insight and clarity into how our leadership team is performing, especially when benchmarked against other listed companies, as well as highlight areas of improvement that would add value to the Group and ensure we become market leaders in governance and best practice.

In January 2020, the Board agreed to engage Belinda Hudson Limited to undertake a review of our Board and Committee effectiveness. Belinda is a recognised expert in enhancing board effectiveness and has over 15 years' experience working with Boards, Committees and directors of FTSE 350 companies. Belinda Hudson Limited has no other connection with the Group or any of its Directors.

The Board review was originally due to be completed prior to the April 2020 financial year end. However, it was deferred when the first lockdown was initiated as there was a strong preference for conducting face to face interviews, As it became clear that face to face meetings would not be an option for some time, it was decided to proceed with remote meetings early in 2021 to ensure that evaluation of the Board's performance could be conducted by the end of the April 2021 financial year.

Methodology

Belinda undertook confidential one-to-one discussions with members of the Board and a selection of senior management who have regular interaction with, and support the Board and Committees. She attended the February 2021 Board meeting for observational purposes. Belinda was given unfettered access to the previous 12 months' Board and Committee papers and minutes and governance documents to inform her review.

She compiled a comprehensive report which covered all aspects of board and committee performance. It was broken down into the following categories:

- Board composition and dynamics
- The Board's role
- The Board at work
- Committees

The report was presented to and discussed with the Board at the April 2021 Board meeting.

Outcomes

The report highlighted the many strengths of the Board and Committees and contained several recommendations for further development. The Board accepts the recommendations and where necessary, is taking steps to implement them.

Belinda's findings in each section were as follows:

Board Composition and Dynamics

The report found that "the Board at Frasers Group has enjoyed a good period of stability since the CFO was appointed in September 2019. The Board has strengthened and is becoming increasingly effective under the leadership of the current Chair with strong support from the Senior Independent Director and others."

The Board composition benefits significantly from the inclusion of a full-time employee as the Non-executive Workforce Director and Workers' Representative. It provides the Board with "full transparency and visibility on the perspective of the workforce without any filters" and very strong insights into workforce engagement.

Despite some previous investor opposition to the Chair, the review presented a positive view of the Chair. He brings many relevant and useful strengths and is growing into the role well. Board members and Senior Management

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were unanimous in their agreement that he was an excellent choice for the role. He possesses "invaluable knowledge and experience relating to the sector, ecosystem and brand relationships" and his relationship with the Chief Executive "is based on openness and transparency as well as mutual trust and respect. The relationship appears robust so that they can challenge each other and handle disagreement". The Chair is committed to developing his skills and addressing the gaps in his knowledge.

The overall view of the Senior Independent Director and other Non-executive Directors of the Board was positive. They are all diligent and focused on acting in the best interests of the Group. They bring with them a breadth of knowledge and experience that they are willing to share both inside and outside the boardroom. The Senior Independent Director plays a very useful role in developing external relationships through networking and promoting the Group in a positive light.

The leadership provided by the Chief Executive was described as being inspirational, honest, transparent and collaborative. The Chief Executive plays a pivotal role in the success of the Group. He adopts a positive and constructive attitude to the Board and welcomes input and challenge from the Non-executive Directors. The review highlighted the disparity between internally held views of the Chief Executive and the Chief Executive's external reputation. He is taking steps to remedy the impact his external reputation has on the Group by stepping back from his external facing roles – to enable the next generation of talent within the Group to elevate the external reputation of the Group.

The review has identified some areas of suggested development including the recruitment of a Non-executive Director with strong listed company experience and achieving a greater degree of diversity in Board composition. While the Board benefits from good gender diversity, it lacks age and ethnic diversity. The Nomination Committee will seek to address these issues during the next financial year.

Despite the challenges identified, the overall assessment of the Board's composition, senior leadership and dynamics was overwhelmingly positive. Members of the Board and Executive Committee enjoy positive relationships and generally engage in positive Board behaviours.

The Board's Role

Board members have a good understanding of the role of the Board, but further development is needed to ensure that the Board fulfils all aspects of its role and strengthens certain aspects of the Group's corporate governance. These issues are already being addressed by the Board following a report produced by external advisors.

Belinda noted that the Board offers a good mix of support and challenge and adds value on many fronts. The Non-executive Directors make a good contribution to the Group in ways that go beyond the usual remit of Non-executive Directors. The introduction of the strategy day has been very "positive and useful" and leaves scope for further development. The current oversight that the Board exercises over the financial and operational performance is sound. Areas where improvements can be made include stakeholder focus and oversight of health and safety. However, it has been highlighted that the Board took great interest in the health and safety of the workforce during the pandemic.

It is encouraging that the Board is increasingly focusing on people related matters, has employed experts to review and develop its employer value proposition and is actively pursuing a strategy of developing a younger cadre of management to support the sustainability of the Group. The intention of communicating a positive culture from the top appears to be effective; as Non-executive Directors have made positive reports that "there is a strong sense of opportunity and trust enjoyed by employees." The Board is also driving the agenda of increasing diversity and inclusion throughout the Group with the CFO and Non-Executive Workforce Director and Workers' Representative leading the initiative. The Board is robust, has influence and communicates a positive culture whilst leaving room for further growth and development as the business grows.

The Board at Work

The current arrangements for the frequency of formal Board meetings have been assessed as appropriate and beneficial as they meet the needs of the Non-executive Directors without placing unnecessary burden on the Executives. The format of the meetings has also been commended as it gives the members ample opportunity to interact outside the meetings and develop their relationships.

The information provided to the Board is generally of a good quality and is presented in a very open and transparent manner. However, improvements can be made to the timeliness in which it is provided. There was concern that the Company Secretarial team was sometimes overwhelmed but this team has recently been strengthened with the recruitment of two new hires and is better placed now to provide strong support to the Board and Committees.

Committees

The review of the Committees was equally encouraging. Although areas of improvement have been identified for each of the Committees, the overarching conclusion was that they are becoming increasingly effective in carrying out their functions.

The Audit Committee has become more effective under the leadership of the Chair. His background as a partner in a Big Four accounting firm means he brings useful and relevant experience. The Chair's management of meetings has been commended and the Committee enjoys good support from management.

It has also been recognised that the Committee's oversight of risk governance has seen significant improvements with the recruitment of the new Head of Internal Audit who has made good progress in the further development of the risk management framework and is "bringing increased rigour to the work of Internal Audit."

The Audit Committee enjoys a relationship with the External Auditors that is collaborative and positive but also robust and challenging.

The review has highlighted the "very positive and extensive role" the Remuneration Committee has played in the development of the Fearless 1000 share plan which secured strong shareholder support at the October 2020 AGM. The Group is currently spearheading numerous initiatives to overhaul policies and processes to ensure it offers competitive packages to employees with strong drive and support from the Committee and input provided by external remuneration consultants.

David Daly

Chair of the Nomination Committee

5 August 2021

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DIRECTORS' REMUNERATION REPORT

Dear Shareholder,

As the Chair of the Remuneration Committee (the "Committee") I am pleased to present our Directors' Remuneration Report for the year ended 25 April 2021. This report is split into three parts: this Annual Statement, the Policy Report and the Annual Report on Remuneration.

Actions Taken In FY21 And Impacts On Pay

A key context for decisions taken by the Committee in 2020 was the impact of Covid-19 on our business. Following the onset of the Covid-19 pandemic in late Q1 2020, the Committee supported the actions taken by our Board in relation to pay and wider colleague welfare. These actions were considered appropriate to align to the experience and perspective of our shareholders and other stakeholders, including our colleagues.

The actions taken included the following:

- from May 2020 due to the impact of the Covid-19 pandemic, our CFO, together with the Chief Commercial Officer and the Non-executive Directors agreed, in order to assist the Company, to make the personal sacrifice of reducing their salary, or respective fees, to £40,000 per annum. This treatment applied until October 2020, at which time withheld amounts were paid;
- colleague welfare was prioritised:
  - from March 2020, we sent home all colleagues over the age of 60 or those with underlying health issues which was over and above Government guidance whilst continuing to pay them in full;
  - in the UK we paid virtually all of our contracted colleagues (including "casual workers") in full during March, April, May and June 2020 even though our stores were closed for the vast majority of that time; and
  - although the business has accessed Government business-support initiatives, including furlough and business rates relief, we used these programmes in the way in which we understood these to be applied, and the consequence has been that there have been no major redundancy rounds within our business despite extended lockdown periods.
- the wider societal contribution of the business was supported:
  - we offered our fleet of vehicles to the NHS for transporting vital equipment to where it was most needed; and
  - we also offered NHS staff discounts on bikes and sporting goods equipment in our Evans and Sports Direct stores. On 15 June 2020, in England, we offered a 50% discount to all NHS staff in our Sports Direct stores as a gesture of goodwill to these fantastic individuals as our stores re-opened. It was an overwhelming success with gross sales of approximately £50m before discount and approximately £25m after discount.

Against this background, we were very pleased to be able to launch the new incentive plan for our colleagues which we are calling the Fearless 1000 and which was approved by over 99.9% of our shareholders voting at the 2020 AGM. The Fearless 1000 could pay out £100m in shares if our share price reaches £10 at any time during the performance period. The share price must stay above £10 for 30 consecutive trading days to trigger the vesting of shares at the end of the vesting period which could see 10 colleagues receiving shares worth £1m if the share price is at £10 at the vesting dates. One thousand of our Fearless colleagues, who live and breathe our values, thinking without limits, not hesitating and owning it, will be eligible to receive share bonuses ranging from £50k right up to £1m if the share price is at £10 at the vesting dates.

Following the successful launch of the Fearless 1000 plan in October 2020, the UK entered into lockdown in December 2020 and a significant portion of our stores were temporarily closed. This has the potential to limit our ability to hit the share price targets that apply to the plan. We have therefore decided to extend the performance period for the Fearless 1000 plan, which will now end in October 2025 (being a total performance period of five years). As a result of this change, the performance period for the Fearless 1000 and the proposed Executive Share Scheme (explained further below) will be aligned.

In terms of senior executive remuneration in FY21:

- Mike Ashley has not received any remuneration from the Company since before the Public Offering in 2007 and continues to decline any remuneration in his role of Chief Executive;
- as noted above, our CFO's salary was reduced to the equivalent of £40,000 p.a. from May 2020 until October 2020; and
- no LTIP award operated for senior executives in FY21, and the CFO and other selected senior executives were specifically excluded from participation in the Fearless 1,000 plan.

Against the background of our overall modest positioning on executive pay and considering the CFO's exceptional efforts in leading the company through a period of unprecedented challenge to produce the resilient performance that is detailed elsewhere in this report, the Committee has decided that it is appropriate to award our CFO a bonus of £100,000 for FY 2020/2021 (67% of base salary). In awarding this bonus, the Committee considered a range of performance factors, including Group financial performance, progress on strategic initiatives and personal performance. This award was paid as a cash sum.

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

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

Revised Remuneration Policy And Operation Of Pay In FY21

At the 2021 Annual General Meeting ('AGM') we are asking shareholders to renew our 3-year Director's remuneration policy ("policy") which was last approved at our AGM in 2018 (98.8% approval).

Where any changes have been made to the 2018 policy, these are highlighted in the policy report section. In particular, we are making three changes in the operation of Executive Director pay.

CFO's Salary

- Chris Wootton's salary has been increased to £250,000 p.a. from 1st May 2021 (FY21: £150,000 p.a.).
- Chris joined the Board of Directors in September 2019, with this being his first main Board CFO role at a listed PLC. Since that time Chris has grown and developed in the role of CFO and his strong performance, leadership and contribution to developing the strategic direction of the business is considered to merit an appropriate review of his salary level at this time, now that he has been in post for approximately 18 months.
- As a Committee we are content that even with this increase the salary level for our CFO remains amongst the lowest in the FTSE 250.

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Board Succession

As a Remuneration Committee we fully support the prospective changes within our Board and senior team more fully described in the announcement dated 5th August 2021. Although some of these changes will not become effective until later in the three-year period in which our new policy will operate, we already know some of the detail around how we want pay arrangements for our new senior executive team to be aligned to, and support, the growth and elevation strategy which our Board succession changes will seek to accelerate and deliver.

Accordingly, where we are able to do so, in the new policy we have set out details of proposed incentive arrangements for our Executive Directors (both current and prospective) and particularly our new Executive Share Scheme, as described below. Any further details of pay arrangements for new Executive Director appointments will be disclosed at the appropriate time when they join the Board.

New LTIP To Align To Principles Of Fearless 1000

At our 2021 AGM, we will be seeking shareholders' approval for a new share plan (the "**Executive Share Scheme**") which seeks to apply many of the principles of the Fearless 1000 to an LTIP. Three awards, each subject to a £12 share price target, will be initially made to Chris Wootton (CFO), Sean Nevitt (Chief Commercial Officer) and David Al-Mudallal (COO). An award, subject to a £15 share price target, is also proposed to be made to Michael Murray when, as anticipated, he joins the Board. The key terms, and how these compare to the key terms of the Fearless 1000, are summarised below:

	EXECUTIVE SHARE SCHEME	FEARLESS 1000 PLAN
AWARD LEVELS	Three initial awards are expected to be made to the CFO, Chief Commercial Officer and COO over 1.8 million shares in total (600,000 shares maximum per person) A single award is expected to be made to Michael Murray, on his appointment to the Board, over 6,711,409 shares in total, being a number of shares which at a share price of £15 per share (less the 10p per share nominal value of those shares) will be worth £100million The value of awards can be reduced by the value of salaries paid in the period to vesting	10 million shares in total 100,000 shares maximum per person for top 10 performers (worth £1million each for those individuals at £10 per share); further allocations between others in the top 1,000
TIMING OF AWARDS	Awards to CFO, Chief Commercial Officer and COO to be made as soon as possible after 2021 AGM Award to Michael Murray to be made on joining the Board	Award period began following 2020 AGM on 7 October 2020
TARGET SHARE PRICE FOR VESTING	Either £12 per share (for awards to CFO, Chief Commercial Officer and COO) or £15 per share (proposed award to Michael Murray	£10 per share
PERFORMANCE PERIOD	Up to 4 years from AGM 2021	Up to 5 years from AGM 2020 (extended by 1 year due to impact of the Covid-19 pandemic)
POTENTIAL VESTING DATES	If the share price target is achieved by October 2025: awards vest in two equal tranches, 50% initially and 50% 1 year later The Committee may allow all awards to vest early if the £15 share price target is achieved. However, shares would normally be delivered in two tranches	If £10 target achieved by October 2025: awards vest in two equal tranches, 50% initially and 50% 1 year later The Committee may allow all awards to vest early if the £15 share price target is achieved. However, shares would normally be delivered in two tranches

The extension of the performance period for the Fearless 1000 plan is seen to benefit participants as it provides an additional period to achieve the £10 share price target given that the difficulties associated with the Covid-19 pandemic have impacted the business in the first year of the Fearless 1,000 plan.

As a Committee, we consider it very important to align Executive Directors and senior executives to the aspiration of the Fearless 1000, albeit at an enhanced performance target of £12 or £15 as appropriate.

Chair And Non-executive Director Fees

Although not a matter for the Remuneration Committee (being a matter reserved for the Board), the Board has delegated responsibility for setting the remuneration of the Chair to the Remuneration Committee which has carried out a review of the Chair's fees and of the Non-executive Directors' fees. As a result of that review the Board has decided to increase fee levels for the Chair and Non-executive Directors as detailed on page 58. This is the first increase in fees to the Chair and Non-executive Directors since the IPO in 2007.

Format Of The Report And Matters To Be Approved At Our 2021 AGM

At the 2021 AGM, shareholders will be asked to approve three resolutions related to Directors' remuneration matters. These resolutions are:

- to approve the Directors' Remuneration Policy;
- to approve the Directors' Remuneration Report; and
- to introduce the new Executive Share Scheme described above.

The vote to approve the Directors' Remuneration Report is the normal annual advisory vote on such matters.

If approved by our shareholders, the Directors' Remuneration Policy will apply for a maximum of three years from the 2021 AGM and will replace the Directors' Remuneration Policy previously approved at the 2018 AGM.

For completeness, a resolution will also be proposed at the 2021 AGM to amend the Fearless 1000 plan for consistency with the Executive Share Scheme with regards to potential acceleration of the vesting and release of shares if the £15 share price target for the award to Michael Murray is achieved.

I hope that our shareholders remain supportive of our approach to executive pay at Frasers and vote in favour of the resolutions on remuneration matters to be tabled at the 2021 AGM.

David Brayshaw

Chair of the Remuneration Committee

5 August 2021

DIRECTORS' REMUNERATION POLICY

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

This part of the report sets out the Company's proposed Directors' Remuneration Policy which, subject to shareholder approval, shall take binding effect from the date of the 2021 AGM and remain valid until the 2024 AGM. The proposed Policy is determined by the Committee, and key proposed changes to elements of the current Directors' Remuneration Policy, which was approved by shareholders at the 2018 AGM and expires at the 2021 AGM have been highlighted for ease. As explained in the statement from the Chair of the Remuneration Committee, the Remuneration Committee has decided to introduce a new executive share scheme that appropriately aligns Executive Directors' interests with the interests of shareholders by focusing on absolute shareholder value, and intends to seek shareholder approval for the Executive Share Scheme at the 2021 AGM. Consequential changes have been made as to reflect the changes to the Remuneration Policy.

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FUTURE POLICY TABLE

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

ELEMENT OF REMUNERATION	PURPOSE / LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE MEASURES	CHANGES TO POLICY TO BE APPROVED AT THE 2021 AGM
BASE SALARY	Fixed element of the remuneration package, where the balance of fixed and variable remuneration is aligned to the commercial strategy of long-term profitable growth and reflects the Company remuneration philosophy of gearing reward to performance with a sharing of risk between Executive Directors and shareholders.	Base salaries are normally reviewed annually. Mike Ashley does not currently receive a salary for his role.	Although salaries for Executive Directors (other than Mike Ashley, who does not currently receive a salary) are set at levels below the amounts typically paid by similar sized companies, the Committee retains discretion to set salaries at levels considered appropriate for the business, considering its size and complexity.	Not applicable.	No change.
BENEFITS	With the exception of a 20% colleague discount on products purchased from the Group's retail stores, which is available to Executive Directors other than Mike Ashley, no additional benefits are generally available to Executive Directors. The same level of discount is available to all colleagues.	The current Executive Directors do not receive any benefits other than the colleague discount, which is not available for Mike Ashley. Benefits may be provided,in line with market practice to recruit a new Executive Director taking into account individual circumstances. Such benefits may include relocation expenses (more fully detailed in 'Approach to Recruitment Remuneration' below).	Although the Remuneration Committee has not set an absolute maximum level of benefits Executive Directors may receive, the Company retains discretion to set benefits at a level which the Remuneration Committee considers appropriate against the market and to support the on-going strategy of the Company.	Not applicable.	No change.
RETIREMENT BENEFITS	Provide post-employment benefits to recruit and retain individuals of the calibre required for the business.	The Executive Directors are entitled to participate in a stakeholder pension scheme on the same basis as other employees. On request this benefit may be paid as a salary supplement in lieu of pension contribution as necessary.	The current maximum employer contribution to the stakeholder pension scheme is 3%. The Committee may increase employer contribution rates to reflect changes in the auto enrolment employer contribution rates.	Not applicable.	No change.
ANNUAL BONUS	Rewards the Executive Director for performance which supports the Group's strategy and performance in role.	Executive Directors, other than Mike Ashley, may earn a bonus. Any bonus earned in excess of 100% of salary would be deferred into shares for a period of two years, unless the amount to be deferred amount. would be less than £10,000. The Committee also retains a discretion not to operate deferral in an exceptional case and where salary paid in the year was £250,000 or less. Any bonus paid would be subject to clawback for a period of 3 years following its determination in the event of gross misconduct, material misstatement of the Company's financial statements or corporate failure.	The maximum bonus that an Executive Director may earn shall be 200% of salary in respect of any financial year.	Any bonus opportunity shall be assessed against one or more metrics determined by the Committee and linked to the Company's strategy and/or the performance of the Executive Director in role, with the weighting between the metrics determined by the Committee if relevant. Bonuses will be determined between 0% and 100% of the maximum opportunity based on the Committee's assessment of the applicable metrics. The annual bonus plan is a discretionary arrangement and the Committee retains a standard power to apply its judgement to adjust the outcome of the annual bonus plan for any performance measure (from zero to any cap) should it consider that to be appropriate.	No change.
LONG TERM INCENTIVES	To motivate and incentivise delivery of sustained performance over the long term, and to promote alignment with shareholders' interests, the Company intends to operate an Executive Share Scheme.	Executive Directors, other than Mike Ashley, may receive awards under the Executive Share Scheme. Awards may be granted as nominal cost options or conditional share awards which vest to the extent the performance conditions are satisfied over a period of four years. The Committee shall have discretion to reduce the number of Shares subject to an award granted under the Executive Share Scheme by an amount equal to the aggregate gross salary received by a participant during the performance period. Clawback and malus provisions apply to awards granted under the Executive Share Scheme. Any amounts received under the Executive Share Scheme may be subject to clawback for a period of 3 years following the end of the performance period in the event of gross misconduct, material misstatement of the Company's financial statements, corporate failure or reputational damage. As is normal, the Committee retains power to settle awards in cash in exceptional cases only.	For awards with a £15 share price target, the maximum opportunity for an Executive Director will be an award over up to 6,711,409 shares. For awards with a £12 share price target, the maximum opportunity for an Executive Director will be an award over up to 600,000 shares.	Awards will vest subject to an absolute share price target of either £12 or £15. The share price must be over the target for any period of 30 consecutive dealing days during the four-year performance period. The Committee may set additional performance conditions on awards under the Executive Share Scheme, as it considers appropriate.	Introduction of the Executive Share Scheme, which is our new long term incentive plan that will reward our senior executives for achieving sustained performance over the long term.

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The table below sets out an overview of the approach to remuneration for the Chair and Non-executive Directors.

PURPOSE / LINK TO STRATEGY	APPROACH OF THE COMPANY
Chair and Non-executive Director fees Provide an appropriate reward to attract and retain Directors of the calibre required for the business.	The Committee's Remuneration Policy in respect of the Non-executive Directors is to pay annual fees which reflect the responsibilities and duties placed upon them, while also having regard to market practice. Non-executive Directors receive a fixed annual fee. Non-executive Directors (other than the Non-executive Workforce Director) do not and are not entitled to participate in any bonus or share schemes. The Non-executive Workforce Director is entitled to participate in employee bonus and share schemes for employees including any all-employee schemes. Non-executive Directors may be eligible for benefits such as the use of secretarial support, travel costs or other benefits that may be appropriate. The aggregate fees and any benefits of the Non-executive Directors (including the Non-executive Workforce Director) will not exceed the limit from time to time set out in the Company's Articles of Association for such fees. This is currently £500,000 p.a. in aggregate. A resolution will be put to shareholders to increase this limit to £1,000,000 p.a. in aggregate. This is a formal cap and does not reflect any form of aspiration.

Explanation Of Performance Measures Chosen

Any bonus opportunity would be subject to performance metrics determined by the Committee and linked to the Company's strategy and/or the performance of the Executive Director in role. The metrics and performance against them would be disclosed in the Directors' Remuneration Report in which payment of the bonus was disclosed, or if later when they were no longer considered commercially sensitive. Any performance measure may be varied or substituted by the Committee if an event occurs which causes the Committee to determine that it would be appropriate to do so. The rationale for any such variation or substitution would be given in the next Directors' Remuneration Report.

The proposed Executive Share Scheme will be subject to a performance measure determined by reference to the Company share price as well as personal performance. This metric has been chosen as it aligns the interest of the Executive Director with those of shareholders. The target share price required for vesting is considered stretching (being either £2 or £5 above the target for the Fearless 1000 plan) and will therefore reward sustained performance over the long-term.

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

i. satisfactory performance ratings for each participant; and

ii. anticipated delivery of our elevation strategy.

The purpose of the underpins is to ensure that a minimum level of performance is achieved before an award may vest (in addition to achievement of the share price performance target). Details of the performance measures and underpins that apply to each award granted under the Executive Share Scheme to an Executive Director will be disclosed in the appropriate Directors' Remuneration Report (subject to considerations of commercial sensitivity).

Explanation Of Differences In Remuneration Policy For Other Colleagues

The Company has a large number of colleagues with different responsibilities and differing levels of seniority. Reward policies for colleagues other than Executive Directors are determined by reference to grade, role, performance and other relevant factors. The Committee engages with the wider workforce on the remuneration policy through the Non-executive Workforce Director, whose feedback and views are sought by the Committee.

The Committee has reviewed the salaries, other remuneration and other employment conditions of senior and middle managers throughout the Group, and has taken them into account in considering Executive Directors' salaries and the creation of new incentive schemes in order to create a sense of common purpose and sharing of success.

In response to those considerations, the Frasers All-Employee Omnibus Plan (known as "Fearless 1000") was launched following approval by shareholders at the 2020 AGM. The Fearless 1000 plan is intended to provide a significant one-off reward for eligible and qualifying colleagues if a stretching share price growth target is achieved within a five year period from the 2020 AGM.). There are two related but distinct parts to the Fearless 1000 as follows:

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

Further details regarding the Fearless 1000 are provided in the Our People section of this Annual Report.

Illustrations Of Application Of Remuneration Policy

The chart below sets out an illustration of the policy for FY22 in line with the future policy table above. The chart provides an illustration of the total remuneration opportunity that could arise under four different levels of performance. No chart is included for Mike Ashley, who does not receive any remuneration from the Company. If Michael Murray joins the Board as anticipated, an updated version of this disclosure will be provided in the next Directors' Remuneration Report following his appointment.

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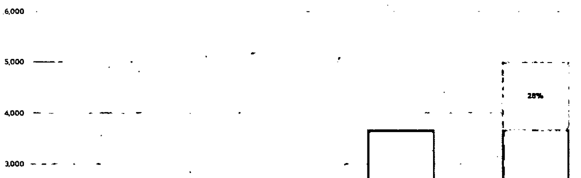
Chris Wootton, Chief Financial Officer



For the purposes of the chart, the following assumptions have been made.

SCENARIO	FIXED PAY	BONUS	LTI
Minimum remuneration	Base salary of £250,000. An employer pension contribution of 3% of salary, capped at first £50,000 of salary. No benefits (as no benefits are currently proposed to be provided to the Executive Directors in FY22 other than the colleague discount, which, in the opinion of the Committee, cannot be reflected in these charts as its value depends upon the value of the Executive Director's purchase).	No bonus earned.	No vesting of share awards.
Performance in line with expectations		No bonus earned because in the opinion of the Committee, the performance metrics will be set such that any bonus earned would require the achievement of stretch performance.	No vesting of share awards because in the opinion of the Committee, the share awards will only vest as a result of stretch performance.
Maximum remuneration		A bonus of 200% of salary is earned.	Calculated based on the value of 600,000 shares (maximum potential vesting for an award to the CFO under the new Executive Share Scheme) at the end of FY21 (using a 3 month average).
Maximum remuneration with 50% share price increase		A bonus of 200% of salary is earned.	Calculated based on the value of 600,000 shares at the end of FY21 (using a 3 month average) plus 50% share price increase.

Approach To Recruitment Remuneration

When agreeing a remuneration package for the appointment of a new Executive Director, the Committee will apply the following principles:

- the package will be sufficient to attract the calibre of Director required to deliver the Company's strategy;
- the Committee will seek to ensure that no more is paid than is necessary; and
- in the next Annual Report on remuneration, the Committee will explain to shareholders the rationale for the arrangements implemented.

The Committee will ordinarily seek to implement the remuneration package in accordance with the elements referred to in the policy table on pages 53 to 54. Consistent with the DRR Regulations, the Committee retains discretion to make appropriate remuneration decisions outside that policy to meet the individual circumstances of the recruitment, subject to the limits and parameters of this recruitment remuneration section of the Directors' Remuneration Policy.

ELEMENT	APPROACH
Base salary and benefits	Typically aligned with the policy set out in the policy table on page 53. In line with the DRR Regulations, there is no formal cap on salaries in relation to a recruitment.
Retirement benefits	Aligned with the policy set out in the policy table on page 53, pension benefits may be provided at rates aligned to employee levels, although the Committee may provide for such amount to be paid to a pension arrangement or paid as a supplement to base salary in lieu of a pension arrangement.
Variable remuneration	Any variable remuneration granted to a newly appointed Executive Director would be subject to the same maximum levels that generally apply under the Directors' Remuneration Policy. The value of any buy-out arrangements (described below) does not count towards those maximum levels. The Committee may vary the application of deferral to any annual bonus opportunity to reflect the circumstances of the recruitment.
Compensation for forfeited arrangements	The Committee may make awards on hiring an external candidate to buy-out the remuneration arrangements forfeited on leaving a previous employer. In doing so, the Committee will have regard to relevant factors including any performance conditions attached to such arrangements (and whether such conditions were or were likely to be achieved), the form of those arrangements (e.g. cash or shares) and the timeframe of such arrangements. While such awards are excluded from the maximum level of variable remuneration referred to above, the Committee's intention is that the value awarded would be no higher than the expected value of the forfeited arrangements. Buy-out awards will be subject to forfeiture or clawback on early departure, with 100% being subject to forfeiture if the Executive Director departs within 12 months of joining, and a sliding scale down to 50% if the departure occurs within 12 and 24 months of joining, at the Committee's discretion.
Relocation costs	If necessary, the Company will pay appropriate relocation costs in the year of appointment and for a further two financial years, as it considers appropriate. The Committee will seek to ensure that no more is paid than is necessary.

Any share awards referred to in this section will be granted as far as possible under the Company's existing share schemes. If necessary and subject, where relevant, to the limits referred to above, awards may be granted outside existing share plans as permitted under the Listing Rules, which allow for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director.

Where a position is filled internally, any on-going remuneration obligations or outstanding variable pay elements shall be allowed to continue according to their subsisting terms or be adjusted to reflect the new appointment as appropriate.

The remuneration package for a newly appointed Non-executive Director would normally be in line with the policy set out in the future policy table above for Non-executive Directors.

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Service Contracts And Policy On Payments For Loss Of Office

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

Executive Directors

Details of each current service contract are set out below:

	CONTRACT DATE	UNEXPIRED TERM / NOTICE PERIOD	GOVERNING LAW
Mike Ashley	11/02/2007	12 months*	England & Wales
Chris Wootton	06/03/2017	6 months	England & Wales

*The Company may terminate Mr Ashley's service contract by giving 6 months' notice if he is unable to perform his duties for over 120 days in any consecutive 12 months.

The principles on which the determination of payments for loss of office will be approached are summarised below:

Payment in lieu of notice	The Company may terminate an Executive Director's employment with immediate effect by making a payment in lieu of notice consisting of basic salary (but excluding any bonus, commission, benefits or holiday entitlement) during the notice period. The Company may either (i) pay the payment in lieu of notice in a lump sum or (ii) in its discretion, pay the amount in equal monthly instalments during the notice period, with such instalment payments to be reduced in the event that the Executive Director obtains alternative income within the notice period. Mike Ashley does not receive any salary or contractual benefits, and his service contract does not provide for a payment in lieu of notice.
Annual bonus	Whether to award a bonus in full or in part in the event of a termination of employment would be at the discretion of the Committee on an individual basis and dependent on a number of factors, including the circumstances of the Executive Director's departure and his contribution to the business during the bonus period in question. Typically bonus amounts would only be paid to "good leavers" and be pro-rated for time in service to termination and dependent on performance. Any bonus in respect of the year of termination or preceding year which would otherwise be deferred into shares may be paid wholly in cash at the election of the Committee. Any deferred bonus would typically continue in the event of termination (other than on dismissal for cause) and be released to the Executive Director at the end of the originally anticipated deferral period, although the Committee has discretion to release the amount sooner in appropriate circumstances.
Executive Share Scheme	If an Executive Director ceases employment or resigns during the performance period, his unvested award will generally lapse. However, if the Executive Director dies or the Committee determines he is a 'good leaver' then awards are retained and may vest in the normal course subject to the performance conditions. Awards will normally be pro-rated by reference to the proportion of the performance period for which the participant remained employed (or, if earlier, until the date of resignation). The Committee has a standard ability to vary time pro-rating. Vested but unexercised awards may normally be retained by a participant, except in cases of misconduct.
Other payments	The Remuneration Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment. In appropriate circumstances, payments may also be made in respect of legal fees and outplacement services. Were the Company to make an award on recruitment of an Executive Director to buy out remuneration arrangements forfeited on leaving a previous employer then the leaver provisions for that award would be determined at the time of grant. A payment may also be made in respect of accrued but untaken holiday. For the avoidance of doubt, the policy does not include an explicit cap on the cost of termination payments.

Non-Executive Directors

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

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

The approach to determining Non-executive Directors pay is to benchmark ourselves against other companies/retailers within the FTSE 250. Each year the remuneration of all Directors is put for shareholder approval at the AGM. Last year, 99.81% of shareholders voted in favour of the remuneration report.

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

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

	Position	Date of letter of appointment	END DATE OF APPOINTMENT (subject to annual re-election at the AGM)
David Daly	Non-executive Chair	16 July 2020	1st October 2023
David Brayshaw	Non-executive Director	23 April 2020	7th December 2022
Nicola Frampton	Non-executive Director	1 October 2018	30th September 2021
Richard Bottomley	Non-executive Director	1 October 2018	30th September 2021
Cally Price	Non-executive Director	6 October 2020	5th October 2022

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

Payments Outside The Policy In This Report

The Committee retains discretion to make any remuneration payment or payment for loss of office outside the policy in this report:

- where the terms of the payment were agreed before the policy came into effect;
- where the terms of the payment were agreed at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company; or
- to satisfy contractual commitments made under legacy remuneration arrangements.

For these purposes, "payments" includes the satisfaction of awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

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Engagement With Shareholders

The Committee consults major shareholders and representative groups where appropriate concerning remuneration matters.

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

Colleague Reward

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

In addition to share schemes, the Company operates other bonus and incentive awards for its workforce. By way of recent example, in FY21 colleagues in our UK retail operations received a total of £5.4m in bonus and incentive awards. A significant proportion of these other bonus and incentive awards were paid to our casual retail workers.

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

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

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

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

As explained in the Committee Chair's letter, we took the decision to extend the original four year performance period for the Fearless 1000 plan to up to five years due to continuing UK lockdowns in FY21. As a result, the performance periods for the Fearless 1000 plan and the proposed Executive Share Scheme will each end in October 2025.

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

Our Workforce nominated Director, Cally Price engages with colleagues through regular and multi-channel communication mechanisms. This enables colleagues to understand the strategy of the Company, the vital role all colleagues play in contributing to the overall success of the Group and how this is rewarded and to raise any questions directly with a Board member. Cally has been directly involved in the review of retail colleague pay during FY21. The Committee has reviewed the salaries, other remuneration and other employment conditions of senior and middle managers throughout the Group, and has taken them into account in considering Directors' salaries. The Committee has considered pay and employment conditions of colleagues (other than the Directors) and has aligned pension contributions and colleague discounts of the Directors with employees.

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

ANNUAL REPORT ON REMUNERATION

This part of the Directors' Remuneration Report sets out the actual payments made by the Company to its Directors with respect to the period ended 25 April 2021 and how our Directors' Remuneration Policy will be applied in the year commencing 26 April 2021.

Implementation of our Remuneration policy for FY22

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

Base Salary And Fees

Chris Wootton's salary has increased to £250,000 per annum, with effect from 1 May 2021 (from £150,000). Whilst the Committee is aware of sensitivities towards salary increases for executive directors generally, the proposed salary increase for Chris is considered appropriate due to his very strong performance in his role since appointment in September 2019.

Despite this increase, Chris' base salary will remain at a level well below the lower quartile for a CFO in a business of the size and complexity of the Group.

Mike Ashley does not receive a salary for his role.

Fees for the Chair and Non-executive Directors are normally reviewed annually. In respect of fees for FY22, David Daly will receive an increased annual fee of £150,000 (from £100,000) for his role as Chair. Richard Bottomley, David Brayshaw and Nicola Frampton will each receive a fee of £65,000 (from £50,000) for their roles as Non-executive Directors. Cally Price will receive a fee of £20,000 (from £15,000) for her role as Non-executive Workforce Director.

Pension (Audited)

The contribution rate for Chris Wootton will be 3% of salary, capped at first £50,000 of salary, being the maximum employer contribution rate available under the Company stakeholder pension scheme. No Director participated in a defined benefit scheme.

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

Annual Bonus Scheme

Chris Wootton will be eligible to earn a bonus in respect of FY22. Any amount earned shall be determined by reference to one or more performance metrics determined by the Committee and linked to the Company's strategy and/or Chris Wootton's performance in role. The Committee will provide appropriate and relevant levels of retrospective disclosure of the assessed criteria applied to the FY22 bonus. Any such bonus shall be of up to 200% of salary, and any bonus earned in excess of 100% of salary may be subject to deferral.

Mike Ashley shall not be eligible to earn a bonus in respect of FY22.

Long Term Incentives

Chris Wootton will be eligible to participate in the new Executive Share Scheme (subject to shareholder approval of at the 2021 AGM). He will receive an award of 600,000 shares. The award may vest four years after grant, subject to a stretching absolute share price performance target.

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

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Single Figure Table (Audited)

The aggregate remuneration provided to individuals who have served as Directors in the period ended 25 April 2021 is set out below, along with the aggregate remuneration provided to individuals who have served as Directors during the prior financial year.

Director	Salaries and fees		Other benefits		Bonus		Long-term incentive schemes		Pension(4)		Total		Total fixed remuneration		Total variable remuneration	
	FY21	FY20	FY21	FY20	FY21(3)	FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21	FY20
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
EXECUTIVE DIRECTORS																
Mike Ashley	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chris Wootton(1)	150	88	-	-	100	-	-	-	1	1	251	89	151	89	100	-
Jon Kempster(2)	N/A	63	N/A	-	N/A	-	N/A	-	N/A	1	N/A	64	N/A	64	N/A	-
NON-EXECUTIVE DIRECTORS																
David Daly	100	100	-	-	-	-	-	-	-	1	100	101	100	101	-	-
David Brayshaw	50	50	-	-	-	-	-	-	-	1	50	51	50	51	-	-
Nicola Frampton	50	50	-	-	-	-	-	-	1	1	51	51	51	51	-	-
Richard Bottomley	50	50	-	-	-	-	-	-	-	1	50	51	50	51	-	-
Cally Price	15	10	-	-	-	-	-	-	-	-	15	10	15	10	-	-
TOTAL	**415**	**411**	**-**	**-**	**100**	**-**	**-**	**-**	**2**	**6**	**517**	**417**	**417**	**417**	**100**	**-**

(1) Chris Wootton's remuneration for FY20 as set out in the table is his remuneration for the period from the date of his appointment on 12 September 2019.

(2) Jon Kempster's remuneration for FY20 as set out in the above table is his remuneration for the period from 29 April 2019 until 12 September 2019 when he ceased to be an Executive Director. No payment was made to Jon following his resignation.

(3) Further details of the bonus outturn for Chris Wootton for FY21 can be found on page 55.

(4) Pensions are provided via a defined contribution to the Company stakeholder pension scheme (see page 57).

Further Information On The FY21 Annual Bonus

Chris Wootton received a bonus of £100,000 in respect of FY21.

In awarding this bonus, the Committee considered Chris' strong leadership of the Group through a very challenging period. While no formal criteria were set at the beginning of the year due to the uncertainties of the Covid-19 pandemic, the Committee considered the impact of Chris' contribution to the financial results detailed in the Financial Review and his personal leadership of the Group's response to the Covid-19 pandemic.

Payments For Loss Of Office And Payments To Former Directors (Audited)

No payments for loss of office or payments to former Directors were made in FY21.

Statement Of Directors' Shareholding And Share Interests (Audited)

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

	Ordinary Shares held at 25 April 2021 of if earlier the date of resignation	Ordinary Shares held at 25 April 2020 of if earlier the date of resignation
DIRECTORS AS AT 25 APRIL 2021		
Mike Ashley	330,000,000	330,000,000
Chris Wootton	-	-
David Daly	24,205	21,007
Nicola Frampton	5,732	-
David Brayshaw	31,611	31,611
Richard Bottomley	10,000	10,000
Cally Price	-	-

There has been no change to the interests reported above between 25 April 2021 and 5 August 2021. Other than noted on page 62 the Company did not receive any notifications under DTR 5 between 25 April 2021 and 5 August 2021.

As at 5 August 2021, neither Chris Wootton nor Mike Ashley participate in any Company share scheme arrangement. Therefore, there are no outstanding share scheme interests held by any Director of the Company.

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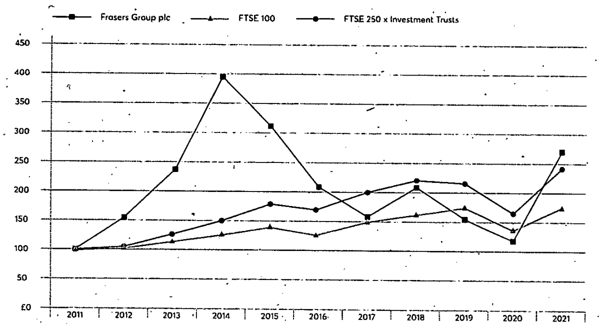
Performance Graph And Table

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



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

Total Ceo Remuneration And Performance-Related Pay

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

	Total remuneration	Executive Share Scheme as a % of maximum opportunity
FY21 - Mike Ashley	Nil	N/A
FY20 - Mike Ashley	Nil	N/A
FY19 - Mike Ashley	Nil	N/A
FY18 - Mike Ashley	Nil	N/A
FY17 - Mike Ashley[1]	Nil	N/A
FY17 - Dave Forsey[2]	£62,500	N/A
FY16 - Dave Forsey	£150,000	N/A
FY15 - Dave Forsey	£150,000[3]	0%[3]
FY14 - Dave Forsey	£150,000	N/A
FY13 - Dave Forsey	£150,000	N/A
FY12 - Dave Forsey	£150,000	N/A

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

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

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

Chief Executive To Employee Pay Ratio

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

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Relative Importance Of Spend On Pay

The table below sets out the Group's distributions to shareholders by way of dividends and share buybacks, investment (calculated as set out below) and total Group-wide expenditure on pay for all colleagues (as reported in the audited financial statements for FY21 and FY20) and the Company's share price (calculated as at the close of business on the last day of FY21 and FY20).

	FY21	FY20	PERCENTAGE CHANGE
Distributions to shareholders by way of dividend and share buyback	-	£43,800,000	(100)%
Investment*	£231,300,000	£322,600,000	(28.3)%
Group-wide expenditure on pay for all employees	£377,100,000	£492,800,000	(23.5)%
Share price (pence)**	515.5	226.6	127.5%

*Comprises of increases in working capital, acquisitions and capital expenditure in the year (see Consolidated Cash Flow Statement and note 32: Cash inflow from operating activities) as the Board believes these to be the most relevant measures of the Group's investment in future growth.

**For these purposes, the share price for FY21 and the share price for FY20 is calculated at the close of business on 23 April 2021 and 24 April 2020 respectively, being the last working days prior to the year ends.

Remuneration Committee

During FY21, the Remuneration Committee consisted of David Brayshaw and Nicola Frampton who are considered independent and the Chair of the Board, David Daly. The purpose of the Committee, as previously outlined, is to assist the Board to ensure that Executive Directors and senior executives receive appropriate levels of pay and benefits.

Attendance at the meetings held during the year is detailed on page 43.

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

Advisers To The Committee

Mike Ashley, the Chief Executive, and Chris Wootton, the Chief Financial Officer, have advised or materially assisted the Committee throughout FY21 when requested. Executive Directors are not present during, nor do they take part in, discussions in respect of matters relating directly to their own remuneration.

During the year, FIT Remuneration Consultants LLP ("FIT") were appointed as adviser to the Committee. FIT are a founder member of the Remuneration Consultants' Group and adhere to its code of conduct. Fees totalling £127,184 plus VAT have been paid for its services during the year for the provision of advice to the Committee on various aspects of remuneration including advice on the remuneration policy and the drafting of the rules of the Fearless 1,000 scheme. The Committee has reviewed the quality of the advice provided and whether it properly addressed the issues under consideration and is satisfied that the advice received during the year was objective and independent. FIT has no personal connection to the Company or its Directors.

Total Remuneration

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

Remuneration Principles

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

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

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

Responsibilities Of The Committee

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

What Has The Committee Done During The Year?

- Reviewed and approved amendments to the Company's Remuneration Policy;
- Reviewed and approved the Directors' Remuneration Report for FY21;
- Reviewed Executive Directors' and senior executives' pay (including actions taken in response to the impact of the Covid-19 pandemic);
- Considered shareholder feedback regarding remuneration policy and implementation;
- Considered and approved the appointment of independent remuneration consultants;
- Agreed the introduction of the Fearless 1,000 scheme;
- Reviewed gender pay gap reporting; and
- Monitored developments in governance and reporting requirements, relating to remuneration.

The Remuneration Committee meets several times a year, with 3 formal meetings and a number of ad hoc meetings held in FY21.

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Shareholder Voting

The following table sets out actual voting in respect of the resolution to approve the Directors' Remuneration Report for the year ended 26 April 2020 at the 2020 AGM and the resolution to approve the Directors' Remuneration Policy at the 2018 AGM.

	Votes for	% for	Votes against	% against	Total votes cast	Votes withheld
Directors' Remuneration Report for the year ended 26 April 2020	463,415,430	99.81	896,866	0.19	464,312,296	11,057
Directors' Remuneration Policy (vote to approve at 2018 AGM)	442,947,085	98.41	7,134,022	1.59	450,081,107	8,143
Directors' Remuneration Policy (vote to amend at 2020 AGM in respect of Fearless 1,000)	464,243,582	99.99	67,814	0.01	464,311,396	11,957

David Brayshaw

Chair of the Remuneration Committee on Behalf of the Board

5 August 2021

DIRECTORS' REPORT

The Directors of Frasers Group plc present their Annual Report and Accounts for the period ended 25 April 2021. The Group's Corporate Governance Statement forms part of the Directors' Report.

Principal Activities And Business Review

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

The principal activities of the Group during the period were:

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

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

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

Results For The Period And Dividends

Revenue for the 52 weeks ended 25 April 2021 was £3,625.3m and profit before tax was £8.5m compared with £3,957.4m revenue and £143.5m profit before tax in the prior period. The trading results for the period and the Group's financial position as at the end of the year are shown in the attached financial statements and discussed further in the Chief Executive's Report and Business Review and in the Financial Review on pages 19 to 21.

The Board has decided not to propose a final dividend in relation to FY21 (FY20: nil). The Board remains of the opinion that it is in the best interests of the Group and its shareholders to preserve financial flexibility, facilitating future investments and other growth opportunities. The current situation in relation to the Covid-19 pandemic has resulted in a number of retailers finding themselves in extreme financial difficulties. We therefore currently feel that paying a final dividend at this uncertain time would be inappropriate when facing such an unknown future. The payment of dividends remains under review.

Share Capital And Control

As at 5 August 2021, there are 640,602,369 ordinary shares of 10p in issue and fully paid, of which 127,180,137 were held in treasury. As at the period end there were 121,260,175 ordinary shares held in treasury.

Further information regarding the Group's issued share capital can be found in note 24. Details of our share schemes are also set out in note 24.

There are no specific restrictions on the transfer of shares, which are governed both by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

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Authority To Issue Shares

The Directors were authorised to allot shares in the capital of the Group up to an aggregate nominal amount of £17,311,406 (being approximately. one third of the then issued share capital) for the period expiring at the 2021 AGM.

In line with guidance from the Association of British Insurers, the Company was also granted authority to issue a further third of the issued share capital to a total nominal amount of £34,622,812 in connection with a rights issue.

An authority to allot shares up to a maximum nominal value of £2,596,711 (being approximately 5% of the then issued share capital) as if statutory pre-emption rights did not apply, was also approved. In addition, the Directors were granted a further authority to allot up to a maximum nominal value of £2,596,711 (being approximately 5% of the then issued capital) as if statutory pre-emption rights did not apply when such allotment was for the purposes of financing (or refinancing, if the power is used within six months of the original transaction) a transaction which the Board determined to be an acquisition or other capital investment of a kind contemplated by the Pre-emption Group's Statement of Principles on disapplying pre-emption rights.

The Group was authorised to make market purchase of ordinary shares of 10p each in the Company of up to a maximum aggregate number of 77,849,395 representing 14.99% of the Company's issued ordinary share capital at the 2020 AGM. The above authority expires at the close of the next AGM of the Company.

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

Share Buyback

During the period to 25 April 2021 the Company did not purchase any shares under the Share buyback programme. The Company recommenced its Share buyback programme on 4 May 2021 and on 21st June 2021 and since 4 May 2021 has purchased 5,919,962 additional ordinary shares. No shares have been disposed of by the Company to this date.

Shareholders

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

As a controlling shareholder Mike Ashley has entered into a written and legally binding Relationship Agreement with the Company. This agreement ensures that the controlling shareholder complies with the independence provisions set out in Listing Rule 6.5.4. Under the terms of the Agreement Mike Ashley undertook that, for so long as he is entitled to exercise, or to control the exercise of, 15% or more of the rights to vote at general meetings of the Company, he will;

- conduct all transactions and relationships with any member of the Group on arm's length terms and on a normal commercial basis;
- exercise his voting rights or other rights in support of the Company being managed in accordance with the Listing Rules and the principles of good governance set out in the 2018 UK Corporate Governance Code and not exercise any of his voting or other rights and powers to procure any amendment to the Articles of Association of the Company; and
- other than through his interest in the Company, not have any interest in any business which sells sports apparel and equipment, subject to certain rights, after notification to the Company, to acquire any such interest of less than 20% of the business concerned, and certain other limited exceptions, without receiving the prior approval of the Non-executive Directors; and not solicit for employment or employ any senior employee of the Company.

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

As at 25 April 2021, the Company had been advised that the following parties had an interest in 3% or more of the issued share capital of the Company pursuant to Rule 5 of the Disclosure Guidance and Transparency Rules ("DTR");

	NUMBER OF SHARES HELD	PERCENTAGE OF ISSUED ORDINARY SHARE CAPITAL WITH VOTING RIGHTS HELD	NATURE OF HOLDING
Mike Ashley (1)	330,000,000	63.54%	Indirect
Phoenix Asset Management Partners Limited (2)	38,872,052	7.48%	Direct

(1) Mike Ashley holds the shares through two companies, namely MASH Beta Limited and MASH Holdings Limited, which hold 303,507,460 ordinary shares (58.44% of the issued ordinary share capital of the Company) and 26,492,540 ordinary shares (5.10% of the issued ordinary share capital of the Company) respectively.

(2) These figures are as at 1 April 2021 being the last date on which the Company was notified of a change in the percentage of shares.

Between 25 April 2021 and 5 August 2021 (being the latest practicable date prior to the publication of this Report) there have been no changes in the interest held by the above parties.

ADR Programmes

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

Frasers Group has not and does not intend to offer or sell its ordinary shares or other securities (in the form of ADR or otherwise) to the general public in the United States nor has it listed or intend to list its Ordinary Shares or other securities on any national securities exchange in the United States or to encourage the trading of its Ordinary Shares on any over the counter market located in the United States. The Group does not make arrangements to permit the voting of ordinary shares held in the form of ADRs and its publication of periodic financial and other information is not intended to facilitate the operation of any unsponsored ADR programme under Rule 12g3-2(b) of U.S. Securities Exchange Act of 1934, as amended or otherwise.

Articles Of Association

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

Takeovers

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

Share Schemes

Details of the Executive share scheme are set out in the Directors' Remuneration Report.

Colleague Involvement

The Group currently has more than 25,000 colleagues in its stores, offices and warehouses.

The workforce is notified of announcements and major changes in the business via Company emails, Slack, social media and our intranet, as well as information being communicated through line managers. The Company has elected a Workers' Representative, Cally Price, who attends all Board meetings and provides feedback from colleagues to the Board and is a trusted advocate for colleagues. The Company also has the "Your Company, Your Voice" scheme which

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enables colleagues to raise issues of concern via suggestion boxes. The contributions are read by senior management and the Workers' Representative who provides the Board with an overview and replies to colleagues as appropriate. A selection of questions received, and answers given by management are displayed in communal areas for colleagues. Cally has been key in representing colleague's views in the Board room and has a dedicated time slot at every scheduled Board meeting. Much focus this year has been on the impact of the Covid-19 pandemic on our employees and Cally has been involved in Board decisions and communication to staff regarding new safe systems of work approved by the Board to maintain good Covid-19 practices at our warehouse, offices and stores and has also provided feedback to the Board on mental health webinars run in conjunction with the Retail Trust. Cally makes weekly visits to Head office and has worked with management on initiatives including diversity, pay structures and staff benefits.

Training programmes and induction courses provide the workforce with opportunities to keep up to date with the latest developments of the Group. Prior to the Covid-19 pandemic our annual retail conference offered attendees an opportunity to celebrate their successes, receive updates on how the Group's strategy is progressing, and for them to judge how the Group is performing via the 'Confident or Concerned' questionnaire.

There are various incentives available to our retail colleagues. These incentives include our 5 Star Commission Scheme, Turnover Bonus, PBT Bonus, Stocktake Bonus and other commission schemes. These schemes vary between fascias. Retail colleagues (including casual workers) are also eligible to participate in the Fearless 1000 bonus scheme.

Further information on engagement with our people can be found in the Our People report.

Diversity And Equal Opportunities

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

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

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

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

Further information on our approach to diversity can be found in the Our People report

Business Relationships

Details of relationships with our suppliers, customers and other stakeholders are set out in the s.172 statement within the Strategic Report and the Corporate Governance Report.

Research And Development

The Group designs some clothing and footwear for our in-house brands for sale in stores. External brands are purchased from third-party suppliers although we do work with them to agree on the specific pieces which we sell in-store.

Charitable And Political Donations

During the year, the Group made charitable donations of £3k (2020: £13k) in the UK. No political donations were made (2020: nil). Further information on our charitable donations and community initiatives can be found in the ESG Report.

Directors

Details of current Directors, dates of appointment, their roles, responsibilities and significant external commitments are set out on pages 37 to 39. The membership of the Board of Directors has remained the same throughout FY21.

Although the Company's Articles of Association require retirement by rotation of one third of Directors each year, the Group complies with the 2018 UK Corporate Governance Code and at each AGM all of the Directors will retire and stand for reappointment.

Information on service contracts and details of the interests of the Directors and their persons closely associated (PCAs) in the share capital of the Company at 25 April 2021, and at the date of this Report, is shown in the Directors' Remuneration Report.

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

No Director has a directorship in common or other significant links with any other Director.

Director appointments are governed by The Companies Act 2006, the 2018 UK Corporate Governance Code and the Group's Articles of Association.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Directors' Conflicts Of Interest

The Board has formal procedures to deal with Directors' conflicts of interest. The appointment letters of Non-executive Directors state that they agree to consult with the Chair prior to accepting any directorships in publicly quoted companies or any major external appointments. Also, if any Non-executive Director becomes aware of any potential conflicts of interest the Chair and Company Secretary must be notified as soon as this becomes apparent. During the period neither the Chair or the Company Secretary were aware of any further appointments or potential conflicts of interest. The independence of Non-executive Directors is reviewed by the Board annually. All Directors complete an annual questionnaire to record any potential conflicts of interest. The questionnaire for FY21 did not disclose any conflicts of interest

The Company has entered into a Relationship Agreement with Chief Executive, Mike Ashley, whose wholly-owned companies, MASH Holdings Limited and MASH Beta Limited, currently hold approximately 5.10% and 58.44% respectively of the issued share capital of the Company (excluding treasury shares). This agreement is described in the Directors' Report.

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Directors' Indemnities

The Group has qualifying third-party indemnity provisions for the Directors within the meaning given to the term by s234 and s235 of the Companies Act 2006. This is in respect of any potential exposure of liability in their capacity as a Director of the Company and of any Company within the Group. Such indemnities were in force throughout the financial period and will remain in force.

Sports Direct Employee Benefit Trust

We note that the Trustees of the Sports Direct Employee Benefit Trust have waived their right to receive dividends on the ordinary shares comprised in the trust fund. No dividends were paid by the Company for the period ended 25 April 2021 (FY20: £nil).

Disclosures Required Under Uk Listing Rule 9.8.4

The information required by Listing Rule 9.8.4 is set out in the table below:

APPLICABLE SUB-PARAGRAPH WITHIN LR 9.8.4	DISCLOSURE PROVIDED
(1) Interest capitalised by the Group	N/A
(2) Publication of unaudited financial information	N/A
(3) Requirement deleted from the Listing Rules	-
(4) Details of long-term incentive schemes only involving a Director	N/A
(5) Waiver of emoluments by a Director	N/A
(6) Waiver of future emoluments by a Director	N/A
(7) Non pro-rata allotments for cash (issuer)	N/A
(8) Non pro-rata allotments for cash (major subsidiaries)	N/A
(9) Parent participation in a placing by a listed subsidiary	N/A
(10) Contracts of significance	N/A
(11) Provision of services by a controlling shareholder	page 56
(12) Shareholder waivers of dividends	page 61
(13) Shareholder waivers of future dividends	N/A
(14) Agreements with controlling shareholders	page 62

Green House Gas Emmissons And Energy Consumption

See The Environment report

Annual General Meeting

Further details on the date, time and format of proceedings will follow shortly after the finalisation of these Annual Report and Accounts, taking into account Government guidance surrounding the Covid-19 pandemic.

Going Concern

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

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

The Group still trades profitably, is highly cash generative and has considerable financial resources. The Group is able to operate within its banking facilities and covenants, which runs until November 2022, and is well placed to take advantage of strategic opportunities as they arise. As a consequence, the Directors believe that the Group is able to manage its business risks successfully despite the continued uncertain economic outlook.

Management has assessed the level of trading to date since the impacts of the Covid-19 pandemic and has forecast and projected a conservative base case and also a number of even more conservative scenarios taking into account a potential further wave and associated lockdowns over winter, Government support, foreign exchange exposure and cost saving initiatives. These forecasts and projections show that the Group will be able to operate within the level of the current facility and its covenant requirements (being interest cover and net debt to EBITDA ratios). Management also has a number of mitigating actions which could be taken if required such as putting on hold discretionary spend, liquidating certain assets on the balance sheet and paying down the Revolving Credit Facility. See the Viability Statement for further details.

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

Accountability And Audit

A statement by the External Auditor can be found on page 66 detailing its reporting responsibilities. The Directors fulfil their responsibilities, and these are set out in the Directors' Responsibilities Statement.

Auditor

RSM UK Audit LLP will be proposed for reappointment at the AGM. In accordance with s489(4) of the Companies Act 2006, resolutions to determine remuneration are to be agreed at the AGM.

Post Balance Sheet Events

See note 36 of the Annual Accounts.

Future Developments

Future developments are discussed throughout the Strategic Report.

Financial Risk Management

Financial risk management is discussed in note 3 of the financial statements.

By Order of the Board.

Tom Piper

Company Secretary

5 August 2021

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DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for preparing the Strategic Report and the Directors' Report, the Directors' Remuneration Report, the separate Corporate Governance Statement and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law to prepare group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and are additionally required under the Listing Rules of the Financial Conduct Authority to prepare the group financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The directors have elected under company law to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The group financial statements are required by law and international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union to present fairly the financial position and performance of the group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing each of the group and company financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;
b. make judgements and accounting estimates that are reasonable and prudent;
c. for the group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulations (EC) No 1606/2002 as it applies in the European Union;
d. for the company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the company financial statements;
e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Statement Pursuant To The Disclosure and Transparency Rules

Each of the directors, whose names and functions are listed on pages 37 to 39 confirm that, to the best of each person's knowledge:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Chris Wootton

Chief Financial Officer

5 August 2021

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRASERS GROUP PLC

OPINION

We have audited the financial statements of Frasers Group PLC (the 'parent company') and its subsidiaries (the 'group') for the period ended 25 April 2021 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cashflow Statement, the Consolidated Statement of Changes in Equity, the Company Balance Sheet, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 25 April 2021 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. For an explanation of how we evaluated management's assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting and our key observations arising in respect to that evaluation, please see the Impact of the Covid-19 pandemic and Going Concern key audit matter.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the entities reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Summary of our audit approach

Key audit matters

Group – Recurring risks

- Valuation of inventory
- Impairment of property related assets
- Property, Legal and Other Provisions
- Classification of investments

Group – event driven

- Impact of the Covid 19 pandemic and going concern

Materiality

Group

- Overall materiality: £11.1million
- Performance materiality: £7.2million

Parent Company

- Overall materiality: £11million
- Performance materiality: £7.1 million

Scope

Our Group audit procedures covered 88% of revenue, 88% of total assets and 78% of the result before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Inventory – valuation and existence

Key audit matter description

At 25 April 2021, the Group Consolidated Balance Sheet records inventory of £1,096.6m (2020: £1,198.3m). This amount is net of an inventory provision of £219.8m (2020: £223m).

The Covid-19 pandemic resulted in physical stores being temporarily closed at various points during the period and the resultant reduction in the level of demand and a reduced ability to sell through seasonal inventory may increase the risk of inventory obsolescence.

As described in note 2 to the financial statements, management use a forward looking inventory provisioning model which calculates a provision by category of inventory based on historical experience, pricing and discounting strategies and management's assessment of risk.

There is significant estimation involved in the calculation of inventory provisions to ensure that inventory is held at the lower of cost and net realisable value. This involves consideration of expected future losses on sale of inventory including assessing the likely impacts of the Covid 19 pandemic, inventory obsolescence and the additional costs to sell which need to be

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included in calculating the net realisable value of inventory.

Due to the factors explained above, we have identified the valuation of inventory as a key audit matter.

How the matter was addressed in the audit

In respect of inventory valuation we:

- Assessed the appropriateness of management's inventory provision calculations, including testing the accuracy and completeness of the data used and the mathematical accuracy of the provisioning model
- Critically challenged the assumptions made in the inventory provision model in respect of the expected level of discounting and the expected costs of sale, including:
  - The basis on which expected discounts were calculated and whether calculated discounts were realistic based on historical experience and the current trading environment
  - The assumptions regarding the expected volume and allocated costs of redistributing (tunnelling) and repricing product
  - Whether different assumptions and estimates should be applied for different fascias given the differentiated product mix
- Considered management's strategic options for addressing demand in the uncertain retail economic environment present as a result of the Covid 19 pandemic, including discounting levels and further development of on-line retail channels.

As a result of our findings from challenging management's model, we independently developed an alternative model that applied historic inventory loss experience to calculate a provision against current out of season and clearance inventory and inventory that would be expected to remain unsold and fall into those categories in future periods. In addition, we recalculated the expected future tunnelling and repricing costs to take account of our assessment of the likely future costs of these activities in relation to products that would have a net realisable value which was below cost.

We then formed an assessment, based on discussions with management and available market data, to reflect the impact of the Covid-19 pandemic. This included consideration of forecast future sales performance, expected margin decline, the increased risk of inventory becoming out of season and adjustments considered relevant for specific fascias, where the risk of inventory obselesence was considered to be higher. Our alternative model allowed us to develop an estimate of the level of provision we considered appropriate and supportable against which we were able to assess management's estimates.

Key observations

Our audit work on inventory valuation, and in particular the development of our own alternative provision model, did not identify any material misstatement in the inventory provisions.

Impairment of property related assets

Key audit matter description

As a result of the Covid 19 pandemic and changing patterns of retail consumer behaviour, particularly in relation to physical stores, the Group identified that there were indications of impairment in relation to freehold property interests, right of use assets and related PPE ("property related assets"). As required by IAS 36 (Impairment of Assets) the Group has performed an impairment review of all such assets.

As a result of this review, impairments in relation to freehold and long leasehold property (£88.4m), right of use assets (£168.2m) and related PPE (£63.8m) have been made in these financial statements.

As described in note 2 to the financial statements, the impairment review involves management judgements and estimates in relation to the value in use of the property related assets (being the net present value of the forecast related cashflows) and, in the case of freehold property, comparison of calculated value in use to internal and external property valuations. The values derived are then compared to the book value of the related assets to determine whether impairment is required. In making this assessment management determined each property or store to be a cash generating unit (CGU).

The value in use calculations involve significant assumptions regarding future cashflows, the long term growth rate in like for like sales, an assessment of the propensity for customers to switch to online purchases, pressure on margins and determination of an appropriate discount rate as well as considering the possibility of future lockdowns. In the case of freehold property, valuations are dependent on assumptions regarding the ability to relet property, the length of void and rent free periods and future rentals achievable. Accordingly we determined that the valuation of property related assets had a high degree of estimation uncertainty and this is illustrated by the sensitivity analysis set out in note 2.

Due to the factors explained above, we have identified completeness, valuation, presentation and disclosure of property related assets as a key audit matter.

How the matter was addressed in the audit

We obtained an understanding of how management performed their impairment testing of property related assets and their approach to valuation.

We critically assessed the methodology applied by management with reference to the requirements of IAS 36 and tested the integrity of the value in use calculations and the calculated impairments by CGU.

In the case of freehold property, in addition to assessing the value in use calculations, we evaluated the approach to the valuation of freehold interests with input from an independent external retail property valuation expert and critically challenged the underlying assumptions.

In particular we challenged the significant assumptions within management's models through:-

- Evaluating management's assumptions through consideration of historical and current trading performance and external data points
- Sensitised the assumptions in management's impairment models and reviewed the financial statement disclosures documenting assumptions and the impacts of applied sensitivities
- Tested the reconciliation between the cashflows used in the value in use calculations with those used to assess going concern and viability to ensure they were consistent
- Critically challenging whether it was appropriate to exclude properties from the impairment model and assessing whether the reasons for exclusion were supportable – for example where specific properties were under redevelopment
- Comparing the discount rate used with that independently calculated by our internal valuation expert

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We assessed whether the disclosures within the financial statements are consistent with IAS 36.

Key observations

Our audit work in respect of the impairment of property related assets concluded that the related balances were not materially misstated and the disclosures management have made are appropriate.

Property, Legal and Other Provisions

Key audit matter description

The Group makes provision for liabilities where it identifies there is a present obligation as a result of a past event and where it is probable that there will be a resultant outflow of resources that can be reliably measured.

The Group has a significant provision in relation to legal and regulatory matters and property related provisions. As detailed in note 28 to the financial statements, the Consolidated Balance Sheet includes provisions of £215.8m (2020: £225.4m) relating to legal and regulatory matters and £144.1m, (2020: 107.9m) relating to property provisions which principally comprises provisions for dilapidations on leasehold properties.

The dilapidation provision requires significant judgements to be made as to future amounts payable based on historical experience, external advice and evolving conditions within the property sector.

Additionally, the Group faces a number of legal, tax and other commercial claims and significant judgement is required in determining whether a provision should be recorded and for what amount.

Due to the amounts involved and the significant judgements required in quantifying and assessing provisions we have identified existence, accuracy, completeness, presentation and disclosure of property, legal and other provisions as a key audit matter.

How the matter was addressed in the audit

Our audit work included the following: -

- Considering management's assessment in respect of provisions and assessing whether the recognition criteria of IAS 37 – Provisions, Contingent Liabilities and Contingent assets had been met.
- Challenging the assumptions made in the dilapidation provision model in respect of the expected level of dilapidations on a store by store basis. As a result of our findings from challenging management's model, we independently developed an alternative model that applied historic dilapidation costs and relevant factors such as geography and property type as well as considering the impacts of likely future changes in the property market. Our alternative model allowed us to develop an estimate of the level of provision we considered appropriate and supportable against which we were able to assess management's estimates.
- Challenging provisions and related assumptions with key management outside the finance function, including members of the property and legal teams and obtaining corroborative evidence from third parties in relation to material ongoing legal and tax matters
- Auditing the movement in provisions and checking for completeness through the review of ongoing claims for dilapidations and through circularisation of legal advisors in relation to other claims.

Key observations

Our audit work in respect of Property, legal and other provisions concluded that the related balances were not materially misstated and the disclosures management have made are appropriate.

Classification of investments

Key audit matter description

The Group has a number of investments in which it holds more than 20% but less than 50% of the voting share capital of the investee.

IAS 28 – Investments in associates and Joint Ventures – requires that where an investment falls within this range it should be accounted for as an associate, unless management can rebut the presumption that significant influence exists and can clearly demonstrate that this is the case.

The Group sold its investment in French Connection plc during the year but at the year end has strategic investments in Studio Retail Group plc (36.9%) and Mulberry Group plc (26.1%) and has rebutted the presumption that significant influence exists. These investments have been accounted for at fair value through other comprehensive income as explained in note 2 to the financial statements.

Since the judgements that the Group has made, that it does not have significant influence over Studio Retail Group plc and Mulberry Group plc, have a significant impact over the financial statements we have identified the classification and disclosure of investments as a key audit matter.

How the matter was addressed in the audit

Our audit work included: -

- Assessing the accounting for the above investments under IAS 28 – Investments in Associates and Joint Ventures and IFRS 9 – Financial Instruments.
- Obtaining and critically challenging management's papers addressing the accounting for the above investments against the requirement of the accounting standards and the judgements made in addressing the questions of significant influence
- Discussing management's strategy for holding the investments and challenging whether this was consistent with the accounting treatment
- Assessing the five criteria set out in IAS 28 as suggesting whether significant influence may exist by examining both confirming and disconfirming evidence.

  In particular we: -

  - Obtained and examined certain agreements and correspondence between the Group and the investees to corroborate managements assertion that no significant influence exists
  - Reviewed investee financial statements, press announcements, articles of association, shareholder agreements and media reports to assess whether there was evidence of significant influence
  - Made enquiries of the Group's Head of Strategic Investments to understand the Group's interaction with those investments, including in particular, the nature and purpose of the observer role on the board of Studio Retail Group plc
  - Considered whether transactions between the Group and the investees were indicative of significant influence
- Critically challenging whether the judgements made are clearly disclosed in the financial statements.

Key observations

Our audit work in respect of the classification of investments concluded that management's judgements that they did not have significant influence over Studio Retail Group plc and Mulberry Group plc to be supportable and the related classification and disclosures made in the financial statements to be appropriate.

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Impact of the Covid 19 pandemic and going concern

Key audit matter description

The Covid 19 pandemic and the mandated temporary closure of retail stores at various times during the year, has had a significant impact on the group's revenue and result before tax. In addition to heightened audit risks relating to the carrying value of property related assets and inventory set out in the key audit matters above, the pandemic has implications for;-

- The Group's considerations in relation to going concern and viability
- Accounting for monies received under the UK Government's Job Retention Scheme (CJRS)

Significant judgements are always required around the assumptions underpinning future cashflow projections. These judgements are heightened in the current retail environment given the uncertainties surrounding the longer term impact of the pandemic and structural changes to the UK retail sector. Whilst retail stores have opened post year end, and web sales have performed well, the longer term impacts on shopping habits and the risks of a global recession are difficult to accurately predict.

Taking account of these sensitivities, the Directors have acknowledged there will be potentially material variations in forecast financial performance, but concluded that the Group has sufficient resources available to meet its liabilities as and when they fall due and that therefore there are no material uncertainties that cast significant doubt on the Group's ability to continue as a going concern.

In undertaking their assessment of going concern, the Directors have reviewed forecast future performance and anticipated cashflows for the Group. These forecasts have also been applied in determining the need to impair property related assets as set out in the key audit matter above. Their assessment has considered cashflow forecasts and financing and covenants in place for the period to November 2022, which is the date at which the current Revolving Credit Facility expires.

As part of the assessment and as disclosed in the viability statement on page 36, the Directors have determined appropriate sensitivities to the forecasts, including a reverse stress test of the Group's ability to meet its covenants.

We have identified a key audit matter related to going concern as a result of the judgement required in undertaking a going concern assessment in the current uncertain trading environment, the adequacy and accuracy of disclosures and the conclusion that there is not a material uncertainty related to going concern.

The Group has received furlough (CJRS) income of approximately £80m in the year and has recognised this as a reduction in payroll costs in the income statement. The rules that applied to furlough claims in the year were complex and subject to variation and there are significant penalties for non-compliance. Consequently we identified a potential risk of misstatement relating to the processing and management of claims.

How the matter was addressed in the audit

Our audit work in relation to going concern included:

- Obtaining an understanding of management's going concern models, discussing key assumptions with management and assessing whether those assumptions were consistent with those applied elsewhere, such as in relation to inventory valuation and the assessment of property related provisions
- Checking the mathematical accuracy of management's cashflow models, and agreeing opening balances to 25 April 2021 actual figures
- Checking management's covenant compliance calculations to determine whether there is a risk of breach and assessed whether the assumptions in management's base model appeared realistic, achievable and consistent with other internal and external evidence
- Comparing forecast sales with recent historical information to consider the accuracy of forecasting
- Considering post year end sales patterns to assess whether they were consistent with those assumed in the base model
- Testing management's sensitivity analysis and reverse stress test and performing our own analysis based on further sensitising of the models to take account of reasonably possible scenarios that could arise from the risks identified
- Challenging management regarding their identification of discretionary spend that could be reduced should mitigating actions become necessary
- Reviewing agreements and correspondence relating to the availability of financing arrangements
- Evaluating the Group's disclosures on going concern against the requirements of IAS 1

In relation to the furlough income received by the Group under the UK Government's Coronavirus Job Retention Scheme (CJRS) we:

- Obtained an understanding of how management communicated and operated the scheme and the process by which management calculated and submitted their claims
- Reviewed correspondence between the Group and HMRC
- Agreed cash received for claims made during the year to bank statements
- Reperformed the calculation of a sample of claims including agreeing details to payroll records
- Reviewed the internal audit work performed over CJRS claim procedures

Key observations

Our audit work in respect of the Covid 19 pandemic and going concern concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate and we did not identify any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern and that the associated disclosures are in accordance with accounting standards.

However, the impact of the Covid 19 pandemic on future performance is difficult to predict with any certainty and no audit can be relied upon to identify all possible scenarios that may have future implications for the Group.

Our work in respect of CJRS claims did not identify any material misstatement.

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There are no key audit matters relating to the parent company.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality for the financial statements as follows:

	Group	Parent Company
OVERALL MATERIALITY	£11.1million (2020: £11.9million)	£11.0million (2020: £11.9million)
BASIS FOR DETERMINING OVERALL MATERIALITY	2.8% of Underlying EBITDA	1% of total assets (capped at overall Group materiality)
RATIONALE FOR BENCHMARK APPLIED	In determining overall materiality we gave consideration to underlying EBITDA, revenue and the average result before tax for the previous three years. Since the Group uses underlying EBITDA in it's communications with shareholders we have determined this to be the most appropriate materiality benchmark. We applied a lower level of materiality to the audit of components and, in accordance with ISA 320, in relation to certain classes of transactions, account balances and disclosures. Underlying EBITDA is defined at note 4 and in the glossary to the financial statements.	The Parent Company does not trade and therefore total assets is considered to be the most appropriate benchmark.
PERFORMANCE MATERIALITY	£7.2million We set performance materiality at a level lower than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that, in aggregate, uncorrected and undetected misstatements exceed overall materiality. The factors we considered in determining performance materiality included; our knowledge of the group, the pressures within the retail sector and the level of misstatements in prior periods.	£7.1million We set performance materiality at a level lower than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that, in aggregate, uncorrected and undetected misstatements exceed overall materiality.
BASIS FOR DETERMINING PERFORMANCE MATERIALITY	65% of overall materiality (2020; 75% of overall materiality)	65% of overall materiality (2020: 75% of overall materiality)
REPORTING OF MISSTATEMENTS TO THE AUDIT COMMITTEE	Misstatements in excess of £0.6million and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £0.6million and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Group's business and is risk based, and in particular included:

- Evaluation of identified components to assess the significance of each component and to determine the planned audit response based on a measure of materiality. This included significance as a percentage of the Group's revenue, total assets and result before tax;
- For those components that were evaluated as significant, or likely to include significant risks, either a full-scope or targeted approach was taken based on their relative materiality to the Group, and our assessment of the audit risk. For significant components requiring a full-scope approach, we evaluated controls over the financial reporting systems identified as part of our risk assessment and addressed critical accounting matters. Substantive testing was performed on significant classes of transactions and balances, and other material balances, determined during the Group scoping exercise;
- Full scope audit procedures have been performed on the financial statements of Frasers Group plc, and on the financial information of the main trading companies within the UK Retail component; Sportsdirect.com Retail Limited, Wareshop 2 Limited, Sports Direct International Holdings Limited, House of Fraser Limited, The Flannels Group Limited, Jack Wills Retail Limited, Evans Cycles Limited and GAME Retail Limited;
- In relation to overseas components we engaged RSM member firms in Austria, Ireland and Spain, to perform full scope component audits and RSM in the United States and Belgium to perform targeted audit procedures. Additionally, RSM member firms attended inventory counts in a number of locations;
- The group engagement team reviewed the work performed by the component auditors. We determined the level of involvement we needed to have in their audit work at those reporting units to be able to conclude whether sufficient, appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.
- Further specific audit procedures over the Group consolidation and areas of significant judgement including impairment of property related assets, leases, taxation and treasury were performed by the group engagement team.

The operations that were subject to full-scope audit procedures made up 80% of consolidated revenues, 82% of total assets and 72% of absolute profit before tax.

The operations that were subject to targeted audit procedures, including specific significant judgement areas noted above, made up 8% of consolidated revenues, 6% of total assets and 6% of profit before tax; and

The remaining operations of the Group were subject to analytical procedures over the balance sheet and income statements of the relevant entities with a focus on applicable risks identified above. This made up 12% of consolidated revenues, 12% of net assets and 22% of profit before tax.

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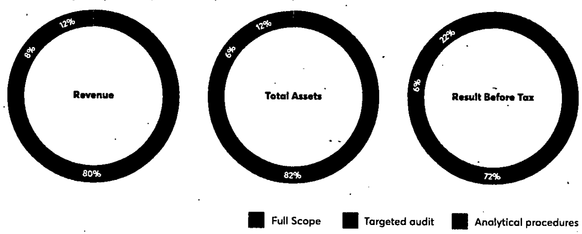
The coverage achieved by our audit procedures was:



Full scope audits were performed for 5 components (some of which included a number of legal entities which were combined for group reporting purposes), targeted audit procedures for 4 components and analytical procedures at group level for the remaining components.

	Number of components	Revenue	Total assets	Result before tax
FULL SCOPE AUDIT	5	80%	82%	72%
TARGETED AUDIT PROCEDURES	4	8%	6%	6%
TOTAL	9	88%	88%	78%

The Group team had planned to visit component locations in Austria, Spain and the USA. However, these visits were prevented by travel restrictions imposed as a result of the Covid-19 pandemic and instead the group team held video conference calls and performed remote file reviews to assess the audit risk and the work planned and performed in response.

The parent company was subject to a full scope audit for the purposes of the Group and Parent Company financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report on pages 1 to 65 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in:

- the Strategic Report or the Directors' Report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

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Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified (set out on page 64);
- Directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why this period is appropriate (set out on page 36);
- Directors' statement on fair, balanced and understandable (set out on page 44);
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks (set out on page 31);
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems (set out on page 44); and,
- The section describing the work of the audit committee (set out on page 44)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 65), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- applied analytical review procedures to identify unusual or unexpected relationships;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As the group is regulated, our assessment of risks involved gaining an understanding of the effectiveness of the control environment including the controls established to mitigate the risks of fraud and the procedures for complying with regulatory requirements.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by component auditors were considered in our audit approach. We remained alert to any indications of fraud throughout the audit.

As a result of these procedures, we considered the opportunities and incentives that may exist within the Group for fraud and identified the greatest potential for fraud in those areas in which management is required to exercise significant judgement. In common with all audits under ISAs (UK) we also performed specific procedures to respond to the risk of management override and the risk of fraudulent revenue recognition. These procedures included:

- testing the appropriateness of journal entries and other adjustments based on risk criteria and comparing the identified entries to supporting documentation
- assessing whether the judgements made in making accounting estimates were indicative of potential bias
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business
- testing the operating effectiveness of the manual controls in relation to the completeness, accuracy, and existence of cash sales
- investigating transactions posted to nominal ledger codes outside of the normal revenue cycle identified through the use of data analytics tools.

The Group is subject to laws and regulations which directly affect the material amounts and disclosures in the financial statements. The most significant laws and regulations were detertmined to be as follows:-IFRS and FRS 102, the UK Companies Act, Financial Conduct Authority regulations, including the Listing Rules and tax legislation.

In addition, the Group is subject to other laws and regulations which do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid material penalties. We identified the following areas as those most likely to have such an effect: competition and anti-bribery laws, data protection, employment, environmental and health and safety regulations.

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In response to the above, audit procedures performed by the audit engagement team included:

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and correspondence with HMRC

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the Audit Committee and the Board on 18 November 2019 to audit the financial statements for the year ending 26 April 2020 and subsequent financial periods.

The period of total uninterrupted consecutive appointments is 2 years covering the years ending 26 April 2020 to 25 April 2021.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Harwood
(Senior Statutory Auditor)

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

Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

5 August 2021

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CONSOLIDATED INCOME STATEMENT

For the 52 weeks ended 25 April 2021

	Note	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
REVENUE	4	**3,625.3**	**3,957.4**
Cost of sales		(2,094.5)	(2,294.8)
GROSS PROFIT		**1,530.8**	**1,662.6**
Selling, distribution and administrative expenses		(1,319.0)	(1,441.7)
Other operating income	5	36.8	32.5
Property related impairments [1]	16,17	(317.0)	(122.6)
Exceptional items	6	(1.6)	(13.1)
Profit on sale of properties	7	9.7	54.2
OPERATING (LOSS)/PROFIT	4,8	**(60.3)**	**171.9**
Investment income	10	103.7	15.2
Investment costs	11	(7.7)	(49.8)
Finance income	12	9.0	31.0
Finance cost	13	(36.2)	(29.3)
Share of loss of associated undertakings	19	-	(15.9)
Fair value gain on step acquisition	19	-	20.4
PROFIT BEFORE TAXATION		**8.5**	**143.5**
Taxation	14	(86.5)	(42.5)
(LOSS)/PROFIT FOR THE PERIOD	4	**(78.0)**	**101.0**
ATTRIBUTABLE TO:			
Equity holders of the Group		(83.0)	93.8
Non-controlling interests		5.0	7.2
(LOSS)/PROFIT FOR THE PERIOD	4	**(78.0)**	**101.0**
EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS			
		Pence per share	**Pence per share**
Basic earnings per share	15	(16.5)	18.5
Diluted earnings per share	15	(16.5)	18.5

(1) Property related impairments of £317.0m have been separately presented for the year ended 25 April 2021. The prior year comparative of £122.6m which was previously included within Selling, distribution and administrative expenses in the FY20 Annual Report has been represented to be comparable.

The Consolidated Income Statement has been prepared on the basis that all operations are continuing. The accompanying accounting policies and notes form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 25 April 2021

	Note	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
(Loss)/profit for the period	4	(78.0)	101.0
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Fair value movement on long-term financial assets	20	77.3	(19.7)
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Exchange differences on translation of foreign operations		(49.1)	9.8
Fair value movement on hedged contracts - recognised in the period	25,29	0.4	16.4
Fair value movement on hedged contracts - ineffectiveness	25,29	-	0.2
Fair value movement on hedged contracts - reclassified and reported in sales	25,29	(2.8)	(1.7)
Fair value movement on hedged contracts - reclassified and reported in cost of sales	25,29	(17.1)	(37.4)
Fair value movement on hedged contracts - taxation taken to reserves	25,29	3.0	3.8
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		**11.7**	**(28.6)**
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		**(66.3)**	**72.4**
ATTRIBUTABLE TO:			
Equity holders of the group		(71.3)	65.2
Non-controlling interest		5.0	7.2
		(66.3)	**72.4**

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

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CONSOLIDATED BALANCE SHEET

At 25 April 2021

	Note	25 April 2021 (£m)	26 April 2020 (£m)
ASSETS - NON CURRENT			
Property, plant and equipment	16	1,164.9	1,347.6
Investment properties	17	14.1	18.9
Intangible assets	18	120.5	143.4
Long-term financial assets	20	263.3	83.8
Deferred tax assets	27	66.8	49.9
		1,629.6	**1,643.6**
ASSETS - CURRENT			
Inventories	21	1,096.6	1,198.3
Trade and other receivables	22	546.5	414.2
Derivative financial assets	29	55.4	78.1
Cash and cash equivalents	23	457.0	534.0
		2,155.5	**2,224.6**
TOTAL ASSETS		**3,785.1**	**3,868.2**
EQUITY			
Share capital	24	64.1	64.1
Share premium		874.3	874.3
Treasury shares reserve		(295.7)	(295.7)
Permanent contribution to capital	25	0.1	0.1
Capital redemption reserve	25	8.0	8.0
Foreign currency translation reserve		28.8	77.9
Reverse combination reserve	25	(987.3)	(987.3)
Own share reserve		(66.7)	(67.0)
Hedging reserve	25	11.5	28.0
Share based payment reserve		1.3	-
Retained earnings		1,554.5	1,564.9
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT		**1,192.9**	**1,267.3**
Non-controlling interests		18.1	13.0
TOTAL EQUITY		**1,211.0**	**1,280.3**
LIABILITIES - NON CURRENT			
Lease liability	26	534.2	476.2
Borrowings	26	705.9	900.0
Retirement benefit obligations		1.9	1.9
Deferred tax liabilities	27	27.0	25.6
Provisions	28	361.2	336.0
		1,630.2	**1,739.7**
LIABILITIES - CURRENT			
Derivative financial liability	29	19.2	44.2
Trade and other payables	30	646.3	602.5
Lease liability	26	188.5	147.9
Current tax liabilities		89.9	53.6
		943.9	**848.2**
TOTAL LIABILITIES		**2,574.1**	**2,587.9**
TOTAL EQUITY AND LIABILITIES		**3,785.1**	**3,868.2**

The accompanying accounting policies and notes form part of these Financial Statements. The Financial Statements were approved by the Board on 5 August 2021 and were signed on its behalf by:

C. W

Chris Wootton

Chief Financial Officer

Company number: 06035106

CONSOLIDATED CASH FLOW STATEMENT

For the 52 weeks ended 25 April 2021

	Note	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
CASH INFLOWS FROM OPERATING ACTIVITIES	32	**578.3**	**425.2**
Income taxes paid		(59.3)	(48.5)
NET CASH INFLOWS FROM OPERATING ACTIVITIES		**519.0**	**376.7**
Proceeds on disposal of property, plant and equipment and investment property		20.6	152.6
Proceeds on disposal of intangibles assets		7.5	-
Proceeds on disposal of listed investments and derivatives		55.1	4.9
Purchase of associates		-	(5.6)
Purchase of subsidiaries, net of cash acquired	31	(39.4)	(7.3)
Purchase of property, plant and equipment	16	(219.4)	(323.5)
Purchase of intangible assets	18	(1.0)	-
Purchase of listed investments		(113.3)	(24.8)
Investment income received		0.5	0.5
Finance income received		9.0	9.8
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		**(280.4)**	**(193.4)**
Lease payments		(78.0)	(113.6)
Finance costs paid		(31.6)	(18.3)
Borrowings drawn down	26	1,128.1	510.0
Borrowings repaid	26	(1,323.6)	(436.5)
Dividends paid to non-controlling interests		(0.9)	-
Purchase of own shares		(4.3)	(43.9)
NET CASH OUTFLOWS FROM FINANCING ACTIVITIES		**(310.3)**	**(102.3)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS INCLUDING OVERDRAFTS		**(71.7)**	**81.0**
Exchange movement on cash balances		(5.3)	5.0
CASH AND CASH EQUIVALENTS INCLUDING OVERDRAFTS AT BEGINNING OF PERIOD		**534.0**	**448.0**
CASH AND CASH EQUIVALENTS INCLUDING OVERDRAFTS AT THE PERIOD END	23	**457.0**	**534.0**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 52 weeks ended 25 April 2021

	Share capital	Share premium[1]	Treasury shares	Share scheme reserve	Foreign currency translation	Own share reserve	Retained earnings	Other[2]	Total attributable to owners of parent	Non-controlling interests	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
AT 29 APRIL 2019	**64.1**	**874.3**	**(281.7)**	**-**	**68.1**	**(67.2)**	**1,490.8**	**(932.5)**	**1,215.9**	**5.8**	**1,221.7**
Purchase of own shares	-	-	(44.0)	-	-	0.2	-	-	(43.8)	-	(43.8)
Reversal of FY19 fair valuation of share buyback contractual obligation	-	-	30.0	-	-	-	-	-	30.0	-	30.0
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	**-**	**-**	**(14.0)**	**-**	**-**	**0.2**	**-**	**-**	**(13.8)**	**-**	**(13.8)**
Profit for the financial period	-	-	-	-	-	-	93.8		93.8	7.2	101.0
OTHER COMPREHENSIVE INCOME											
Cash flow hedges - recognised in the period	-	-	-	-	-	-	-	16.4	16.4	-	16.4
Cash flow hedges – ineffectiveness	-	-	-	-	-	-	-	0.2	0.2	-	0.2
Cash flow hedges - reclassified and reported in sales	-	-	-	-	-	-	-	(1.7)	(1.7)	-	(1.7)
Cash flow hedges - reclassified and reported in cost of sales	-	-	-	-	-	-	-	(37.4)	(37.4)	-	(37.4)
Cash flow hedges - taxation	-	-	-	-	-	-	-	3.8	3.8	-	3.8
Fair value adjustment in respect of long term financial assets - recognised	-	-	-	-	-	-	(19.7)	-	(19.7)	-	(19.7)
Translation differences - Group	-	-	-	-	9.8	-	-	-	9.8	-	9.8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**-**	**-**	**9.8**	**-**	**74.1**	**(18.7)**	**65.2**	**7.2**	**72.4**
AT 26 APRIL 2020	**64.1**	**874.3**	**(295.7)**	**-**	**77.9**	**(67.0)**	**1,564.9**	**(951.2)**	**1,267.3**	**13.0**	**1,280.3**
Acquisitions (note 31)	-	-	-	-	-	-	-	-	-	1.0	1.0
Share scheme	-	-	-	1.3	-	0.3	(4.7)	-	(3.1)	-	(3.1)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(0.9)	(0.9)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	**-**	**-**	**-**	**1.3**	**-**	**0.3**	**(4.7)**	**-**	**(3.1)**	**0.1**	**(3.0)**
(Loss)/profit for the financial period	-	-	-	-	-	-	(83.0)	-	(83.0)	5.0	(78.0)
OTHER COMPREHENSIVE INCOME											
Cashflow hedges - recognised in the period	-	-	-	-	-	-	-	0.4	0.4	-	0.4
Cashflow hedges - reclassified and reported in sales	-	-	-	-	-	-	-	(2.8)	(2.8)	-	(2.8)
Cashflow hedges - reclassified and reported in cost of sales	-	-	-	-	-	-	-	(17.1)	(17.1)	-	(17.1)
Cashflow hedges - taxation	-	-	-	-	-	-	-	3.0	3.0	-	3.0
Fair value adjustment in respect of long-term financial assets - recognised	-	-	-	-	-	-	77.3	-	77.3	-	77.3
Translation differences - Group	-	-	-	-	(49.1)	-	-	-	(49.1)	-	(49.1)
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD	**-**	**-**	**-**	**-**	**(49.1)**	**-**	**(5.7)**	**(16.5)**	**(71.3)**	**5.0**	**(66.3)**
AT 25 APRIL 2021	**64.1**	**874.3**	**(295.7)**	**1.3**	**28.8**	**(66.7)**	**1,554.5**	**(967.7)**	**1,192.9**	**18.1**	**1,211.0**

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

(2) Other reserves comprises permanent contribution to capital, capital redemption reserve, reverse combination reserve and the hedging reserve. All movements in the period related to the hedging reserve (note 25).

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

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NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 25 April 2021

1. ACCOUNTING POLICIES

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

Basis Of Preparation

The consolidated Financial Statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The consolidated Financial Statements have been prepared under the historical cost convention, as modified to include fair valuation of certain financial assets and derivative financial instruments.

The accounting policies set out below have been applied consistently to all periods in these Financial Statements and have been applied consistently by all Group entities. Certain subsidiaries have been consolidated based on a calendar year-end date of 30 April 2021.

The numbers presented in the Financial Statements have been rounded to the nearest million.

Going concern

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

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

The Group still trades profitably, is highly cash generative and has considerable financial resources. The Group is able to operate within its banking facilities and covenants, which run until November 2022, and is well placed to take advantage of strategic opportunities as they arise. As a consequence, the Directors believe that the Group is able to manage its business risks successfully despite the continued uncertain economic outlook.

Management have assessed the level of trading to date since the impacts of Covid-19 and has forecast and projected a conservative base case and also a number of even more conservative scenarios taking into account a potential further wave and associated lockdowns over winter, Government support, foreign exchange exposure and cost saving initiatives. 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 have a number of mitigating actions which could be taken if required such as putting on hold discretionary spend, realising certain assets on the Balance Sheet and paying down the Revolving Credit Facility. See the Viability Statement for further details.

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

Basis Of Consolidation

The consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/ permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred to the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with IFRS 2 at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For business combinations achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition date fair value and recognises the resulting gain or loss, if any, in the Income Statement as appropriate.

Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

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When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue Recognition

Revenue with customers is measured based on the five-step model under IFRS 15: 'Revenue from Contracts with Customers':

1. identify the contract with the customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to separate performance obligations in the contract; and
5. recognise revenues when (or as) each performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received, or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Customers have a right of return within a specified period and this gives rise to variable consideration under IFRS 15. The right of return asset is recognised within inventory, with the refund liability due to customers on return of their goods recognised within trade and other payables.

In the case of goods sold through retail stores, revenue is recognised when we have satisfied the performance obligation of transferring the goods to the customer at the point of sale, less provision for returns. Accumulated experience is used to estimate and provide for such returns at the time of the sale. Retail sales are usually in cash, by debit card or by credit card.

In the case of goods sold on the internet where the customer has opted for delivery, revenue is recognised when we have satisfied the performance obligation of transferring the goods to the customer, which is the point of delivery to the customer. Transactions are settled by credit card or payment card. Provisions are made for internet credit notes based on the expected level of returns using the expected value method, which in turn is based upon the historical rate of returns. In the case of internet click and collect orders which are collected in store, the performance obligation is deemed to have been satisfied when the goods are dispatched from the warehouse.

In the case of goods sold to other businesses via wholesale channels, revenue is recognised when we have satisfied the performance obligation of transferring the goods to the customer upon delivery. Payment terms are generally 30-60 days with no right of return.

In the case of income generated from trademarks and licences, revenue is recognised based either on a fixed fee basis or based on sales with specified minimum guarantee amounts in accordance with the relevant agreements. If the sales-based royalty is not expected to clearly exceed the minimum guarantee threshold, revenue is recognised over the rights period measured on the basis of the fixed guaranteed consideration. Revenue above the minimum guarantee threshold is recognised as earned based on the contractual royalty rate applied to the sales.

Revenue from Gym membership fees is recognised on the accruals basis over the related membership period.

In the case of revenue from third party commission on concession sales within the House of Fraser department stores this is recognised when goods are sold to the customer. As we act as the agent this is stated at the value of the commission that the Group receives on the transaction rather than the gross revenue from the sale of the concessionaires' goods.

The Group operates loyalty programmes which allow members to accumulate points on purchases and receive exclusive offers and benefits. The fair value of the points awarded to customers is determined relative to the total transaction price and accounted for as a separate identifiable component of a sales transaction. Revenue is deferred to match the estimate value of earned loyalty points. Deferred revenue is adjusted for the value of points that are not expected to be redeemed by customers based on historical redemption rates. When the points are redeemed and the Group fulfils its obligations pursuant to the programmes, the revenue that was deferred is recognised. In the UK points awarded expire following a period of 12 months of inactivity, in Spain they are valid until the end of the following calendar year.

Revenue from gift cards and vouchers is recognised when the cards or vouchers are redeemed by the customer, breakage is recognised when the likelihood of the card or voucher being redeemed is remote or has expired. For gift cards monies received represent deferred revenue prior to the redemption.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the Income Statement in the period in which they become receivable.

The Group has received Government support in the period relating to business rates relief and the Coronavirus Job Retention Scheme (CJRS) as a result of the Covid-19 pandemic. The amount received by the Group (including the UK) in the period in regard to the CJRS (or equivalent where received in non-UK territories) was approx. £80m. The amount of business rates relief received by the Group in the period (or equivalent where received in non-UK territories) was approx. £97.5m. Government grants that compensate the Group for expenses incurred are recognised in profit or loss as a deduction against the related expense over the periods necessary to match them with the related costs. The amounts quoted have been recognised in Selling, distribution and administrative expenses in the period.

Exceptional Items

The Group presents exceptional items on the face of the Income Statement. These are significant items of income and expense which, because of their size, nature and infrequency of the events giving rise to them, merit separate presentation to allow shareholders to better understand the elements of financial performance in the year, so as to facilitate comparison with prior periods and assess trends in financial performance more readily.

Interest Income

Interest income is reported on an accruals basis using the effective interest method.

Taxation

Tax expense comprises of current and deferred tax. Tax is recognised in the Income Statement, except to the extent it relates to items recognised in other comprehensive income or directly in equity. The income tax expense or credit for the period is the tax payable on the current periods taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused losses.

Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Financial Statements. However, if the deferred tax arises from the initial recognition of goodwill or initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax on temporary differences

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associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets. Deferred tax is determined using tax rates and laws that have been enacted (or substantively enacted) by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same tax authority.

Changes in current and deferred tax assets or liabilities are recognised as a component of tax expense in the Income Statement, except where they relate to items that are recorded in other comprehensive income or charged or credited directly to equity in which case the related deferred tax is also charged to other comprehensive income or credited directly to equity. Deferred tax assets and liabilities are not discounted.

Goodwill

Goodwill arising on consolidation is recognised as an asset and reviewed for impairment at least annually or when a change in circumstances or situation indicates that the goodwill has suffered an impairment loss. The need for impairment is tested by comparing the recoverable amount of the cash-generating unit (CGU), which is the higher of fair value less costs to sell and value in use, to the carrying value. Any impairment is recognised immediately in the Income Statement. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of a business include the amount of goodwill relating to that business.

When the non-controlling interest of an existing subsidiary is acquired the carrying value of the non-controlling interests in the Balance Sheet is eliminated. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid is recognised directly in equity.

Other Intangible Assets

Brands, trademarks and licences that are internally generated are not recorded on the Balance Sheet. Acquired brands, trademarks and licences are initially carried on the Balance Sheet at cost. The fair value of brands, trademarks and licences that are acquired by virtue of a business combination is determined at the date of acquisition and is subsequently assessed as being the deemed cost to the Group.

Expenditure on advertising and promotional activities is recognised as an expense as incurred.

Amortisation is provided on brands, trademarks and licences with a definite life on a straight line basis over their useful economic lives of between 5 to 15 years and is accounted for within the selling, distribution and administrative expenses category within the Income Statement.

Property, Plant And Equipment

Property, plant and equipment are stated at historical cost less depreciation less any recognised impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of these items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the costs can be measured reliably.

All other costs, including repairs and maintenance costs and labour costs are charged to the Income Statement in the period in which they are incurred.

Depreciation is provided on all property, plant and equipment other than freehold land and is calculated on a straight-line basis, whichever is deemed by the directors to be more appropriate, to allocate cost less assessed residual value, other than assets in the course of construction, over the estimated useful lives, as follows:

- Freehold buildings - between 10 to 15 years - straight line
- Leasehold improvements – 5 years or over the term of the lease, whichever is shortest - straight line
- Plant and equipment - between 3 to 5 years - straight line

During the period the freehold buildings depreciation estimate was changed from between 10 to 25 years to between 10 to 15 years. This has resulted in approx. £30m of additional depreciation being recognised in the period. This was based on a review of the freehold property portfolio by management and it was deemed appropriate to reduce the range to better align with the estimate of the remaining useful lives of the freehold buildings. This change in accounting estimate is expected to impact the depreciation charge in future periods but an estimate of the impact has not been disclosed due to it being impracticable to do so given the level of additions and disposals that could be anticipated based on historical trends.

The assets' useful lives and residual values are reviewed and, if appropriate, adjusted at each balance sheet date. The gain or loss arising on disposal or scrapping of an asset is determined as the difference between the sales proceeds, net of selling costs, and the carrying amount of the asset and is recognised in the Income Statement.

Property, plant and equipment where the carrying amount is recovered principally through a sales transaction and where a sale is considered to be highly probable are stated at the lower of carrying value and fair value less costs to sell.

Investment Properties

Investment properties, which are defined as property held for rental income or capital appreciation, are initially measured at cost being purchase price and directly attributable expenditure. Where the intention is to hold property as owner occupied, this is recognised as property, plant and equipment.

Subsequently investment properties are held at cost less accumulated depreciation and impairment losses. Investment properties are depreciated between 10 to 15 years straight line, other than the land element which is not depreciated.

Fair values of the investment properties are disclosed.

Impairment Of Assets Other Than Goodwill

At each balance sheet date, the Directors review the carrying amounts of the Group's tangible and intangible assets, other than goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset in its current condition is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. With respect to property, plant and equipment, each store is considered to be a CGU and reviewed for impairment whereby changes in circumstances indicate that the recoverable amount is lower than the carrying value.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An

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impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease to the original historic cost and then as an expense.

Impairment losses recognised for CGU's to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) excluding goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior periods. A reversal of an impairment loss is recognised in the Income Statement immediately.

Assets Held For Sale

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes the purchase price of the manufactured products, materials, direct labour and transport costs. Cost is calculated using the weighted average cost method. Net realisable value is based on the estimated selling price less all estimated selling costs.

The Group receives trade discounts and rebates from suppliers based upon the volume of orders placed in a given time window. Typical discounts and rebates received by the Group include early settlement discounts, volume rebates on inventory purchases, supplier rebates based on faulty goods, and marketing support. Where there is sufficient certainty that a discount or rebate will be received in the future that relates to historic purchases this is reflected in the cost of inventories. Where the receipt of rebates is uncertain, the cost of inventories is held at full cost price until the rebate is received. Recognised rebates are released to the Income Statement to the extent that the stock has been sold.

Cash And Cash Equivalents

Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial Instruments

Financial assets and financial liabilities are recognised in the Group's Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial Assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables and amounts due from related parties which are presented within selling distribution and administrative expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

On initial application of IFRS 9 the Group made the irrevocable election to account for long term financial assets at fair value through other comprehensive income (FVOCI) given these are not held for trading purposes. The election has been made on an instrument-by-instrument basis, only qualifying dividend income is recognised in profit and loss, changes in fair value are recognised within OCI and never reclassified to profit and loss, even if the asset is impaired, sold or otherwise derecognised.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, other receivables, amounts due from related parties, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Other receivables and amounts due from related parties

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit

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losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1") and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").
- "Stage 3" would cover financial assets where the credit risk has increased to a point at which it is considered credit impaired

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables

The Group makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial Liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings and lease liabilities, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, fair value changes in currency derivative instruments that are reported in profit or loss are included within finance costs or finance income. Fair value changes in equity derivative financial instruments are recognised in investment income or investment costs.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Written option contracts do not qualify for hedge accounting and fair value movements are recognised directly in the Income Statement.

For the reporting periods under review, the Group has designated certain forward currency contracts as hedging instruments in cash flow hedge relationships. These arrangements have been entered into to mitigate foreign currency exchange risk arising from certain highly probable sales and purchases transactions denominated in foreign currencies.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the Balance Sheet.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Group provides for its legal responsibility for dilapidation costs following advice from chartered surveyors and previous experience of exit costs. The estimated cost of fulfilling the leasehold dilapidations obligations is discounted to present value and analysed between non-capital and capital components. The capital element is depreciated over the life of the asset. The non-capital element is taken to the Income Statement in the first year of the lease where the cost it represents is of no lasting benefit to the Group or its landlord. 'Wear and tear' costs are expensed to the Income Statement. Provisions for onerous lease contracts are recognised when the Group believes the unavoidable costs of meeting the lease obligations exceed the economic benefits expected to be received under the lease. Legal provisions (including settlements and court fees) are recognised based on advice from the Group's lawyers when it is probable that there will be an outflow of resources and a reliable estimate can be made.

Other provisions include management's best estimate of restructuring, employment related costs and other claims.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

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Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments such as revenue linked property leases are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain that the option will be exercised;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

The lease liability is presented as a separate line in the consolidated Balance Sheet.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at the effective rate on the balance outstanding and are reduced for lease payments made.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives (payments made by a lessor to a lessee associated with a lease, or the reimbursement or assumption by a lessor of costs of a lessee) received or impairment, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset, providing it meets the Groups property, plant and equipment capitalisation policy.

When an indication of impairment is identified, right of use assets are tested for impairment in accordance with IAS 36 by comparing the recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. The right of use assets are presented within property, plant and equipment in the consolidated Balance Sheet.

Subsequent to initial measurement, right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at a revised discount rate. The carrying value of lease liabilities is revised using the original discount rate when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Sale and leaseback

On entering into a sale and leaseback transaction the Group determines whether the transfer of the assets qualifies as a sale (satisfying a performance obligation in IFRS 15 'Revenue from Contracts with Customers'). Where the transfer is a sale and providing the transaction is on market terms then the previous carrying amount of the underlying asset is split between:

- a right-of-use asset arising from the leaseback (being the proportion of the previous carrying amount of the asset that relates to the rights retained), and
- the rights in the underlying asset retained by the buyer-lessor at the end of the leaseback.

The Group recognises a portion of the total gain or loss on the sale. The amount recognised is calculated by splitting the total gain or loss into:

- an unrecognised amount relating to the rights retained by the seller-lessee, and
- a recognised amount relating to the buyer-lessor's rights in the underlying asset at the end of the leaseback.

The leaseback itself is then accounted for under IFRS 16.

Rental income from operating leases where the Group acts as a lessor is recognised on a straight-line basis over the term of the relevant lease.

Treasury Shares

The purchase price of the Group's own shares that it acquires is recognised as 'Treasury shares' within equity. When shares are transferred out of treasury the difference between the market value and the average purchase price of shares sold out of treasury is transferred to retained earnings.

Employee Benefit Trust

An Employee Benefit Trust has been established for the purposes of satisfying certain share-based awards. The Group has 'de-facto' control over the special purpose entity.

This Trust is fully consolidated within the accounts. The cost of shares acquired by the Sports Direct Employee Benefit Trust is recognised within 'Own Share reserve' in equity.

Share-Based Payments

The Group issues equity-settled share-based payments to certain Directors and employees. These are measured at fair value at the date of grant, which is expensed to the consolidated Income Statement on a straight-line basis over the vesting period, with the corresponding credit going to equity.

Non-market vesting conditions are not taken into account in determining grant date fair value. Instead, they are taken into account by adjusting the number of equity instruments to vest. At the end of each reporting period the Group revises its estimates of the number of options that are expected to vest based on the non market vesting and service conditions. Any revisions, if any, are recognised in profit and loss with an adjustment to equity.

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Fair value is calculated using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and the expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the scheme. The expected staff numbers used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

For cash-settled share-based payment transactions, the Group measures the services received and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the Income Statement for the period.

The credit for the share based payment charge does not equal the charge per the Income Statement as it excludes amounts recognised in the Balance Sheet in relation to the expected national insurance contributions for the shares.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of any direct issue costs.

Foreign Currencies

The presentational currency of the Group is sterling. The functional currency of the Company is also sterling. Foreign currency transactions are translated into sterling using the exchange rates prevailing on the dates of the transactions. Exchange differences of the Company arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Income Statement for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the Income Statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items that are held at valuation are translated at the foreign exchange rate at the date of the valuation.

On consolidation, the assets and liabilities of foreign operations which have a functional currency other than sterling are translated into sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of these subsidiary undertakings are translated at average rates applicable in the period. All resulting exchange differences are recognised in other comprehensive income and documented in a separate component of equity.

When a foreign operation is sold, the cumulative exchange differences that have been recognised as a separate component of equity are reclassified from equity to the Income Statement when the disposal is recognised.

In order to mitigate its exposure to certain foreign exchange risks, the Group enters into forward contracts (see Chief Executive's Report and Business Review and the cash flow hedging accounting policy).

Dividends

Dividends are recognised as a liability in the Group's Financial Statements and as a deduction from equity in the period in which the dividends are declared. Where such dividends are proposed subject to the approval of shareholders, the dividends are regarded as declared once shareholder approval has been obtained and they are no longer at the discretion of the Company.

Materiality

In preparing the Financial Statements, the Board considers both quantitative and qualitative factors in forming its judgements, and related disclosures, and are mindful of the need to best serve the interests of its stakeholders and to avoid unnecessary clutter borne of the disclosure of immaterial items.

In making this assessment the Board considers the nature of each item, as well as its size, in assessing whether any disclosure omissions or misstatements could influence the decisions of users of the Financial Statements.

New Accounting Standards, Interpretations And Amendments Adopted By The Group

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

- Definition of Material – Amendments to IAS 1 and IAS 8
- Definition of a Business – Amendments to IFRS 3
- Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Covid-19 Related Rent Concessions – Amendments to IFRS 16
- Amendments to References to the Conceptual Framework in IFRS Standards

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 26 April 2021 that will have a significant impact on these Financial Statements.

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2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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:

Key Judgements

Determining Related Party Relationships

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

Control And Significant Influence Over Certain Entities

Under IAS 28 Investments in Associates and Joint Ventures if an entity holds 20% or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can clearly demonstrate that this is not the case. During the period the Group has held greater than 20% of the voting rights of Studio Retail Group Plc, French Connection Group Plc (sold during the period) and Mulberry Group Plc, whereby management consider that the Group does not have significant influence over these entities for combinations of the following reasons:

- The Group does not have any representation on the board of directors of the investee other than a Frasers Group representative having an observer role on the board of Studio Retail Group Plc. Management have reviewed the terms of the observer arrangement and have concluded that this does not give them the right to participate in or influence the financial or operating decisions of Studio Retail Group Plc. Studio Retail Group Plc can terminate this arrangement at any time, and can determine which parts of the Board meetings the representative can be present at and what information they are given access to. It should be noted the Frasers Group representative did not attend any board meetings in full or part during the reporting period;
- There is no participation in decision making and strategic processes, including participation in decisions about dividends or other distributions;
- There have been no material transactions between the entity and these investee companies;
- There has been no interchange of managerial personnel;
- No non-public essential technical management information is provided to the investee.

In assessing the level of control that management have over certain entities, management will consider the various aspects that allow management to influence decision making. This includes the level of share ownership, board membership, the level of investment and funding and the ability of the Group to influence operational and strategic decisions and effect its returns through the exercise of such influence. If management were to consider that the Group does have significant influence over these entities then the equity method of accounting would be used and the percentage shareholding (disclosed in note 20) multiplied by the results of the investee in the period (as disclosed in note 34) would be recognised in profit or loss.

The Group holds 49% of the share capital of Four (Holdings) Limited which is accounted for using the equity method. The Group does not have any representation on the board of directors and no participation in decision about relevant activities such as establishing operating and capital decisions, including budgets, appointing or remunerating key management personnel or service providers and terminating their services or employment. However, in prior periods the Group has provided Four (Holdings) Limited with a significant loan. At the reporting date, the amount owed by Four (Holdings) Limited for this loan totalled £60.0m (£21.6m net of amounts recognised in respect of loss allowance). The Group is satisfied that the existence of these transactions provides evidence that the entity has significant influence over the investee but in the absence of any other rights, in isolation it is insufficient to meet the control criteria of IFRS 10, as the Group does not have power over Four (Holdings) Limited and therefore Four (Holdings) Limited is not equity accounted.

Cash Flow Hedging

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

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

Management considers various factors when determining whether a forecast transaction is highly probable. These factors include detailed sales 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, the Hedging reserve of £11.5m would be shown in Finance Income.

Key Estimates

Provision For Obsolete, Slow Moving Or Defective Inventories

The Directors have applied their knowledge and experience of the retail industry in determining the level and rates of provisioning required in calculating the appropriate inventory carrying values. Specific estimates and judgements applied in relation to assessing the level of inventory provisions required are considered in relation to the following areas:

a. Continuity inventory
b. Seasonal inventory lines – specifically seasons that have now finished
c. Third party versus own brand inventory
d. Ageing of inventory
e. Sports Retail or Premium Lifestyle
f. Local economic conditions
g. Divisional specific factors
h. Increased cost of inventory and lower margins with the devaluation of the Pound
i. Over-stock and out of season inventory as a result of Covid-19

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Provision estimates are forward looking and are formed using a combination of factors including historical experience, management's knowledge of the industry, group discounting, sales pricing protocols and the overall assessment made by management of the risks in relation to inventory. Management use a number of internally generated reports to monitor and continually re-assess the adequacy and accuracy of the inventory provision. The additional cost of repricing inventory and handling charges in relation to relocating inventory (tunnelling) are considered in arriving at the appropriate percentage provision. The assessment involves significant estimation uncertainty, therefore in order to check that the assumptions applied remain valid, management produces a range of outcomes and the provision is set within this range.

Key assumptions used to create the estimates are:

- Discounting – Based on historical experience and management's anticipated future discounting including the impact of Covid-19
- Tunnelling – Cost of handling stock for reworking, repacking and repricing
- Repricing – Labour cost associated with repricing units of stock
- Shrinkage – Stock lost through damage and theft

Total Group inventory provision at 25 April 2021 is 16.6% (FY20: 15.7%). A 1% change in the total provision would impact underlying EBITDA by approx. £13.2m (FY20: £14.2m). Management do not consider it appropriate to disclose sensitivities for key assumptions in isolation as in practice changes in one assumption would lead to an offset in another.

Property Related Provisions

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

Dilapidations

The Group provides for its legal responsibility for dilapidation costs following advice from chartered surveyors and previous experience of exit costs (including strip out costs and professional fees). Management use a reference estimate of £100,000 (FY20: £100,000) for large leasehold stores, £50,000 (FY20: £50,000) for smaller leasehold stores (£25,000 per store for Game UK and Game Spain stores) and $/€50,000 (FY20: $/€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 in the prior period in which a material dilapidations provision was capitalised.

A 10% increase in dilapidation cost per store would result in an approx. £8.0m reduction in underlying EBITDA.

Other Provisions

Provisions are made for items where the Group has identified a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Legal and regulatory provisions relate to management's best estimates of provisions required for legal and regulatory claims and ongoing non-UK tax enquiries. Other provisions relate to management's best estimates of provisions required for restructuring, employment and commercial. Where applicable these are inclusive of any estimated penalties, interest and legal costs. See note 28.

In relation to the non-UK tax enquiries management have made a judgement to consider all claims collectively, applying the following key estimates to the gross amounts (excluding re-imbursement assets):

- 10% penalty (FY20: 10%). A 5% increase to 15% would result in approx. £6.5m increase in the provision (FY20: approx. £7.0m).
- 3% interest on the liability (FY20: 3%). A 1% increase to 4% would result in approx. £11.5m increase in the provision (FY20: approx. £10.0m).

Management are satisfied that the judgement to consider all claims collectively is the only reasonable approach because they are all dependant on the outcome of a court ruling on the interpretation of the non-UK tax enquiries. Management are satisfied that with regard to timing a reasonable range of outcomes are all greater than one year and so are satisfied with including the provisions as non-current.

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.

IFRS 16

The key areas of judgement in relation to property leases recognised under IFRS 16 are below:

- 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.

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

Lease Term	UK	Europe	Rest of World
Up to 5 years	1.4% - 1.8%	0.3% - 0.8%	1.5% - 3.3%
Greater than 5 years and up to 10 years	2.0% - 2.2%	0.5% - 1.2%	2.5% - 3.5%
Greater than 10 years and up to 20 years	2.2% - 2.5%	0.8% - 1.4%	2.9% - 3.7%
Greater than 20 years	2.5% - 2.8%	1.1% - 1.7%	3.5% - 3.8%

- The right of use asset will be reviewed for impairment at each reporting period in line with IAS 36 impairment 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. The assumptions used are consistent with those disclosed in the Freehold Land and Buildings and Long-term leasehold section below. Impairments in the period have been recognised for the amount of £174.9m, being £168.2m against the right-of-use asset (£114.1m UK Sports Retail segment, £20.5m Premium Lifestyle segment, £31.0m European Retail segment, and £2.6m Rest of the World Retail segment) and £6.7m against plant and equipment (£2.6m UK Sports Retail segment, £0.5m Premium Lifestyle segment, £3.6m European Retail segment). The impairments were due to the ongoing impact of Covid-19 and the challenges in the retail sector on the forecast cash flows of the CGU.

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

A sensitivity analysis has been performed in respect of sales and margin as these are considered to be the most sensitive of the key assumptions. With regard to the sales assumption below we have performed a sensitivity for both no lockdown in year 1 and a lockdown which lasts four months compared to two months:

Forecast:	Impact of change in assumption:	Impairment increase / (decrease) £m
Sales year 1 – No lockdown	15% - improvement	(23.9)
Sales year 1 – 4 months lockdown	15% - reduction	63.5
Existing Gross Margin year 1 >40%	100bps - improvement	(4.6)
Existing Gross Margin year 1 >40%	100bps - reduction	5.3

Freehold Land and Buildings and Long-term leasehold

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

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 £117.9m (FY20: £nil) due to the ongoing impact of Covid-19 and the challenges in the retail sector on the forecast cash flows of the CGU. This is split £84.4m against freehold land and buildings (£68.7m UK Sports Retail segment and £15.7m European Retail segment), £3.9m against long-term leasehold (£2.9m UK Sports Retail segment and £1.0m European Retail segment), £29.0m plant & equipment (£15.1m UK Sports Retail segment, £8.8m Premium Lifestyle segment, £5.1m European Retail segment), and £0.6m investment property (all UK Sports Retail segment).

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 of each individual CGU excluding any Covid-19 impact, taking into account historic performance of the CGU, and then adjusting for the Group's current views on future profitability of each CGU as a result of Covid-19 and knowledge of the current market. The key assumptions in the calculations are the sales growth rates, gross margin rates, changes in the operating cost base and the pre-tax discount rate derived from the Group's weighted average cost of capital using the capital asset pricing model, the inputs of which include a risk-free rate, equity risk premium and a risk adjustment (Beta). Given the number of assumptions used the assessment involves significant estimation uncertainty.

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

Key assumptions	Year 1	Year 2	Year 3	Year 4	Year 5
Sales decline	-15%	-5%	-4%	-3%	-2%
Existing gross margin > 40%	-100bps	-175bps	-150bps	-125bps	-100bps
Operating costs increase per annum	3%	3%	3%	3%	3%
Discount rate	6%	6%	6%	6%	6%
Terminal growth rate of 2%					

A sensitivity analysis has been performed in respect of sales and margin as these are considered to be the most sensitive of the key assumptions. With regard to the sales assumption below we have performed a sensitivity for both no lockdown in year 1 and a lockdown which lasts four months compared to two months:

Forecast:	Impact of:	Impairment increase / (decrease) £m
Sales year 1 – No lockdown	15% - improvement	(53.3)
Sales year 1 – 4 months lockdown	15% - reduction	57.6
Existing Gross Margin year 1 >40%	100bps - improvement	(7.4)
Existing Gross Margin year 1 >40%	100bps - reduction	9.3

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Fair value less costs of disposal

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

Scenario	Valuation methodology	Key assumptions
Vacant units	Estimated Rental Value (ERV) and suitable reversionary yield applied to reflect the market to generate a net capital value. A deduction to the capital value generated is then made based on the void period with applicable rates payable for the unit and rent free incentive.	Void period and rent free band – two bands applied depending on circumstances: • 1 year void, 2 years rent free; or • 2 years void, 3 years rent free. Yield bands – ranging from 7% - 15%
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 7% - 15%
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 bands applied to passing rent – ranging from 0% to -50%. Yield bands – ranging from 6.5% - 15%

A 10% increase in the market valuation amounts used in the impairment calculations would result in a decrease in impairment of £7.5m.

The total recoverable amount of the assets that were impaired at the period end was £170.0m, with £87.0m of this being based on their fair value less costs of disposal and £83.0m being based on their value in use.

Key Estimates In Relation To Alternative Performance Measures

The Directors believe that underlying EBITDA, underlying Profit before tax and underlying basic EPS provide further useful information for shareholders on the underlying performance of the Business in addition to the reported numbers and are consistent with how business performance is measured internally. They are not recognised profit measures under IFRS and may not be directly comparable with "adjusted" profit measures used by other companies.

EBITDA is earnings before investment income, finance income and finance costs, tax, depreciation, amortisation and impairment. It includes the Group's share of losses from associated undertakings and joint ventures. Underlying EBITDA excludes the impact of IFRS 16, foreign exchange gains/losses in selling and administration costs, exceptional costs, and the profit / loss on disposal of subsidiaries, strategic investments and properties. Underlying EBITDA also excludes fair value adjustments on step acquisitions.

Management will from FY22 change our main reporting KPI from Underlying EBITDA to Adjusted PBT. Thus from FY22 the Group will no longer report Underlying EBITDA. Adjusted PBT is Reported Profit Before Tax less the effects of unhedged FX, exceptional items, and gains and losses on strategic investments. Management have taken this decision for the following reasons:

- With the continued significant investment in and roll out of our elevation strategy on both the physical and digital fronts, the importance of depreciation and amortisation to both the Board and our stakeholders in terms of assessing performance has grown.
- Our understanding from a number of financial sectors including the banking sector is that IFRS16 is becoming an increasingly important consideration, including on covenants in many new financing arrangements.
- With this new measure being introduced we are trying to align with the Financial Reporting Council's thematic standpoint with regard to 'alternative performance measures' as far as possible whilst retaining a degree of interpretation given factors outside of our control, such as FX and strategic investments movements which are exceptionally difficult to forecast, particularly months in advance.The following are further key estimates used with regard to the alternative performance measures used by the group.

Onerous lease provision

Provisions for onerous lease contracts are recognised when the unavoidable costs of meeting lease obligations exceed the economic benefits expected to be received over the term of the lease. Where an onerous lease has been identified, the property, plant and equipment associated to that store are also reviewed for impairment.

Management use store EBITDA in order to determine whether an onerous lease exists. Specific assumptions, which involve the use of estimates and involve significant estimation uncertainty, that are used to determine the appropriate level of provision are consistent with the cashflow projections for the Freehold land and Buildings assessment except for the following:

- Discount rate 2% (FY20: 2%) across the Group
- Operating costs increase 3% (FY20: 3%) across the Group
- Store profitability includes 100% contribution towards central overheads
- Assumed get out cap of 10 years (FY20: 10 years), being the maximum period for total unavoidable costs
- Planned store closures, relocations and re-brandings

A sensitivity analysis has been performed in respect of sales and margin as these are considered to be the most sensitive of the key assumptions. With regard to the sales assumption below we have performed a sensitivity for both no lockdown in year 1 and a lockdown which lasts four months compared to two months:

Forecast:	Impact of:	Provision increase / (decrease) £m
Sales year 1 – No lockdown	15% - Improvement	(104.4)
Sales year 1 – 4 months lockdown	15% - reduction	151.0
Existing Gross Margin year 1->40%	100bps - improvement	(12.6)
Existing Gross Margin year 1 >40%	100bps - reduction	12.5

Further information on the basis of the estimation of provisioning for dilapidations and onerous lease contracts is detailed in the provisions accounting policy and note 28.

Impairments of plant and equipment and short-term leasehold improvements of £24.2m have also been recognised as a result of identified onerous lease contracts (£6.4m UK Sports Retail segment, £2.7m Premium Lifestyle segment, £15.1m European Retail segment).

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3. FINANCIAL RISK MANAGEMENT

The Group's current activities result in the following financial risks and set out below are management's responses to those risks in order to minimise any resulting adverse effects on the Group's financial performance.

Foreign Exchange Risk

The Group is exposed to foreign exchange risk principally via:

a. Transactional exposure from the cost of future purchases of goods for resale, where those purchases are denominated in a currency other than the functional currency of the purchasing company. Transactional exposures that could significantly impact the income statement are hedged. These exposures are hedged via forward foreign currency contracts which are designated as cash flow hedges. The notional and fair value of these contracts is shown in note 29;

b. Transactional exposure from the sale of goods, where those sales are denominated in a currency other than the functional currency of the selling company. Transactional exposures that could significantly impact the income statement are hedged. These exposures are hedged via forward foreign currency contracts which are designated as cash flow hedges. The notional and fair value of these contracts is shown in note 29;

c. Loans to non-UK subsidiaries. These are hedged via foreign currency transactions and borrowings in matching currencies, which are not formally designated as hedges, as gains and losses on hedges and hedged loans will naturally offset; and

d. The Group uses currency options, swaps and spots for more flexibility against cash flows that are less than highly probable and therefore do not qualify for hedge accounting under IFRS 9 Financial Instruments. Exposures in respect of written options to sell Euros or buy USD are explained in the Financial Review. These are not hedged and movements in fair value could significantly impact the Income Statement in future periods. See note 29.

Interest Rate Risk

The Group has net borrowings, which are principally at floating interest rates linked to bank base rates or LIBOR. The Group uses interest rate financial instruments to hedge its exposure to interest rate movements using interest rate swaps although hedge accounting is not applied. The Group regularly monitors and reacts accordingly to any exposure to fluctuations in interest rates and the impact on its monetary assets and liabilities.

Credit Risk

The Directors have a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

At each balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating and investment criteria approved by the Board.

Liquidity Risk

The Group has sufficient liquid resources to manage the operating requirements of the business and it does this through utilisation of its revolving credit facilities together with equity and retained profits thereby achieving continuity of funding and short-term flexibility, while keeping interest to a minimum.

Management regularly review forecasts to ensure there is adequate headroom on the facilities and to ensure the Group is operating within its financial covenants.

Price Risk

The Group is exposed to price risk in respect of its long term financial assets (in relation to listed company shares).

The price risk relates to volatility in the market, and how other comprehensive income and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If the quoted stock price for these securities increased or decreased, other comprehensive income and equity would have changed. The listed securities are classified as Long term investments at fair value through other comprehensive income so there would be no effect on profit or loss.

The investments in listed equity securities (long-term financial assets) are considered medium to long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments.

Capital Management

A description of the Group's objectives, policies and processes for managing capital are included in note 29.

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4. SEGMENTAL ANALYSIS

Management has determined to present its segmental disclosures consistently with the presentation in the 2020 Annual Report. Management considers operationally that the UK Retail divisions (UK Sports Retail and Premium Lifestyle) are run as one business unit in terms of allocating resources, inventory management and assessing performance. Under IFRS 8 we have not at this reporting date met the required criteria with enough certainty to aggregate these operating segments. We will continually keep this under review at subsequent reporting dates. We continue to monitor the impacts of Covid-19, Brexit, and the continued uncertainties this has brought relating to the political and economic environments, and market and currency volatility in the countries we operate in. European countries have been identified as operating segments and have been aggregated into a single operating segment as permitted under IFRS 8. The decision to aggregate these segments was based on the fact that they each have similar economic characteristics, similar long-term financial performance expectations, and are similar in each of the following respects:

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

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

1. UK Retail:
   i. UK Sports Retail - includes core sports retail store operations in the UK, plus all the Group's sports retail online business (excluding Bob's Stores, Eastern Mountain Sports, Malaysia and Baltics), the gyms, the Group's Shirebrook campus operations, GAME UK stores and online operations, and retail store operations in Northern Ireland.
   ii. Premium Lifestyle - includes the results of the premium retail businesses Flannels, Cruise, Van Mildert, Jack Wills, House of Fraser and Sofa.com along with related websites.
2. European Retail - includes all the Group's sports retail stores, management and operations in Europe including the Group's European Distribution Centres in Belgium and Austria, as well as GAME Spain stores and Baltics online.
3. Rest of World Retail - includes the results of US based retail activities, Asia based retail activities, along with their e-commerce offerings.
4. Wholesale & Licensing - includes the results of the Group's portfolio of internationally recognised brands such as Everlast, Karrimor, Lonsdale and Slazenger.

It is management's current intention to run the Group as four operating segments being UK Retail (including UK Sports Retail and Premium Lifestyle), European Retail, Rest of World Retail and Wholesale & Licensing. Management is satisfied that the UK Sports Retail and Premium Lifestyle will meet the criteria permitted under IFRS 8 to aggregate as one segment in due course.

Segmental information for the 52 weeks **ended 25 April 2021:**

	UK Sports (£m)	Premium Lifestyle (£m)	UK Retail Total (£m)	European Retail (£m)	Rest of World Retail (£m)	Total Retail (£m)	Wholesale & Licensing (£m)	Eliminations (£m)	Group Total (£m)
Sales to external customers	1,968.5	735.6	2,704.1	615.2	152.7	3,472.0	153.3	-	3,625.3
Sales to other segments	-	-	-	-	-	-	95.4	(95.4)	-
REVENUE	**1,968.5**	**735.6**	**2,704.1**	**615.2**	**152.7**	**3,472.0**	**248.7**	**(95.4)**	**3,625.3**
Gross profit	829.3	330.3	1,159.6	239.7	64.0	1,463.3	67.5	-	1,530.8
OPERATING PROFIT/(LOSS) BEFORE FOREIGN EXCHANGE, EXCEPTIONAL ITEMS, DISPOSAL OF PROPERTIES AND IFRS 16	**29.7**	**22.0**	**51.7**	**(68.6)**	**19.6**	**2.7**	**20.2**	-	**22.9**
Exceptional items	(4.4)	(1.6)	(6.0)	(3.1)	-	(9.1)	-	-	(9.1)
Profit on disposal of intangible assets	7.5	-	7.5	-	-	7.5	-	-	7.5
Profit on sale of properties	1.0	-	1.0	8.8	(0.1)	9.7	-	-	9.7
Foreign exchange realised	(20.2)	(0.2)	(20.4)	0.8	(1.4)	(21.0)	(5.3)	-	(26.3)
IFRS 16 adjustment	(71.9)	1.7	(70.2)	8.7	(3.5)	(65.0)	-	-	(65.0)
OPERATING (LOSS)/PROFIT	**(58.3)**	**21.9**	**(36.4)**	**(53.4)**	**14.6**	**(75.2)**	**14.9**	-	**(60.3)**
Investment income									103.7
Investment costs									(7.7)
Finance income									9.0
Finance costs									(36.2)
PROFIT BEFORE TAXATION									**8.5**
Taxation									(86.5)
LOSS FOR THE PERIOD									**(78.0)**

Other segment items included in the Income Statement for the 52 weeks **ended 25 April 2021:**

	UK Sports (£m)	Premium Lifestyle (£m)	UK Retail Total (£m)	European Retail (£m)	Rest of World Retail (£m)	Total Retail (£m)	Wholesale & Licensing (£m)	Group Total (£m)
Property, plant & equipment depreciation	153.8	20.4	174.2	35.3	5.7	215.2	1.2	216.4
Property, plant & equipment impairment	95.6	12.0	107.6	40.6	-	148.2	-	148.2
IFRS 16 ROU depreciation	51.5	6.4	57.9	21.9	2.3	82.1	-	82.1
IFRS 16 ROU impairment	114.1	20.5	134.6	31.0	2.6	168.2	-	168.2
Investment property depreciation	1.9	-	1.9	-	-	1.9	-	1.9
Investment property impairment	0.6	-	0.6	-	-	0.6	-	0.6
IFRS 16 disposal and modification/ remeasurement of lease liabilities	(20.0)	(5.6)	(25.6)	(1.4)	(0.7)	(27.7)	-	(27.7)
Intangible amortisation	-	-	-	0.5	-	0.5	6.6	7.1
Intangible impairment	3.7	2.3	6.0	3.1	-	9.1	-	9.1

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Information regarding segment assets and liabilities as at **25 April 2021** and capital expenditure for the 52 weeks then ended:

	UK Sports (£m)	Premium Lifestyle (£m)	UK Retail Total (£m)	European Retail (£m)	Rest Of World Retail (£m)	Total Retail (£m)	Wholesale & Licensing (£m)	Eliminations (£m)	Group Total (£m)
Total assets	3,535.2	438.7	**3,973.9**	670.8	158.6	**4,803.3**	344.7	(1,362.9)	**3,785.1**
Total liabilities	(2,357.8)	(499.6)	**(2,857.4)**	(857.0)	(95.1)	**(3,809.5)**	(127.5)	1,362.9	**(2,574.1)**
Tangible asset additions	174.6	21.9	**196.5**	17.4	3.0	**216.9**	2.5	-	**219.4**
Right of use asset additions	77.5	14.1	**91.6**	24.3	2.4	**118.3**	0.5	-	**118.8**
Intangible assets acquired	3.7	2.3	**6.0**	-	-	**6.0**	1.0	-	**7.0**

Segmental information for the 52 weeks **ended 26 April 2020:**

	UK Sports (£m)	Premium Lifestyle (£m)	UK Retail Total (£m)	European Retail (£m)	Rest Of World Retail (£m)	Total Retail (£m)	Wholesale & Licensing (£m)	Eliminations (£m)	Group Total (£m)
Sales to external customers	2,203.3	722.0	**2,925.3**	697.7	174.2	**3,797.2**	160.2	-	**3,957.4**
Sales to other segments	-	-	-	-	-	-	17.8	(17.8)	-
REVENUE	**2,203.3**	**722.0**	**2,925.3**	**697.7**	**174.2**	**3,797.2**	**178.0**	**(17.8)**	**3,957.4**
Gross profit	903.2	348.6	**1,251.8**	267.9	77.4	**1,597.1**	65.5	-	**1,662.6**
OPERATING PROFIT / (LOSS) BEFORE FOREIGN EXCHANGE, EXCEPTIONAL ITEMS AND IFRS 16	**145.6**	**(18.0)**	**127.6**	**14.5**	**(11.6)**	**130.5**	**11.4**	-	**141.9**
Exceptional items	(2.7)	(6.9)	**(9.6)**	(3.5)	-	**(13.1)**	-	-	**(13.1)**
Profit on sale of properties	33.2	-	**33.2**	21.0	-	**54.2**	-	-	**54.2**
Foreign exchange realised	29.5	1.4	**30.9**	4.1	0.4	**35.4**	(0.5)	-	**34.9**
IFRS 16 adjustments	2.3	(9.7)	**(7.4)**	(46.5)	7.9	**(46.0)**	-	-	**(46.0)**
OPERATING PROFIT / (LOSS)	**207.9**	**(33.2)**	**174.7**	**(10.4)**	**(3.3)**	**161.0**	**10.9**	-	**171.9**
Investment income									**15.2**
Investment costs									**(49.8)**
Finance income									**31.0**
Finance cost									**(29.3)**
Share of loss of associated undertakings									**(15.9)**
Fair value gain on step acquisition									**20.4**
PROFIT BEFORE TAXATION									**143.5**
Taxation									**(42.5)**
PROFIT FOR THE PERIOD									**101.0**

Sales to other segments are priced at cost plus a 10% mark-up.

Other segment items included in the Income Statement for the 52 weeks **ended 26 April 2020:**

	UK Sports (£m)	Premium Lifestyle (£m)	UK Retail Total (£m)	European Retail (£m)	Rest Of World Retail (£m)	Total Retail (£m)	Wholesale & Licensing (£m)	Group Total (£m)
Depreciation	98.5	20.7	**119.2**	39.4	4.8	**163.4**	1.4	**164.8**
IFRS 16 ROU depreciation/Impairment	113.1	16.1	**129.2**	77.0	13.3	**219.5**	-	**219.5**
IFRS 16 disposal of lease liabilities	(2.7)	(0.2)	**(2.9)**	(6.4)	(0.4)	**(9.7)**	-	**(9.7)**
Exceptional Impairment*	2.7	6.9	**9.6**	3.5	-	**13.1**	-	**13.1**
Amortisation/Impairment	2.1	2.0	**4.1**	3.9	-	**8.0**	12.4	**20.4**

Information regarding segment assets and liabilities as at **26 April 2020** and capital expenditure for the 52 weeks then ended:

	UK Sports (£m)	Premium Lifestyle (£m)	UK Retail Total (£m)	European Retail (£m)	Rest Of World Retail (£m)	Total Retail (£m)	Wholesale & Licensing (£m)	Eliminations (£m)	Group Total (£m)
Total assets	3,324.9	474.7	**3,799.6**	455.9	128.6	**4,384.1**	344.3	(860.2)	**3,868.2**
Total liabilities	(1,986.8)	(556.1)	**(2,542.9)**	(627.0)	(195.1)	**(3,365.0)**	(83.1)	860.2	**(2,587.9)**
Tangible asset additions	236.8	25.4	**262.2**	48.7	12.5	**323.5**	-	-	**323.5**
Right of use asset additions	50.6	22.9	**73.5**	25.5	2.2	**101.2**	-	-	**101.2**
Intangible assets acquired	2.7	8.9	**11.6**	3.1	-	**14.7**	-	-	**14.7**

Geographic Information

Segmental information for the 52 weeks **ended 25 April 2021:**

	UK (£m)	Europe (£m)	USA (£m)	Asia (£m)	Eliminations (£m)	Total (£m)
Segmental revenue from external customers	2,721.7	646.2	213.7	43.7	-	**3,625.3**
Total capital expenditure	196.5	17.4	3.2	2.3	-	**219.4**
Non-current segment assets*	1,052.3	114.9	127.7	4.6	-	**1,299.5**
Total segmental assets	4,264.7	589.2	256.2	37.9	(1,362.9)	**3,785.1**

*Excludes deferred tax and financial instruments.

Segmental information for the 52 weeks **ended 26 April 2020:**

	UK (£m)	Non-UK (£m)	US (£m)	Asia (£m)	Eliminations (£m)	Total (£m)
Segmental revenue from external customers	2,951.0	722.3	235.2	48.9	-	**3,957.4**
Total capital expenditure	262.5	56.8	1.9	2.3	-	**323.5**
Non-current segmental assets*	1,172.6	113.1	210.4	13.8	-	**1,509.9**
Total segmental assets	3,861.1	473.3	354.5	39.5	(860.2)	**3,868.2**

*Excludes deferred tax and financial instruments.

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

	USA (£m)	Belgium (£m)	Austria (£m)	Estonia (£m)	Ireland (£m)	Spain (£m)
FY21	127.7	46.8	22.4	-	12.9	39.9
FY20	173.8	41.2	30.3	24.2	52.9	36.7

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

	USA (£m)	Belgium (£m)	Austria (£m)	Estonia (£m)	Ireland (£m)	Spain (£m)
FY21	213.7	93.1	42.1	96.7	95.4	208.1
FY20	235.2	95.5	55.2	103.1	147.3	184.1

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

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The following table reconciles the reported operating profit to the underlying EBITDA as it has been one of the main measures used by the Chief Operating Decision Maker when reviewing performance during the period:

Reconciliation of operating (loss)/profit to underlying EBITDA for the 52 week period **ended 25 April 2021:**

	UK Sports Retail	Premium Lifestyle	UK Retail Total	European Retail	Rest of World Retail	Retail Total	Wholesale & Licensing	Group Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
OPERATING (LOSS) / PROFIT	**(58.3)**	**21.9**	**(36.4)**	**(53.4)**	**14.6**	**(75.2)**	**14.9**	**(60.3)**
IFRS 16 disposal and modification/ remeasurement of lease liabilities	(20.0)	(5.6)	**(25.6)**	(1.4)	(0.7)	**(27.7)**	-	**(27.7)**
IFRS 16 ROU depreciation	51.5	6.4	**57.9**	21.9	2.3	**82.1**	-	**82.1**
IFRS 16 ROU impairment	114.1	20.5	**134.6**	31.0	2.6	**168.2**	-	**168.2**
PPE depreciation (including investment property)	155.7	20.4	**176.1**	35.3	5.7	**217.1**	1.2	**218.3**
PPE impairment (including investment property)	96.2	12.0	**108.2**	40.6	-	**148.8**	-	**148.8**
Intangible amortisation	-	-	-	0.5	-	**0.5**	6.6	**7.1**
REPORTED EBITDA	**339.2**	**75.6**	**414.8**	**74.5**	**24.5**	**513.8**	**22.7**	**536.5**
(Profit)/loss on sale of properties	(1.0)	-	**(1.0)**	(8.8)	0.1	**(9.7)**	-	**(9.7)**
Exceptional items	(3.1)	1.6	**(1.5)**	3.1	-	**1.6**	-	**1.6**
IFRS 16 adjustments [1]	(76.1)	(23.5)	**(99.6)**	(63.9)	(0.4)	**(163.9)**	-	**(163.9)**
Realised FX loss / (gain)	20.2	0.2	**20.4**	(0.8)	1.4	**21.0**	5.3	**26.3**
UNDERLYING EBITDA	**279.2**	**53.9**	**333.1**	**4.1**	**25.6**	**362.8**	**28.0**	**390.8**

(1) Relates to the reversal of IFRS 16 rent and onerous lease provisions.

Reconciliation of operating profit to underlying EBITDA for the 52 week period **ended 26 April 2020:**

	UK Sports	Premium Lifestyle	UK Retail Total	European Retail	Rest Of World Retail	Total Retail	Wholesale & Licensing	Group Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
OPERATING PROFIT / (LOSS)	**207.9**	**(33.2)**	**174.7**	**(10.4)**	**(3.3)**	**161.0**	**10.9**	**171.9**
IFRS 16 Disposal of lease liability	(2.7)	(0.3)	**(3.0)**	(6.4)	(0.4)	**(9.8)**	-	**(9.8)**
IFRS 16 ROU depreciation/impairment	113.1	16.1	**129.2**	77.0	13.3	**219.5**	-	**219.5**
IFRS 16 PPE Impairment	3.2	-	**3.2**	6.0	-	**9.2**	-	**9.2**
Depreciation	95.3	20.6	**115.9**	33.5	4.8	**154.2**	1.4	**155.6**
Amortisation/impairment	2.1	2.0	**4.1**	3.9	-	**8.0**	12.5	**20.5**
Share of loss of associated undertakings	(15.9)	-	**(15.9)**	-	-	**(15.9)**	-	**(15.9)**
REPORTED EBITDA	**403.0**	**5.2**	**408.2**	**103.6**	**14.4**	**526.2**	**24.8**	**551.0**
Profit on sale of properties	(33.2)	-	**(33.2)**	(21.0)	-	**(54.2)**	-	**(54.2)**
Exceptional items	2.7	6.9	**9.6**	3.5	-	**13.1**	-	**13.1**
IFRS 16 adjustments [1]	(115.9)	(6.1)	**(122.0)**	(30.1)	(20.8)	**(172.9)**	-	**(172.9)**
Realised FX (gain) / loss	(29.2)	(1.5)	**(30.7)**	(4.2)	(0.4)	**(35.3)**	0.4	**(34.9)**
UNDERLYING EBITDA	**227.4**	**4.5**	**231.9**	**51.8**	**(6.8)**	**276.9**	**25.2**	**302.1**

(1) Relates to the reversal of IFRS 16 rent and onerous lease provisions.

5. OTHER OPERATING INCOME

	52 weeks ended 25 April 2021	52 weeks ended 26 April 2020
	(£m)	(£m)
Rent receivable	16.1	16.3
Other	20.7	16.2
	36.8	**32.5**

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

6. EXCEPTIONAL ITEMS

	52 weeks ended 25 April 2021	52 weeks ended 26 April 2020
	(£m)	(£m)
Impairments	(9.1)	(13.1)
Profit on disposal of intangible assets	7.5	-
	(1.6)	**(13.1)**

The impairment in both the current and prior year relates to goodwill, whereby the discounted present value of future cash flows do not support the full value of the assets. The profit on disposal of intangible assets relates to the sale of certain IP relating to the BELONG business.

7. PROFIT ON SALE OF PROPERTIES

	52 weeks ended 25 April 2021	52 weeks ended 26 April 2020
	(£m)	(£m)
Profit on sale of properties	9.7	54.2

The profit on the sale of properties in the current period includes gains on the sale of European properties. The prior period largely relates to the gain on the sale and leaseback of the Shirebrook distribution centre (units A, B, C, D and F Brook Park East, Shirebrook NG20 8RY).

8. OPERATING (LOSS)/PROFIT FOR THE PERIOD

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

	52 weeks ended 25 April 2021	52 weeks ended 26 April 2020
	(£m)	(£m)
Foreign exchange loss / (gain)	26.3	(34.9)
DEPRECIATION AND AMORTISATION OF NON-CURRENT ASSETS:		
-Depreciation of property, plant & equipment (incl. right-of-use asset)	298.5	258.4
-Impairment of property, plant & equipment (incl. right-of-use asset)	316.4	122.6
-Depreciation of investment properties	1.9	3.3
-Impairment of investment property	0.6	-
-Amortisation of intangible assets	7.1	14.5
-Impairment of intangible assets	9.1	19.0
IFRS 16 LEASES:		
Profit on disposal and modification/remeasurement of lease liabilities	(27.7)	(9.7)
Variable lease payments	25.5	15.8
Short term and low value lease expenses	31.6	56.0

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SERVICES PROVIDED BY THE GROUP'S AUDITOR

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

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
AUDIT SERVICES		
Audit of the Group and company - recurring	1.5	1.6
Audit of the Group and company - non-recurring	0.1	0.4
Audit of subsidiary companies	0.8	0.8
Audit related assurance services	-	0.1
	2.4	**2.9**

There were no non-audit services provided in either the current or prior period.

9. PAYROLL COSTS

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

	52 weeks ended 25 April 2021	52 weeks ended 26 April 2020
Retail stores	22,122	25,505
Distribution, administration and other	4,374	4,674
	26,496	**30,179**

The decrease in employees is mainly due to natural attrition, including in part, the integration of new acquisitions.

The aggregate payroll costs of the employees, including Executive Directors, net of amounts received from Government grants, were as follows:

	52 weeks ended 25 April 2021	52 weeks ended 26 April 2020
Wages and salaries	342.2	456.4
Social security costs	29.3	30.5
Pension costs	5.6	5.9
	377.1	**492.8**

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

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Aggregate emoluments	0.5	0.4

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

10. INVESTMENT INCOME

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Profit on disposal of financial assets and equity derivative financial instruments	27.4	7.4
Premium received on derivative financial instruments	20.6	-
Fair value gain on equity derivative financial instruments	55.2	7.3
Dividend income	0.5	0.5
	103.7	**15.2**

The profit on disposal of financial assets mainly relates to Hugo Boss contracts for difference. The fair value gain on equity derivative financial instruments mainly relates to Hugo Boss options and contracts for difference. The premium received on derivative financial instruments mainly relates to Hugo Boss options.

11. INVESTMENT COSTS

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Loss on disposal of financial assets and equity derivative financial instruments	-	14.0
Fair value loss on equity derivative financial instruments	7.7	35.8
	7.7	**49.8**

The fair value loss on equity derivatives in the current period mainly relates to movements in contracts for difference.

The loss on disposal recognised in the prior period mainly relates to the sale of equity derivatives. The fair value loss on equity derivatives in the prior period mainly relates to Hugo Boss options and commodities.

12. FINANCE INCOME

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Bank interest receivable	3.5	1.6
Other finance income	5.5	8.1
Fair value adjustment to derivative financial instruments	-	21.3
	9.0	**31.0**

The fair value adjustment to derivative financial instruments relates to differences between the fair value of forward foreign currency contracts and written options that were not designated for hedge accounting from one period end to the next. Other finance income largely relates to premiums received on option contracts.

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13. FINANCE COSTS

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Interest on bank loans and overdrafts	11.1	17.9
Other interest	8.6	0.4
Interest on retirement benefit obligations	0.1	0.1
IFRS 16 lease interest	11.8	10.9
Fair value adjustment to derivative financial instruments	4.6	-
	36.2	**29.3**

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

14. TAXATION

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Current tax	83.2	57.2
Adjustment in respect to prior periods	13.6	3.9
TOTAL CURRENT TAX	**96.8**	**61.1**
Deferred tax	(10.1)	(25.8)
Adjustment in respect of prior periods	(0.2)	7.2
TOTAL DEFERRED TAX (SEE NOTE 27)	**(10.3)**	**(18.6)**
	86.5	**42.5**
Profit before taxation	8.5	143.5
Taxation at the standard rate of tax in the UK of 19% (2020: 19%)	1.6	27.3
Non-taxable income	(3.9)	(22.4)
Expenses not deductible for tax purposes	77.0	19.0
Other tax adjustments	(1.6)	9.6
Adjustments in respect of prior periods - current tax	13.6	3.9
Adjustments in respect of prior periods - deferred tax	(0.2)	7.2
Changes in deferred tax rate	-	(2.1)
	86.5	**42.5**

Non-taxable income largely relates to profits on property disposal due to differences between capital allowances and depreciation. Expenses not deductible for tax purposes relate to non-qualifying depreciation, impairments, and fair valuation of investments.

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

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

For diluted earnings per share, the weighted average number of shares, 501,955,281 (FY20: 505,826,890), is adjusted to assume conversion of all dilutive potential ordinary shares under the Group's share schemes, being 88,605 (FY20: 1,239,075), to give the diluted weighted average number of shares of 502,043,886 (FY20: 507,065,965). However, as there is a loss for the period ended 25 April 2021; the effect of potentially dilutive ordinary shares is anti-dilutive, and therefore the weighted average number of shares for the Diluted EPS calculation has been kept the same as for the Basic EPS calculation for the current period.

Basic And Diluted Earnings Per Share

	52 weeks ended		52 weeks ended	
	25 April 2021 Basic (£m)	25 April 2021 Diluted (£m)	26 April 2020 Basic (£m)	26 April 2020 Diluted (£m)
(Loss)/profit for the period	(83.0)	(83.0)	93.8	93.8
	Number in thousands		Number in thousands	
Weighted average number of shares	501,955	501,955	505,827	507,066
	Pence per share		Pence per share	
Earnings per share	(16.5)	(16.5)	18.5	18.5

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Underlying Earnings Per Share

The underlying earnings per share reflects the underlying performance of the business compared with the prior period and is calculated by dividing underlying earnings by the weighted average number of shares for the period. Underlying earnings is used by management as a measure of profitability within the Group. Underlying earnings is defined as (loss)/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 underlying earnings before exceptional items and underlying 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. Underlying earnings is not a recognised profit measure under IFRS and may not be directly comparable with "adjusted" profit measures used by other companies.

	52 weeks ended		52 weeks ended	
	25 April 2021 Basic	25 April 2021 Diluted	26 April 2020 Basic	26 April 2020 Diluted
	(£m)	(£m)	(£m)	(£m)
(LOSS)/PROFIT FOR THE PERIOD	**(83.0)**	**(83.0)**	**93.8**	**93.8**
Post tax adjustment to (loss)/profit for the period for the following items:				
Realised loss/(gain) on forward foreign exchange contracts	19.7	19.7	(26.1)	(26.1)
Fair value adjustment to forward foreign exchange contracts	3.4	3.4	(16.0)	(16.0)
Fair value gain on step acquisition	-	-	(20.4)	(20.4)
Fair value adjustment to derivative financial instruments	(47.5)	(47.5)	26.9	26.9
Dividend income and profit on disposal of financial assets and equity derivative financial instruments	(48.5)	(48.5)	7.7	7.7
Profit on disposal of properties	(9.7)	(9.7)	(54.2)	(54.2)
Impairment of goodwill	9.1	9.1	13.1	13.1
Profit on disposal of intangible assets	(5.6)	(5.6)	-	-
IFRS 16 adjustments	76.8	76.8	-56.9	56.9
UNDERLYING (LOSS)/PROFIT FOR THE PERIOD	**(85.3)**	**(85.3)**	**81.7**	**81.7**
	Number in thousands		Number in thousands	
Shares in issue at the period end	501,955	501,955	505,827	507,066
	Pence per share		Pence per share	
Earnings per share	**(17.0)**	**(17.0)**	**16.2**	**16.1**

16. PROPERTY, PLANT AND EQUIPMENT

	Right of use asset	Freehold Land and Buildings	Long-term Leasehold	Short-term Leasehold improvements	Plant and equipment	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
COST						
AT 28 APRIL 2019	**-**	**747.3**	**68.0**	**133.7**	**623.8**	**1,572.8**
Recognised on adoption of IFRS 16	422.5	-	-	-	-	**422.5**
Acquisitions	18.8	25.4	0.5	-	6.1	**50.8**
Additions	101.2	177.2	2.2	15.4	128.7	**424.7**
Eliminated on disposals	(20.9)	(33.5)	(0.3)	(16.7)	(21.8)	**(93.2)**
Reclassifications / Remeasurements[1]	2.8	-	-	-	33.0	**35.8**
Exchange differences	-	2.5	0.2	(0.8)	2.8	**4.7**
AT 26 APRIL 2020	**524.4**	**918.9**	**70.6**	**131.6**	772.6	**2,418.1**
Acquisitions (see note 31)	2.1	0.5	-	-	29.0	**31.6**
Additions	118.8	84.3	4.3	2.0	128.8	**338.2**
Eliminated on disposals	(48.1)	(16.5)	(0.7)	(6.0)	(57.4)	**(128.7)**
Reclassifications / Remeasurements[3]	76.4	(79.4)	79.2	0.1	8.7	**85.0**
Exchange differences	(4.5)	(2.4)	(0.1)	(0.3)	(2.9)	**(10.2)**
AT 25 APRIL 2021	**669.1**	**905.4**	**153.3**	**127.4**	**878.8**	**2,734.0**
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
AT 28 APRIL 2019	**-**	**(132.8)**	**(14.2)**	**(117.7)**	**(484.9)**	**(749.6)**
Recognised on adoption of IFRS 16	-	-	-	-	(6.2)	**(6.2)**
Charge for the period[2]	(219.6)	(47.8)	(2.5)	(7.0)	(104.2)	**(381.1)**
Eliminated on disposals	-	27.8	0.1	10.0	24.8	**62.7**
Exchange differences	0.9	(0.5)	(0.1)	0.8	2.6	**3.7**
AT 26 APRIL 2020	**(218.7)**	**(153.3)**	**(16.7)**	**(113.9)**	**(567.9)**	**(1,070.5)**
Charge for the period	(82.1)	(74.5)	(11.6)	(11.5)	(118.8)	**(298.5)**
Impairment	(168.2)	(84.4)	(3.9)	(0.1)	(59.8)	**(316.4)**
Eliminated on disposals	47.5	11.2	0.3	6.7	54.4	**120.1**
Reclassifications / Remeasurements[3]	-	18.1	(17.9)	-	(8.8)	**(8.6)**
Exchange differences	2.1	0.2	0.1	0.1	2.3	**4.8**
AT 25 APRIL 2021	**(419.4)**	**(282.7)**	**(49.7)**	**(118.7)**	**(698.6)**	**(1,569.1)**
NET BOOK VALUE						
AT 25 APRIL 2021	**249.7**	**622.7**	**103.6**	**8.7**	**180.2**	**1,164.9**
AT 26 APRIL 2020	**305.7**	**765.6**	**53.9**	**17.7**	**204.7**	**1,347.6**
AT 28 APRIL 2019	**-**	**614.5**	**53.8**	**16.0**	**138.9**	**823.2**

(1) The £33.0m was reclassified due to Shirebrook warehouse plant and equipment not forming part of the final sale and leaseback completed during the prior year.

(2) In the prior period there is no separate disclosure of impairment from depreciation in respect of the property, plant and equipment. Total impairment in FY20 was £122.6m of which £97.8m related to the Right-of-use assets.

(3) In the current period a number of properties were identified that were previously classified within Freehold Land and Buildings but management believe it to be more appropriate to classify within Long-term Leasehold. These have therefore been adjusted in the period as reclassifications.

Note 2 provides further detail on the property related impairments (relating to ROU assets, freehold land and buildings and onerous lease provisions).

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Leases

The Group adopted IFRS 16 on 29 April 2019. The Group only has property leases within the scope of IFRS 16, including retail stores, offices and warehouses. Leases are largely for a period between 1 - 15 years typically with break clauses. It is management's intention to continue to enter into turnover linked leases in the future.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns. The carrying amount and movements in the period can be seen in the table above.

Lease liabilities are presented separately within the Consolidated Balance Sheet. The maturity analysis of lease liabilities is show in note 29e. Interest expense on the lease liability is presented as a component of finance costs as per note 13. Cash payments for the principal portion and the interest portion of the lease liability are presented in the Consolidated Cash Flow Statement with further details given in note 26.

The Group is party to a number of leases that are classed as short term leases and with variable lease payments. These are typically property leases on turnover based rents. Note 8 discloses variable lease payments and short term and low value lease expenses incurred in the period. Cash flows in the period relating to variable lease payments, short term lease payments, and leases for low value assets were approx. £24m (FY20: approx. £72m). It is expected that future cash flows will not be materially different to the FY20 cash flows. Leases to which the Group is committed but have not yet commenced at period end are not considered to be material.

17. INVESTMENT PROPERTIES

	Freehold land and Buildings (£m)
COST	
AT 28 APRIL 2019 AND 26 APRIL 2020	**45.8**
Eliminated on disposals	(7.6)
AT 25 APRIL 2021	**38.2**
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
AT 28 APRIL 2019	**(23.6)**
Charge for the period	(3.3)
AT 26 APRIL 2020	**(26.9)**
Charge for the period	(1.9)
Impairment	(0.6)
Eliminated on disposals	5.3
AT 25 APRIL 2021	**(24.1)**
NET BOOK VALUE	
AT 25 APRIL 2021	**14.1**
AT 26 APRIL 2020	**18.9**
AT 28 APRIL 2019	**22.2**

The fair values of the Group's investment properties as at 25 April 2021 were estimated as being materially in line with carrying values. The valuations were calculated by the Group's internal property team who are appropriately qualified chartered surveyors and follow the applicable valuation methodology of the Royal Institute of Chartered Surveyors. Note 2 provides further detail on the property related impairments.

18. INTANGIBLE ASSETS

	Goodwill (£m)	Trademarks and licences (£m)	Brands (£m)	Total (£m)
COST				
AT 28 APRIL 2019	**156.1**	**91.8**	**86.4**	**334.3**
Acquisitions	12.7	2.0	-	**14.7**
Disposals	-	(0.4)	-	**(0.4)**
Exchange adjustments	4.6	0.6	4.0	**9.2**
AT 26 APRIL 2020	**173.4**	**94.0**	**90.4**	**357.8**
Acquisitions (see note 31)	6.0	-	-	**6.0**
Additions	-	1.0	-	**1.0**
Disposals	-	(3.3)	-	**(3.3)**
Exchange adjustments	(8.7)	(1.0)	(9.8)	**(19.5)**
AT 25 APRIL 2021	**170.7**	**90.7**	**80.6**	**342.0**
AMORTISATION AND IMPAIRMENT				
AT 28 APRIL 2019	**(98.8)**	**(82.5)**	-	**(181.3)**
Amortisation charge	(1.3)	(7.2)	(6.0)	**(14.5)**
Impairment	(19.0)	-	-	**(19.0)**
Disposal	-	0.4	-	**0.4**
Exchange adjustments	(0.2)	0.2	-	-
AT 26 APRIL 2020	**(119.3)**	**(89.1)**	**(6.0)**	**(214.4)**
Amortisation charge	(0.3)	(1.3)	(5.5)	**(7.1)**
Impairment	(9.1)	-	-	**(9.1)**
Disposal	-	3.3	-	**3.3**
Exchange adjustments	4.7	0.4	0.7	**5.8**
AT 25 APRIL 2021	**(124.0)**	**(86.7)**	**(10.8)**	**(221.5)**
AT 25 APRIL 2021	**46.7**	**4.0**	**69.8**	**120.5**
AT 26 APRIL 2020	**54.1**	**4.9**	**84.4**	**143.4**
AT 28 APRIL 2019	**57.3**	**9.3**	**86.4**	**153.0**

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

The majority of the net book value of intangible assets relates to the £86.5m purchase of Everlast in 2007.

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The carrying value of goodwill and brands that are considered to have an indefinite life are allocated to the Group's operating segments before aggregation. With the exception of Everlast, none of the individual cash-generating units (CGUs) are considered material to goodwill or indefinite life intangibles. The carrying value of goodwill and brands allocated to the Group's CGUs (as aggregated except in the case of Everlast) is shown below:

	25 April 2021		26 April 2020	
	Goodwill (£m)	Brands (£m)	Goodwill (£m)	Brands (£m)
European Retail	-	-	3.6	-
Wholesale & Licensing (excl. Everlast)	14.3	-	14.3	-
Everlast	32.4	69.8	36.2	84.4
	46.7	**69.8**	**54.1**	**84.4**

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

Impairment is calculated by comparing the carrying amounts to the value in use derived from discounted cash flow projections for each CGU to which the intangible assets are allocated. A CGU is deemed to be an individual fascia or brand and these have been grouped together into similar classes for the purpose of formulating operating segments as reported in note 4. The total recoverable amount of all CGUs in relation to the above intangible assets was £262.3m of which £136.8m related to Everlast. Due to the ongoing impact of Covid-19, the European Retail goodwill was impaired to £nil with an impairment charge of £3.1m (FY20: £nil) being recognised where the discounted present value of future cash flows did not support the full value of the asset.

Value in use calculations are based on five-year management forecasts with a terminal growth rate applied thereafter, representing management's estimate of the long-term growth rate of the sector served by the CGUs.

Total impairments of £9.1m (FY20: £19.0m) have been recognised in relation to goodwill on loss making companies and are individually immaterial to each CGU that has been written down. These impairments include the European Retail goodwill and the goodwill from acquisitions in the period.

The Everlast brand is amortised over a 15 year period within the selling, distribution and administrative expenses category within the income statement. The amount charged to the income statement in the period is £5.5m (FY20: £6.0m), the future amortisation charge is expected to be approximately £6.0m per annum for the remaining 13 year amortisation period (FY20: 14 year).

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

As at 25 April 2021	European Retail	Wholesale & Licensing (excl. Everlast)	Everlast
Terminal sales growth	2.0%	2.0%	2.0%
5 year forecast growth [1]	(3.5%)	(5.3%)	(1.6%)
Gross margin	30%-40%	-	-
Discount rate	6.3%	6.3%	12.1%

As at 26 April 2020	European Retail	Wholesale & Licensing (excl. Everlast)	Everlast
Terminal sales growth	2.0%	2.0%	2.0%
5 year forecast growth [1]	2.0%	2.0%	0.9%
Gross margin	30%-40%	-	-
Discount rate	6.2%	6.2%	12.1%

(1) The 5 year growth rates are based on the average growth over 5 years.

The same pre-tax discount rate is used in European Retail and Wholesale & Licensing (excl. Everlast) as these CGU's are considered to have similar risk profiles. A specific discount rate is used for Everlast as this business operates in a different market and has different characteristics.

The key assumptions are based on market data and management's historical experience and future plans for each CGU.

Sensitivity Analysis

A reasonably possible change in any key assumption would not cause the carrying value of the Everlast or Wholesale & Licensing (excluding Everlast) CGU to exceed its recoverable amount, the table below shows the amount of headroom and the revised assumption required in order to eliminate the headroom in full.

The European Retail goodwill has been impaired in the period as a result of the ongoing impact of Covid-19.

	Wholesale & Licensing (excl. Everlast)	Everlast
Recoverable amount of CGU (£m)	125.5	136.8
Current headroom (£m)	111.2	34.6
Revised 5-year forecast growth rate %	(7.7%)	(2.5%)
Revised terminal growth rate %	< (1000%)	0.5%
Revised discount rate %	52.6%	14.0%

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19. INVESTMENTS IN ASSOCIATED UNDERTAKINGS

The Group uses the equity method of accounting for associates and joint ventures in accordance with IAS 28. The following table shows the aggregate movement in the Group's investment in associates and joint ventures:

	Associates (£m)
AT 28 APRIL 2019	11.0
Additions	5.6
Share of loss for the period	(15.9)
Fair value adjustment	20.4
Disposals	(21.1)
AT 26 APRIL 2020 AND 25 APRIL 2021	-

The share of loss in the prior period relates to Game Digital plc prior to obtaining a controlling interest in July 2019.

The fair value adjustment in the prior year relates to the increase in the fair value of the previously held 38.1% equity interest in Game Digital plc at the acquisition date on 8 July 2019.

The disposals in the prior period mainly relates to the de-recognition of Game Digital plc as an associate due to obtaining a controlling interest.

The Group currently holds a 49.0% share of Four (Holdings) Limited (FY20: 49.0%), the carrying amount of this investment is £nil. Detailed disclosures have not been presented as the results are immaterial. The Group is owed £64.9m from the group of companies headed by Four (Holdings) Limited (£26.5m net of amounts recognised in respect of loss allowance) (FY20: £67.5m, £33.8m net of loss allowance), see note 22 for further details. The group of companies headed by Four (Holdings) Limited made a profit of £8.1m in the period (FY20: loss of £19.8m).

20. 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:

	25 April 2021 (£m)	26 April 2020 (£m)
At beginning of period	83.8	84.6
Additions	113.3	24.8
Disposals	(7.0)	(5.9)
Amounts recognised through other comprehensive income	77.3	(19.7)
Exchange differences	(4.1)	-
	263.3	**83.8**

Included within long-term financial assets at the period ended 25 April 2021 are the following direct interests held by the group:

- 36.8% (FY20: 12.5%) interest in Mulberry Group plc
- 35.6% (FY20: 36.9%) interest in Studio Retail Group plc
- 5.1% (FY20: 0.2%) interest in Hugo Boss AG
- Various other interests, none of which represent more than 5.0% of the voting power of the investee

During the period the Group sold its 26.1% interest in French Connection Group plc due to it no longer being considered part of the Group's long-term strategy. The fair value at the date of derecognition was £2.6m with the £1.7m gain on disposal being recognised in investment income.

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

	25 April 2021 (£m)	26 April 2020 (£m)
Mulberry Group plc	52.0	14.6
Studio Retail Group plc	89.7	61.2
Hugo Boss AG	118.7	2.4
French Connection Group plc	-	1.6
Other	2.9	4.0
AT END OF PERIOD	**263.3**	**83.8**

These holdings have been assessed under IFRS 9 Financial Instruments and categorised as long-term financial assets, as the Group does not consider them to be associates and therefore, they are not accounted for on an equity basis, see note 2.

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

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21. INVENTORIES

	25 April 2021 (£m)	26 April 2020 (£m)
Goods for resale	1,096.6	1,198.3

As at 25 April 2021, goods for resale include a right of return asset totalling £4.5m (FY20 £2.4m). Amounts written off in the period relating to stock was £24.3m (FY20 £39.0m).

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

	25 April 2021 (£m)	26 April 2020 (£m)
Cost of inventories recognised as an expense	2,094.5	2,294.8

The Directors have reviewed the opening and closing provisions against inventory and have concluded that these are fairly stated. The Group has reviewed its estimates and assumptions for calculating inventory provisions at 25 April 2021. Overall provisions have decreased from £223.0m in FY20 to £219.8m as at 25 April 2021, changes in the provision are recognised in cost of sales.

22. TRADE AND OTHER RECEIVABLES

	25 April 2021 (£m)	26 April 2020 (£m)
Trade receivables	57.2	57.5
Deposits in respect of derivative financial instruments	131.0	71.3
Amounts owed by related parties (see note 34)	26.8	34.2
Other receivables	246.9	196.7
Prepayments	84.6	54.5
	546.5	**414.2**

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

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

Included within other receivables is the reimbursement asset totalling £118.3m (FY20: £118.3m) in relation to the Group's ongoing non-UK tax enquiries, for further information see note 28.

The majority of the Group's trade receivables are held within the Wholesale & Licensing businesses, each customer's creditworthiness is assessed before payment terms are agreed.

Under IFRS 9, the Group has applied the simplified approach to providing for expected credit losses for trade receivables, using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on a very low credit risk characteristic, representing management's view of the risk, and the days past due. The credit quality of assets neither past due nor impaired is considered to be good. The Group considers a debt to be defaulted at the point when no further amounts are expected to be recovered. Financial assets are written off when there is no reasonable expectation of recovery. If recoveries are subsequently made after receivables have been written off, they are recognised in profit or loss.

The amounts owed by related parties mostly relates to the group headed by Four (Holdings) Limited, for further details see note 34.

Exposure to credit risk of trade receivables:

	25 April 2021 (£m)	26 April 2020 (£m)
Current	31.8	31.0
0-30 days past due	12.0	13.0
30-60 days past due	4.0	4.2
60-90 days past due	2.4	2.0
Over 90 days past due	7.0	7.3
	57.2	**57.5**

The credit quality of assets neither past due nor impaired is considered to be good.

The movement in loss allowance relating to trade receivables and amounts owed to related parties can be analysed as follows:

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Opening position	46.2	33.8
Amounts charged to the income statement	22.3	19.6
Amounts written off as uncollectable	(0.1)	(6.6)
Amounts recovered during the period	(0.1)	(0.6)
CLOSING POSITION	**68.3**	**46.2**

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

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Opening position	33.8	20.8
Amounts charged to the income statement	4.6	13.0
CLOSING POSITION	**38.4**	**33.8**

The gross carrying amount of the balance due is £65.2m (FY20: £67.5m). The charge in the period has been recorded in Selling, distribution and administrative expenses. £12.4m of the gross amounts due from related parties balance is due in less than one year with the remaining being due in more than a one year (FY20: £7.9m due less than one year).

The Group has no significant concentration of credit risk, with exposure spread over a large number of customers. The loss allowance / charges have been determined by reference to past default experience, current / forecasted trading performance and future economic conditions.

Deposits in respect of derivative financial instruments and prepayments are not considered to be impaired.

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23. CASH AND CASH EQUIVALENTS

	25 April 2021 (£m)	26 April 2020 (£m)
Cash in bank and in hand - Sterling	144.1	452.8
Cash in bank and in hand - US Dollars	97.4	17.5
Cash in bank and in hand - Euros	192.5	55.2
Cash in bank and in hand - Other	23.0	8.5
	457.0	**534.0**

24. SHARE CAPITAL

	25 April 2021 (£m)	26 April 2020 (£m)
AUTHORISED		
999,500,010 ordinary shares of 10p each	100.0	100.0
ALLOTTED, CALLED UP AND FULLY PAID		
640,602,369 (2020: 640,602,369) ordinary shares of 10p each	64.1	64.1
SHARE CAPITAL		
At 25 April 2021 and 26 April 2020	64.1	64.1

The Group holds 121,260,175 shares in Treasury as at period end (FY20: 121,260,175).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at general meetings of the Company.

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

Frasers has not and does not intend to offer or sell its Ordinary Shares or other securities (in the form of ADR or otherwise) to the general public in the United States nor has it listed or intends to list its Ordinary Shares or other securities on any national securities exchange in the United States or to encourage the trading of its Ordinary Shares on any over the counter market located in the United States. Frasers does not make arrangements to permit the voting of Ordinary Shares held in the form of ADRs and its publication of periodic financial and other information is not intended to facilitate the operation of any unsponsored ADR programme under Rule 12g3-2(b) of U.S. Securities Exchange Act of 1934, as amended or otherwise.

Contingent Share Awards

The Executive Share Scheme

Under the terms of the Executive Share Scheme, which was approved by Shareholders on 10 September 2010 and is a HMRC approved scheme, the Board may make share awards in respect of the ordinary shares in the Company. Awards may be made to Executives and Persons Discharging Managerial Responsibilities over a fixed number of shares subject to performance conditions. Further details are set out in the Directors' Remuneration Report.

An award of 8,073,036 shares was granted on 10 September 2010 at a share price of 125.5 pence. Between 27 April 2020 and 25 April 2021, 1,000,000 shares sold by participants following exercise of awards were acquired by Estera Trust (Jersey) Limited, as Trustee of the Sports Direct Employee Benefit Trust (Trustee), with the acquisition funded by a loan advanced by the Company. The shares were acquired at 374.8 pence per share. At the period end 6m of the shares in the scheme have since vested (FY20: 5m) and 2m have since lapsed meaning all shares granted by the scheme have now exercised or lapsed.

Share Schemes

The 2011 Share Scheme was a four year scheme based upon achieving underlying EBITDA (before the costs of the scheme) of £215m in FY12, £250m in FY13, £260m in FY14 and £300m in FY15 coupled with the individual participating employee's satisfactory personal performance and continued employment. All of the above targets have now been met meaning that approx. 11.6m shares vested in September 2017 and approx. 4m shares vested in September 2015.

Between 27 April 2020 and 25 April 2021, 150,470 shares sold by participants following exercise of awards under the Group 2011 Share Scheme were acquired by Estera Trust (Jersey) Limited, as Trustee of the Sports Direct Employee Benefit Trust (Trustee), with the acquisition being funded by a loan advanced by the Company. The shares were acquired at prices of between 251.8 and 460.8 pence per share in off-market transactions. The weighted average purchase price was 365 pence per share (FY20: 257 pence per share).

A share-based payment charge of £nil (FY20: nil) was recognised in respect of this equity settled award for the 52 weeks ended 25 April 2021, based on the Director's best estimate of the number of awards that will be made. The charge is calculated based on the fair value on the grant date, which is deemed to be the date on which the entity and counterparty reached a shared understanding of the scheme.

The Group holds 17,386,913 shares in the Own Share Reserve as at period end (FY20: 17,386,913).

Fearless 1000 Bonus Scheme

At the annual general meeting in October 2020, our shareholders gave approval for the Fearless 1000 bonus scheme. Under this scheme shares may be issued by the Group to employees for no cash consideration. All Group employees (excluding executive directors, their family associates, and the Chief Commercial Officer) are eligible to participate in the scheme. Under the scheme, 10 million shares are awarded to eligible employees if certain market conditions are achieved. This would equate to £100m worth of fully paid ordinary shares in Frasers Group plc that could be paid to eligible employees if our share price reaches £10 any time over the next four years. The share price must stay above £10 for 30 consecutive trading days to trigger the vesting of shares at the end of the four year vesting period. 50% of the shares are granted after 4 years and the remaining 50% after 5 years. One thousand eligible employees will receive the shares with a potential value ranging from £50k to £1m if the share price is at £10 at the vesting dates. In all other respects the shares rank equally with other fully paid ordinary shares on issue.

The share element of the scheme is deemed to be an equity-settled scheme as defined by IFRS 2 Share-based payment. In line with the accounting policy in note 1, the fair value at the date of grant is expensed to the Consolidated Income Statement on a straight-line basis over the vesting period, with the corresponding credit going to equity.

The assessed fair value at grant date of the shares granted during the period ended 25 April 2021 was 165.69p per share for the 4 year vesting period and 165.95p per share for the 5 year vesting period. The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the scheme.

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The model inputs for shares granted during the period ended 25 April 2021 included:

- exercise price: £nil
- grant date: 10 February 2021, being the date the Deed of Grant was executed
- expiry date: 7 October 2024 and 7 October 2025
- share price at grant date: 450p
- expected price volatility of the company's shares: 38.8%
- expected dividend yield: 0%
- risk-free interest rate: 0.1%

The expected price volatility is based on the historic volatility (based on the remaining life of the scheme), adjusted for any expected changes to future volatility due to publicly available information.

A charge in the Consolidated Income Statement of £0.8m has been recognised in the period in relation to the equity-settled element of the scheme resulting in £0.8m now being held in equity.

The scheme also has a cash-settled bonus for all other eligible employees who do not qualify for the Fearless 1000 share scheme. The cash bonus at the end of the 4 year period is based on the employee tenure and has been accounted as an other long-term employee benefit as defined by IAS 19 Employee Benefits. A charge in the Consolidation Income Statement of £0.5m has been recognised in the period along with a corresponding liability.

25. OTHER RESERVES

	Permanent contribution to capital (£m)	Capital redemption reserve (£m)	Reverse combination reserve (£m)	Hedging reserve (£m)	Total other Reserves (£m)
AT 28 APRIL 2019	**0.1**	**8.0**	**(987.3)**	**46.7**	**(932.5)**
Cash flow hedges					
- recognised in the period	-	-	-	16.4	16.4
- recognised in the period - ineffectiveness	-	-	-	0.2	0.2
- reclassified in the period and reported in the sales	-	-	-	(1.7)	(1.7)
- reclassified and reported in cost of sales	-	-	-	(37.4)	(37.4)
- taxation	-	-	-	3.8	3.8
AT 26 APRIL 2020	**0.1**	**8.0**	**(987.3)**	**28.0**	**(951.2)**
Cash flow hedges					
- recognised in the period	-	-	-	0.4	0.4
- reclassified in the period and reported in sales	-	-	-	(2.8)	(2.8)
- reclassified and reported in cost of sales	-	-	-	(17.1)	(17.1)
- taxation	-	-	-	3.0	3.0
AT 25 APRIL 2021	**0.1**	**8.0**	**(987.3)**	**11.5**	**(967.7)**

The permanent contribution to capital relates to a cash payment of £50,000 to the Company on 8 February 2007 under a deed of capital contribution.

The capital redemption reserve arose on the redemption of the Company's redeemable preference shares of 10p each at par on 2 March 2007.

The reverse acquisition reserve exists as a result of the adoption of the principles of reverse acquisition accounting in accounting for the Group restructuring which occurred on 2 March 2007 and 29 March 2007 between the Company and Sports World International Limited, Brands Holdings Limited, International Brand Management Limited and CDS Holdings SA with Sports World International Limited as the acquirer.

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in the income statement only when the hedged transaction impacts the income statement.

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Other Balance Sheet Reserves

The foreign currency translation reserve is used to record exchange differences arising from the translation of the Financial Statements of foreign subsidiaries and associates.

The own shares and treasury shares reserve represent the cost of shares in Frasers Group plc purchased in the market and held by Frasers Group Employee Benefit Trust to satisfy options under the Group's share options scheme.

The Group holds 17,386,913 shares in the Employee Benefit Trust as at period end (FY20: 17,388,755).

The non-controlling interests of the Group mostly relates to Sportland International Group AS and its subsidiaries. This company is incorporated in Estonia with the principal places of business being a number of Baltic countries in Europe. The non-controlling interests hold 40% of the share capital of Sportland International Group AS. During the period £3.0m profit (FY20: £2.8m) has been allocated to the non-controlling interests of Sportland International Group AS, resulting in an accumulated non-controlling interests at the end of the period of £12.4m (FY20: £9.4m). A dividend of £0.9m was paid to the non-controlling interest in the period (FY20: £nil). The group of companies headed by Sportland International Group AS has total assets of £67.8m and total liabilities of £14.6m.

26. BORROWINGS

	25 April 2021 (£m)	26 April 2020 (£m)
CURRENT		
Lease liabilities	188.5	147.9
NON-CURRENT:		
Bank and other loans	705.9	900.0
Lease liabilities	534.2	476.2
TOTAL	**1,428.6**	**1,524.1**

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

	25 April 2021 (£m)	26 April 2020 (£m)
Borrowings - sterling	705.9	900.0

As at period end, loans are at a rate of interest of 1.3% (FY20: 1.3%) over the interbank rate of the country within which the borrowing entity resides.

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)	Share buy backs (£m)	Total (£m)
AT 28 APRIL 2019	**826.5**	**-**	**30.0**	**856.5**
CASH-FLOWS:				
- Borrowings drawn down	510.0	-	-	**510.0**
- Borrowings repaid	(436.5)	-	-	**(436.5)**
- Share buy back	-	-	(43.9)	**(43.9)**
LEASE LIABILITY:				
- IFRS 16 Lease Liabilities	459.8	136.3	-	**596.1**
- IFRS 16 Lease Liabilities - Acquisitions	16.4	11.6	-	**28.0**
NON-CASH MOVEMENTS:				
- Share buy back	-	-	13.9	**13.9**
AT 26 APRIL 2020	**1,376.2**	**147.9**	**-**	**1,524.1**
CASH-FLOWS:				
- Borrowings drawn down	1,128.1	-	-	**1,128.1**
- Borrowings repaid	(1,322.2)	-	-	**(1,322.2)**
LEASE LIABILITY:				
- IFRS 16 Lease Liabilities - cash-flows	-	(78.0)	-	**(78.0)**
- IFRS 16 Lease Liabilities - modifications/remeasurements, transfers from non-current to current, and foreign exchange adjustments	(40.3)	98.1	-	**57.8**
- IFRS 16 Lease Liabilities - new leases	98.3	20.5	-	**118.8**
AT 25 APRIL 2021	**1,240.1**	**188.5**	**-**	**1,428.6**

The acquired borrowings (note 31) of £1.4m were repaid in full during the period.

The Group's Working Capital Facility is at £913.5m (FY20: £913.5m) available until November 2021 and is not secured against any of the Group's assets. During FY19 the Group enacted an extension option for a further year to November 2022 for £847.5m.

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The Group continues to operate comfortably within its banking facilities and covenants. The carrying amounts and fair value of the borrowings are not materially different.

Reconciliation of Net Debt:

	25 April 2021 (£m)	26 April 2020 (£m)
Borrowings	(1,428.6)	(1,524.1)
ADD BACK:		
- Lease liabilities	722.7	624.1
Cash and cash equivalents	457.0	534.0
NET DEBT	**(248.9)**	**(366.0)**

27. DEFERRED TAX ASSETS AND LIABILITIES

	IFRS 16 (£m)	Accounts depreciation exceeding tax depreciation (£m)	Tax losses recoverable (£m)	Bonus share scheme (£m)	Forward currency contracts (£m)	FV of Brands (£m)	Other temporary differences (£m)	Total (£m)
AT 28 APRIL 2019	-	**18.6**	**3.8**	**1.3**	**(8.0)**	**(20.0)**	**(1.0)**	**(5.3)**
Credited/(charged) to the income statement	21.3	1.0	(3.8)	(1.3)	(3.8)	2.4	2.8	**18.6**
Charged to reserves	7.2	-	-	-	-	-	-	**7.2**
Credited to hedging reserve	-	-	-	-	3.8	-	-	**3.8**
AT 26 APRIL 2020	**28.5**	**19.6**	-	-	**(8.0)**	**(17.6)**	**1.8**	**24.3**
Credited/(charged) to the income statement	14.6	4.1	-	-	(2.0)	1.0	(7.4)	**10.3**
Charged to reserves	-	-	-	(0.3)	-	2.5	-	**2.2**
Credited to hedging reserves	-	-	-	-	3.0	-	-	**3.0**
AT 25 APRIL 2021	**43.1**	**23.7**	-	**(0.3)**	**(7.0)**	**(14.1)**	**(5.6)**	**39.8**

	25 April 2021 (£m)	26 April 2020 (£m)
Deferred tax assets	66.8	49.9
Deferred tax liabilities	(27.0)	(25.6)
NET DEFERRED TAX BALANCE	**39.8**	**24.3**

The tax rates used to measure the deferred tax assets and liabilities was 19%, on the basis that this was the tax rate that was substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that realisation of the related tax benefit is probable on the basis of the Group's current expectations of future taxable profits. The Group has approx. £134m of taxable losses not recognised as a deferred tax asset (approx. £25m deferred tax asset).

Included within other temporary differences is a deferred tax asset in relation to the Share Scheme and a deferred tax liability recognised on other intangible assets upon acquisition.

The deferred tax effects of the acquisitions made in the year were considered and it was determined that there was no material impact on the Group, or the fair value of net assets acquired.

28. PROVISIONS

	Legal and regulatory (£m)	Property related (£m)	Other (£m)	Total (£m)
AT 29 APRIL 2019	**234.0**	**92.3**	**8.0**	**334.3**
Amounts provided	13.0	75.8	-	88.8
Amounts utilised / reversed	(21.6)	(70.8)	(5.3)	(97.7)
Acquisitions	-	10.6	-	10.6
AT 26 APRIL 2020	**225.4**	**107.9**	**2.7**	**336.0**
Amounts provided	7.3	41.5	-	48.8
Amounts utilised / reversed	(16.9)	(5.3)	(1.4)	(23.6)
AT 25 APRIL 2021	**215.8**	**144.1**	**1.3**	**361.2**

Legal and regulatory provisions relate to management's best estimate of the potential impact of claims including legal, commercial, regulatory and ongoing non-UK tax enquiries. The timing of the outcome of non-UK tax inquiries and legal claims made against the Group is dependent on factors outside the Group's control and therefore the timing of settlement is uncertain. After taking appropriate legal advice, the outcomes of these claims are not expected to give rise to material loss in excess of the amounts provided.

A reimbursement asset of £118.3m (FY20: £118.3m) has been recognised separately within debtors relating to ongoing non-UK tax enquiries.

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

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

During the period, onerous lease provisions (pre-IFRS 16) were recognised due to an ongoing management review of the Group's store profile and strategy including current and anticipated freehold acquisitions, resulting in overall increased provisions of £71.9m (FY20: £26.9m), with reference to the Group's alternative performance measures. See Glossary for more details.

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29. FINANCIAL INSTRUMENTS

a. Financial Assets And Liabilities By Category And Fair Value Hierarchy

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

FINANCIAL ASSETS – 25 APRIL 2021	Level 1 (£m)	Level 2 (£m)	Level 3 (£m)	Other (£m)	Total (£m)
AMORTISED COST:					
Trade and other receivables*	-	-	-	435.1	**435.1**
Cash and cash equivalents	-	-	-	457.0	**457.0**
Amounts owed by related parties	-	-	-	26.8	**26.8**
FVOCI:					
Long Term Financial Assets (Equity Instruments) - designated	263.3	-	-	-	**263.3**
DERIVATIVE FINANCIAL ASSETS (FV):					
Foreign forward purchase and sales contracts	-	35.3	-	-	**35.3**
Derivative financial assets - contracts for difference & equity options	-	20.1	-	-	**20.1**
	-	**55.4**	-	-	**55.4**
FINANCIAL LIABILITIES – 25 APRIL 2021					
AMORTISED COST:					
Non-current borrowings	-	-	-	(705.9)	**(705.9)**
Trade and other payables**	-	-	-	(620.1)	**(620.1)**
IFRS 16 Lease liabilities	-	-	-	(722.7)	**(722.7)**
DERIVATIVE FINANCIAL LIABILITIES (FV):					
Foreign forward and written options purchase and sales contracts - Unhedged	-	(17.5)	-	-	**(17.5)**
Derivative financial liabilities - contracts for difference & equity options	-	(1.7)	-	-	**(1.7)**
	-	**(19.2)**	-	-	**(19.2)**

*Prepayments of £84.6m are not included as a financial asset.

**Other taxes including social security costs of £26.2m are not included as a financial liability.

FINANCIAL ASSETS - 26 APRIL 2020	Level 1 (£m)	Level 2 (£m)	Level 3 (£m)	Other (£m)	Total (£m)
AMORTISED COST:					
Trade and other receivables*	-	-	-	325.5	**325.5**
Cash and cash equivalents	-	-	-	534.0	**534.0**
Amount owed by related parties	-	-	-	34.2	**34.2**
FVOCI:					
Long Term Financial Assets (Equity Instruments) - designated	83.8	-	-	-	**83.8**
DERIVATIVE FINANCIAL ASSETS (FV):					
Foreign forward purchase and sales contracts	-	70.4	-	-	**70.4**
Derivative financial assets - contracts for difference	-	7.7	-	-	**7.7**
	-	**78.1**	-	-	**78.1**
FINANCIAL LIABILITIES - 26 APRIL 2020					
AMORTISED COST:					
Non-current borrowings	-	-	-	(900.0)	**(900.0)**
Trade and other payables**	-	-	-	(584.7)	**(584.7)**
IFRS 16 Lease liabilities	-	-	-	(624.1)	**(624.1)**
DERIVATIVE FINANCIAL LIABILITIES (FV):					
Foreign forward and written option purchase and sales contract - Unhedged	-	(9.8)	-	-	**(9.8)**
Derivative financial liabilities - contracts for difference & equity options	-	(34.4)	-	-	**(34.4)**
	-	**(44.2)**	-	-	**(44.2)**

*Prepayments of £54.5m are not included as a financial asset.

**Other taxes including social security costs of £17.8m are not included as a financial liability.

b. Financial Assets And Liabilities Sensitivities By Currency

The Group's principal foreign currency exposures are to US Dollars and Euros. The table below illustrates the hypothetical sensitivity of the Group's reported profit and equity to a 5% increase and decrease in the US Dollar / Sterling and Euro / Sterling exchange rates at the year-end date, assuming all other variables remain unchanged. The figures have been calculated by comparing the fair values of outstanding foreign currency contracts, assets and liabilities at the current exchange rate to those if exchange rates moved as illustrated. The income statement figures include the profit effect of any relevant derivatives which are not in a designated cash flow hedge. The impact on US Dollar and Euro related hedging instruments is included in equity.

The analysis has been prepared using the following assumptions:

1. Existing assets and liabilities are held as at the period end;
2. No additional hedge contracts are taken out.

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	GBP & Other	USD	EUR	Total	SENSITIVITY USD -5%	SENSITIVITY USD +5%	SENSITIVITY EUR -5%	SENSITIVITY EUR +5%
FY21:								
Trade and Other Receivables	370.1	25.2	39.8	**435.1**	**(1.3)**	**1.3**	**(2.0)**	**2.0**
Cash and cash equivalents	353.4	49.4	54.2	**457.0**	**(2.5)**	**2.5**	**(2.7)**	**2.7**
Trade and Other Payables	(489.0)	(24.5)	(106.6)	**(620.1)**	**1.2**	**(1.2)**	**5.3**	**(5.3)**
FY20:								
Trade and Other Receivables	257.7	26.6	41.2	**325.5**	**(1.3)**	**1.4**	**(2.0)**	**2.2**
Cash and cash equivalents	461.3	17.5	55.2	**534.0**	**(0.8)**	**0.9**	**(2.6)**	**2.9**
Trade and Other Payables	(451.6)	(25.9)	(107.2)	**(584.7)**	**1.2**	**(1.4)**	**5.1**	**(5.6)**

There is no difference between fair value and carrying value of the above financial instruments (FY20: £nil).

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities;
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- **Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Contracts for difference are classified as Level 2 as the fair value is calculated using quoted prices for listed shares and commodities at contract inception and the period end.

Foreign forward purchase and sales contracts and options are classified as Level 2, the Group enters into these derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts and options are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, and yield curves of the respective currencies.

Long-term financial assets such as equity instruments are classified as Level 1 as the fair value is calculated using quoted prices.

The fair value of equity derivative agreements are included within the derivative financial assets balance of £20.1m and derivative financial liabilities balance of £1.7m. The derivative financial assets and derivative financial liabilities as at 25 April 2021 relate to strategic investments held of between 0.04% and 8.41% of investee share capital.

Sold options are classified as Level 2 as the fair value is calculated using other techniques, where inputs are observable.

Trade receivables / payables, amounts owed from related parties, other receivables / payables, cash and cash equivalents, current / non-current borrowings, and lease liabilities are held at amortised cost.

The maximum exposure to credit risk as at 25 April 2021 is the carrying value of each class of asset in the Balance Sheet, except for amounts owed from related parties which is the gross carrying amount of £65.2m.

c. Derivatives: Foreign Currency Forward Contracts

(i) HEDGING

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

Hedge effectiveness is determined at inception of the hedge relationship and at every reporting period end through the assessment of the hedged items and hedging instrument to determine whether there is still an economic relationship between the two.

The critical terms of the foreign currency forwards entered into exactly match the terms of the hedged item. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate. Hedge ineffectiveness may arise where the critical terms of the forecast transaction no longer meet those of the hedging instrument, for example if there was a change in the timing of the forecast sales transactions from what was initially estimated or if the volume of currency in the hedged item was below expectations leading to over-hedging. Differences can arise when the initial value on the Hedging instrument is not zero.

The hedged items and the hedging instrument are denominated in the same currency and as a result the hedging ratio is always one to one.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions then hedge accounting is discontinued and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

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The fair value of hedged contracts as at **25 April 2021 was:**

	25 April 2021 (£m)	26 April 2020 (£m)
ASSETS		
US Dollar purchases - GBP	2.4	-
US Dollar purchases - EUR	2.3	17.1
Euro sales	30.7	41.5
TOTAL	**35.4**	**58.6**
LIABILITIES		
US Dollar purchases - GBP	7.3	-
US Dollar purchases - EUR	0.1	-
TOTAL	**7.4**	**-**

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

	25 April 2021 (£m)		26 April 2020 (£m)	
	Currency	GBP	Currency	GBP
US Dollar purchases	720.0	523.1	-	-
Contracted rates USD / GBP		1.36 - 1.41		-
US Dollar purchases	120.0	83.9	120.0	90.9
Contracted rates USD / EUR		1.21 - 1.31		1.32
Euro sales	(240.0)	(242.4)	(540.0)	(519.8)
Contracted rates EUR / GBP		0.99		0.99 - 1.09

The timing of the contracts is as follows:

Currency	Hedging against	Currency value	Timing	Rates
USD/GBP	USD inventory purchases	USD 720.0m	FY22 - FY23	1.36 - 1.41
USD/EUR	USD inventory purchases	USD 120.0m	FY22, FY24	1.21 - 1.31
EUR/GBP	Euro sales	EUR 240.0m	FY23	0.99

Hedge ineffectiveness may arise where the critical terms of the forecast transaction no longer meet those of the hedging instrument, for example if there was a change in the timing of the forecast sales transactions from what was initially estimated or if the volume of currency in the hedged item was below expectations leading to over-hedging.

	25 April 2021 (£m)	26 April 2020 (£m)
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	(14.5)	(35.6)
Change in value of hedged item used to determine hedge ineffectiveness	(28.1)	(59.9)

	25 April 2021 (£m)		26 April 2020 (£m)	
	Change in the fair value of the currency forward	Change in the fair value of the hedged item	Change in the fair value of the currency forward	Change in the fair value of the hedged item
US Dollars purchases - GBP	(4.8)	(4.8)	-	-
US Dollars purchases - EUR	2.1	2.1	6.7	6.7
Euro sales	3.1	3.1	9.8	9.5

At 25 April 2021 £242.4m of forward sales contracts and £607.0m of purchase contracts qualified for hedge accounting and the gain on fair valuation of these contracts of £0.4m has therefore been recognised in other comprehensive income.

At 25 April 2021, £210.5m hedged purchase contracts had a maturity of greater than 12 months (FY20: £nil of purchase contracts) and £242.4m of hedged sales had a maturity of greater than 12 months (FY20: £242.4m of sales contracts).

The movements through the Hedging reserve are:

	USD/GBP	EUR/GBP	AUD/GBP	USD/EUR	Total Hedge movement	Deferred Tax	Total Hedging Reserve
AS AT 28 APRIL 2019	**34.9**	**8.0**	**0.3**	**13.1**	**56.3**	**(9.6)**	**46.7**
Recognised	-	9.8	-	6.6	16.4	-	**16.4**
Ineffectiveness	-	0.2	-	-	0.2	-	**0.2**
Reclassified in sales	-	(1.4)	(0.3)	-	(1.7)	-	**(1.7)**
Reclassified in inventory / cost of sales	(34.9)	-	-	(2.5)	(37.4)	-	**(37.4)**
Deferred Tax	-	-	-	-	-	3.8	**3.8**
AS AT 26 APRIL 2020	**-**	**16.6**	**-**	**17.2**	**33.8**	**(5.8)**	**28.0**
Recognised	(4.9)	3.2	-	2.1	0.4	-	**0.4**
Reclassified in sales	-	(2.8)	-	-	(2.8)	-	**(2.8)**
Reclassified in inventory / cost of sales	-	-	-	(17.1)	(17.1)	-	**(17.1)**
Deferred Tax	-	-	-	-	-	3.0	**3.0**
AS AT 25 APRIL 2021	**(4.9)**	**17.0**	**-**	**2.2**	**14.3**	**(2.8)**	**11.5**

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

	25 April 2021 (£m)	26 April 2020 (£m)
US Dollar purchases	40.3	-
Contracted rates USD / EUR	1.31	-
- Euro sales	(383.8)	(630.0)
Contracted rates EUR / GBP	0.99	0.99 - 1.09
- Euro purchases	-	172.0
Contracted rates EUR / GBP	-	1.16

The loss on fair value of the written options and swaps of £4.6m has been included within finance income (FY20: gain £21.3m).

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At 25 April 2021, £nil of unhedged purchase contracts had a maturity at inception of greater than 12 months (FY20: £nil purchase contracts) and £335.4m of unhedged sales had a maturity at inception of greater than 12 months (FY20: £240.0m of sales contracts).

These contracts form part of the Treasury management activities, which incorporates the risk management strategy for areas that are not reliable enough in timing and amount to qualify for hedge accounting. This includes acquisitions, disposals of overseas subsidiaries, related working capital requirements, dividends and loan repayments from overseas subsidiaries and purchase and sale of overseas property. Written options carry additional risk as the exercise of the option lies with the purchaser. The options involve the Group receiving a premium on inception in exchange for accepting that risk and the outcome is that the bank may require the Group to sell Euros. However, the Group is satisfied that the use of options as a Treasury management tool is appropriate.

In FY21 there are nil short term swaps at period end. FY20 value excludes short term swaps of USD/GBP of USD 190.0m and EUR/GBP of EUR 75.0 and EUR/USD of EUR 80.0m which were required for cash management purposes only.

d. Sensitivity Analysis

The Group's principal foreign currency exposures are to US Dollars and Euros. The table below illustrates the hypothetical sensitivity of the Group's reported profit and equity to a 10% increase and decrease in the US Dollar / Sterling and Euro / Sterling exchange rates at the year-end date, assuming all other variables remain unchanged. The figures have been calculated by comparing the fair values of outstanding foreign currency contracts at the current exchange rate to those if exchange rates moved as illustrated. The income statement figures include the profit effect of any relevant derivatives which are not in a designated cash flow hedge. The impact on US Dollar and Euro related hedging instruments is included in equity.

Positive figures represent an increase in profit or equity:

	Income Statement		Equity	
	25 April 2021 (£m)	26 April 2020 (£m)	25 April 2021 (£m)	26 April 2020 (£m)
Sterling strengthens by 10%				
US Dollar	8.1	14.6	(17.4)	13.4
Euro	23.4	15.1	10.9	37.1
Sterling weakens by 10%				
US Dollar	(9.9)	(34.0)	21.3	(16.4)
Euro	(90.8)	(13.4)	(13.4)	(45.4)

Interest Rate Sensitivity Analysis

The following table illustrates the sensitivity of the Group's reported profit and equity to a 0.5% increase or decrease in interest rates, assuming all other variables were unchanged.

The analysis has been prepared using the following assumptions:

- For floating rate assets and liabilities, the amount of asset or liability outstanding at the balance sheet date is assumed to have been outstanding for the whole year.
- Fixed rate financial instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of this analysis.

Positive figures represent an increase in profit or equity:

	Income Statement		Equity	
	25 April 2021 (£m)	26 April 2020 (£m)	25 April 2021 (£m)	26 April 2020 (£m)
Interest rate increase of 0.5%	(3.0)	(4.1)	(3.0)	(4.1)
Interest rate decrease of 0.5%	3.0	4.1	3.0	4.1

Long-term Investments Sensitivity Analysis

The following table illustrates the sensitivity of price risk in relation to long term investments held by the Group:

	25 April 2021 Equity (£m)
Share price increase of 10%	25.8
Share price decrease of 10%	(25.8)

e. Liquidity Risk

The table below shows the maturity analysis of the undiscounted remaining contractual cash flows of the Group's non derivative liabilities and foreign currency derivative financial instruments:

	Less than 1 year (£m)	1 to 2 years (£m)	2 to 5 years (£m)	Over 5 years (£m)	Total (£m)
2021					
NON DERIVATIVE FINANCIAL LIABILITIES					
Bank loans and overdrafts	-	705.9	-	-	**705.9**
Bank loans and overdrafts interest	-	9.9	-	-	**9.9**
Trade and other payables	646.3	-	-	-	**646.3**
IFRS 16 Lease liabilities	196.6	112.7	196.8	670.9	**1,177.0**
DERIVATIVE FINANCIAL INSTRUMENTS*:					
Cash inflows	(396.5)	(766.9)	(80.6)	-	**(1,244.0)**
Cash outflows	389.1	798.9	81.5	-	**1,269.5**
	835.5	**860.5**	**197.7**	**670.9**	**2,564.6**
2020					
NON DERIVATIVE FINANCIAL LIABILITIES					
Bank loans and overdrafts	-	900.0	-	-	**900.0**
Bank loans and overdrafts interest	-	13.2	-	-	**13.2**
Trade and other payables	602.5	-	-	-	**602.5**
IFRS 16 Lease liabilities	146.7	102.1	198.2	257.1	**704.1**
DERIVATIVE FINANCIAL INSTRUMENTS*:					
Cash inflows	(1,186.5)	(462.8)	-	-	**(1,649.3)**
Cash outflows	1,225.1	484.8	-	-	**1,709.9**
	787.8	**1,037.3**	**198.2**	**257.1**	**2,280.4**

*Excludes contingent cash flows.

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Capital Management

The capital structure of the Group consists of equity attributable to the equity holders of the parent company, comprising issued share capital (less treasury shares), share premium, retained earnings and cash and borrowings.

It is the Group's policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the development of the business.

In respect of equity, the Board has decided that, in order to maximise flexibility in the near term with regards to a number of inorganic growth opportunities under review, not to return any cash by way of a final dividend at this time.

The Board is committed to keeping this policy under review and to looking to evaluate methods of returning cash to shareholders when appropriate.

The objective of the Share Scheme is to encourage employee share ownership and to link employee's remuneration to the performance of the Company. It is not designed as a means of managing capital.

In respect of cash and borrowings, the Board regularly monitors the ratio of net debt to Reported EBITDA (Pre-IFRS 16), the working capital requirements and forecasted cash flows, however no minimum or maximum ratios are set. The ratio for net debt to Reported EBITDA (pre IFRS 16) is 0.5 (FY20: 0.7). The objective is to keep this figure below 3.0 (FY20: 3.0).

Based on this analysis, the Board determines the appropriate return to equity holders whilst ensuring sufficient capital is retained within the Group to meet its strategic objectives, including but not limited to, acquisition opportunities.

These capital management policies have remained unchanged from the prior year.

30. TRADE AND OTHER PAYABLES

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Trade payables	279.3	302.6
Amounts owed to related undertakings	2.6	4.4
Other taxes including social security costs	26.2	17.8
Other payables	93.0	105.3
Accruals	245.2	172.4
	646.3	**602.5**

Included within other payables are amounts outstanding in respect of gift cards and vouchers of £28.8m (FY20: £40.6m).

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

31. ACQUISITIONS

i. On 22 August 2020, the Group acquired the trade and assets of DW Sports for cash consideration of £37.0m which is deemed to be the fair value of the consideration. The acquisition complements the Group's existing gym and fitness club portfolio and is consistent with the Group's elevation strategy. Goodwill represents the premium associated with advantageous site locations, potential growth opportunities offered by economies of scale, and the assembled workforce. The fair value adjustment to property, plant and equipment relates to management's assessment of the price that would be paid for the acquired assets in an orderly transaction between market participants at the acquisition date. The leases were acquired under short-term licences and therefore no right-of-use asset or lease liability has been recognised on acquisition.

ii. During the year the Group acquired the entire share capital of Psyche Holdings Limited, the entire share capital of GRMNT Limited, and the trade and assets of 18 Montrose (51% owned) for consideration of £2.7m. These acquisitions will provide increased product offerings in the 'Premium Lifestyle' division. The fair value adjustment to property, plant and equipment relates to the recognition of right-of-use assets and lease liabilities.

The asset and liability values at acquisition are detailed below. We have reviewed the fair value of the assets and liabilities acquired. The following table summarises the fair values of consideration paid:

	DW Sports (£m)	Other (£m)
Cash consideration	37.0	2.7

	DW Sports			Other		
	Book Value (£m)	Fair Value Adjustment (£m)	Fair Value (£m)	Book Value (£m)	Fair Value Adjustment (£m)	Fair Value (£m)
Property, plant and equipment	71.1	(42.1)	**29.0**	1.1	1.5	**2.6**
Intangible assets	2.9	(2.9)	-	-	-	-
Inventories	3.1	0.9	**4.0**	5.2	0.7	**5.9**
Cash and cash equivalents	-	-	-	0.3	-	**0.3**
Borrowings	-	-	-	(1.4)	-	**(1.4)**
Working capital	0.3	-	**0.3**	(0.8)	-	**(0.8)**
Lease liability	-	-	-	-	(2.1)	**(2.1)**
Goodwill	-	3.7	**3.7**	-	2.3	**2.3**
Bargain purchase	-	-	-	-	(3.1)	**(3.1)**
Non-controlling interests	-	-	-	-	(1.0)	**(1.0)**
Net assets acquired	77.4	(40.4)	**37.0**	4.4	(1.7)	**2.7**

The bargain purchase of £3.1m from the Other acquisitions has been recognised within cost of sales within the period. The Goodwill arising on all acquisitions of £6.0m has been impaired to £nil as at period end with the impairment being recognised in Exceptional Items, see note 6.

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Since the date of control, the following amounts have been included within the Group's Financial Statements for the period:

Acquisitions	DW Sports (£m)	Other (£m)	Total (£m)
Revenue	12.9	3.5	16.4
Operating (Loss)/profit	(15.2)	0.3	(14.9)
(LOSS)/PROFIT BEFORE TAX	**(15.2)**	**0.3**	**(14.9)**

Had the acquisitions been included from the start of the period the following amounts would have been included within the Group's Financial Statements for the period:

Acquisitions	DW Sports (£m)	Other (£m)	Total (£m)
Revenue	16.0	8.3	24.3
Operating loss	(14.7)	(0.2)	(14.9)
LOSS BEFORE TAX	**(14.7)**	**(0.1)**	**(14.8)**

There were no contingent liabilities acquired as a result of the above transaction.

32. CASH INFLOW FROM OPERATING ACTIVITIES

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)
Profit before taxation	8.5	143.5
Net finance cost/(income)	27.2	(1.7)
Net investment (income)/cost	(96.0)	34.6
Share of losses of associated undertakings	-	15.9
Fair value gain on step acquisition	-	(20.4)
OPERATING (LOSS)/PROFIT	**(60.3)**	**171.9**
Depreciation of property, plant and equipment	298.5	381.0
Depreciation on investment properties	1.9	3.3
Gain on disposal and modification/remeasurement of lease liabilities	(27.7)	(9.7)
Amortisation of intangible assets	7.1	14.5
Impairment of tangible and intangible assets and investment properties	326.1	19.0
Profit on disposal of property, plant and equipment	(9.7)	(54.2)
Profit on disposal of intangible assets	(7.5)	-
Gain on bargain purchase	(3.1)	-
OPERATING CASH INFLOW BEFORE CHANGES IN WORKING CAPITAL	**525.3**	**525.8**
(Increase) / decrease in receivables	(136.6)	73.5
Decrease / (increase) in inventories	99.3	(120.8)
Increase in payables	64.9	61.8
Increase / (decrease) in provisions	25.4	(115.1)
CASH INFLOWS FROM OPERATING ACTIVITIES	**578.3**	**425.2**

33. CAPITAL COMMITMENTS

The Group had capital commitments of £87.1m as at 25 April 2021 (26 April 2020: £31.8m) relating to warehouse development.

34. RELATED PARTY TRANSACTIONS

The Group has taken advantage of the exemptions contained within IAS 24 - "Related Party Disclosures" from the requirement to disclose transactions between Group companies as these have been eliminated on consolidation.

The Group entered into the following material transactions with related parties:

52 weeks ended 25 April 2021:

	Relationship	Sales (£m)	Purchases (£m)	Trade and other receivables (£m)	Trade and other payables (£m)
RELATED PARTY					
Four (Holdings) Limited & subsidiaries [1]	Associate	2.2	41.1	26.5	0.1
Mash Holdings Limited	Parent company	-	-	0.2	-
Mike Ashley [2]	Plc Director	1.3	-	-	-
N M Design London Limited	Connected persons	-	0.1	-	-
MM Prop Consultancy Limited	Connected persons	-	2.5	-	2.5
Newcastle United Football Club Limited & St James Holdings Limited(3)	Connected persons	0.2	(1.9)	0.1	-
Rangers Retail Limited	Associate	-	-	-	0.1

52 weeks ended 26 April 2020:

	Relationship	Sales (£m)	Purchases (£m)	Trade and other receivables (£m)	Trade and other payables (£m)
RELATED PARTY					
Four (Holdings) Limited & subsidiaries [1]	Associate	2.1	42.5	33.8	2.4
Mash Holdings Limited	Parent company	-	-	0.2	-
Mike Ashley [2]	Plc Director	2.0	-	-	-
Newcastle United Football Club Limited & St James Holdings Limited	Connected persons	0.7	2.0	0.1	2.0
Rangers Retail Limited	Associate	-	-	-	0.1

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

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

(3) The sales relate to inventory and purchases include the reversal of the FY20 advertising charge.

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An agreement has been entered into with Double Take Limited, a company owned by Mash Holdings Limited in which Matilda Ashley, Mike Ashley's daughter, is a director. Under the agreement, Double Take Limited licenses the Group the exclusive rights to the cosmetic brand SPORT FX. During the period a review has been undertaken and no royalties or other fees are expected to be payable to Double Take Limited for these rights until at least September 2021, the fee arrangement will continue to be reviewed on an ongoing basis, no provision is required in the financial statements. It should be noted that the Group (rather than Double Take Limited) owns the rights to SPORT FX for clothing, footwear and sports equipment.

N M Design London Limited a company in which Nicola Murray, Michael Murray's mother, is a director, perform design work for the Group in relation to some of the Group's sites.

A provision was made in FY20 for £2.0m payable to Newcastle United Football Club, this was reversed in FY21.

The trade and other receivables balance with Four (Holdings) Limited includes an unsecured loan balance of £60.0m (gross of amounts recognised in respect of loss allowance) which attracts interest at a rate of 3% within current assets. This has been accounted for at amortised cost in accordance with IFRS 9. The carrying value has been determined by assessing the recoverability of the receivable balance, discounted at an appropriate market rate of interest. £4.7m was recognised in the year in respect of doubtful debts. Further disclosure can be found in note 22.

The sales amount in relation to Four (Holdings) Limited relates to the interest charge on the loan and the purchases relate to the purchase of clothing products.

At the period end the Group does not have significant influence over but holds greater than 20% of the voting rights of Studio Retail Group plc and Mulberry Group plc. Studio Retail Group plc have disclosed transactions with the Group as a related party within their most recent Financial Statements. Transactions between Studio Retail Group plc and the Group related to normal commercial trading arrangements and are not considered material to the results of the Group. The latest equity amounts and results are shown below:

	Mulberry Group plc	Studio Retail Group plc
	Period ended 27 March 2021	Period ended 26 March 2021
Share Capital	3.0	48.7
Share Premium	12.2	-
Other Reserves	0.9	0.9
Retained earnings	7.0	35.3
Total equity	**22.4**	**84.9**
PROFIT FOR THE PERIOD	**4.6**	**7.0**

The Group does not consider it has the power to participate in the financial and operating policy decisions of the entities and so management do not consider the Group to be able to exert significant influence over these entities as per IAS 28 Investments in Associates and Joint Ventures and IAS 24 Related Party Disclosures.

Key Management, Executive And Non-executive Director Compensation

	25 April 2021 (£m)	26 April 2020 (£m)
Salaries and short-term benefits	1.3	1.5
Share-scheme payments	-	-
Other payments	-	4.3
TOTAL	**1.3**	**5.8**

Key management personnel are considered to be the directors and members of management who play a key part in the long term strategy and operations of the Group.

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

In the year all properties are assessed and those that are considered by the Group's independent non-executive directors to have completed development and be eligible for review at the year-end are assessed and if required valued by an independent valuer who confirms the value created by MM Prop Consultancy Limited. The Group's independent non-executive directors then review and agree the value created and have full discretion to approve a payment to MM Prop Consultancy Limited of up to 25% of the value created. There is a current pipeline of properties that may be eligible to be assessed both positively and negatively by the Group's Non-executive directors in future years.

In the current year £2.5m has been accrued based on 25% of the value created on two properties where the gain has crystallised through contract exchange or completion of sale (FY20 - £nil provided and £nil paid, MM Prop Consultancy Limited was last paid in relation to FY19). This is payable to MM Prop Consultancy Limited and agreed by the independent Non-Executive Directors.

During the period the Group entered into an agreement with M.P.M Elevation Limited, a company owned and controlled by Michael Murray in relation to elevation strategy services. M.P.M Elevation Limited will be paid an annual fee of £0.1m in relation to the provision of the elevation strategy services (FY20: £nil).

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35. ULTIMATE CONTROLLING PARTY

The Group is controlled by Mike Ashley through his 100% shareholding in Mash Beta Limited and Mash Holdings Limited, which own 303,507,460 (58.44% of the issued ordinary share capital of the Company) and 26,492,540 (5.10% of the issued ordinary share capital of the Company) ordinary shares respectively at the period end. MASH Holdings Limited is the smallest and largest company to consolidate these accounts. MASH Holdings Limited is registered in England and Wales and a copy of their financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

36. POST BALANCE SHEET EVENTS

On 4 May 2021 the Group commenced a share buyback programme with the aggregate purchase price of all shares acquired under the programme to be no greater than £60m and the maximum number of shares to be purchased of 10m ordinary shares with a nominal value of 10p each. The purpose of the programme was to reduce the share capital of the Company. 3,895,835 ordinary shares of 10p each for consideration of £22,429,985 were acquired through this programme.

On 21 June 2021 the Group commenced an irrevocable non-discretionary share buyback programme to purchase the Group's shares during the closed period which commenced 21 June 2021 and ends on the day of reporting full year FY21 results. The aggregate purchase price of all shares acquired under the programme were no greater than £60m and the maximum number of shares to be purchased were 10m ordinary shares with a nominal value of 10p each. The purpose of the programme was to reduce the share capital of the Company. In total to date 2,024,127 ordinary shares of 10p each for consideration of £11,937,385 have been acquired through this programme.

The Board is now in discussions with regards to transitioning the CEO role from Mike Ashley to Michael Murray over the course of FY22. It is currently proposed that Michael Murray will assume the role of CEO on 1 May 2022. A reward and remuneration package is now under consideration on the assumption Michael Murray will assume the CEO role. Any reward and remuneration package will be subject to any requisite shareholder approval.

The Group's elevation strategy is transforming the business and receiving positive feedback from consumers and our brand partners, especially on projects such as the new Oxford Street Sports Direct which opened in June 2021.

The Board consider it appropriate that Michael leads us forward on this increasingly successful elevation journey.

Should Michael Murray assume the CEO role, Mike Ashley would step down from the CEO role at the same time but would remain on the Board as an executive director.

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37. SUBSIDIARY UNDERTAKINGS

NAME	REGISTERED OFFICE ADDRESS	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
18 Montrose Retail Limited	Shirebrook[1]	11577636	75
5 Pointz Limited (in liquidation)	Fourth Floor Toronto Square Toronto Street Leeds LS1 2HJ on 23 April 2020	6950214	100
Activator Brands Limited	Shirebrook[1]	5344658	100
Activator Products Limited	Shirebrook[1]	4204611	100
Active Apparel New Corp	Cogency Global Inc. 850 New Burton Road Suite 201 Dover Delaware 19904; USA	3270168	100
Alpha Developments Stockport Ltd	Shirebrook[1]	12662564	100
AP Brands Holdings Ltd	12th Floor, Menara Synphony No 5, Jalan Semangat (Jalan Professor Khoo Kay Kim), Seksyen 13, 46200 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	4921-A	100
Bellatrix Associates Limited	Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ, Isle of Man	111671C	100
Bellatrix Overseas Limited	Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ, Isle of Man	128827C	100
Bellatrix Unlimited	Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ, Isle of Man	111670C	100
Blue Square Sales Limited	Shirebrook[1]	11802892	100
Bob's Stores USA LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	639085	100
Brands & Fashion NV	Leopoldstraat, nr. 79, 2800 Mechelen, Belgium	0477-995-412	99.8
Brands 001 Limited	Shirebrook[1]	5347540	100
Brands Africa Limited	Shirebrook[1]	6836765	100
Brands Holdings Limited*	Shirebrook[1]	4087435	100
Brands Holdings Sponsorship Limited	Shirebrook[1]	10375418	100
Brands Inc Limited	Shirebrook[1]	3585719	100
Brasher Leisure Limited	Shirebrook[1]	999421	100
BSL International Limited	Shirebrook[1]	2800425	100
Cafico - Comercio de Artigos de Desportos S.A.	Via Central de Milheiros no 121, 4475-334, Frguesia de Milherios, Concelho da Maia, Porto, Portugal	503751804	100
Campri Limited	Shirebrook[1]	5398677	100
Cardinal Investments S.l	C.C.Puerto Venecia, local 84, Trav. Jardines Reales, 7, 50021 Zaragoza, Spain	B88542766	100
Carlton Shuttlecocks Limited	Shirebrook[1]	480582	100
Carlton Sports Company Limited	Shirebrook[1]	467686	100
Catrinona Investments S.L	C.C.Puerto Venecia, local 84, Trav. Jardines Reales, 7, 50021 Zaragoza, Spain	B88542683	100
CDS IP SA	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	406461077	100
Ciro Citterio Brands Limited	Shirebrook[1]	11690676	100
Community Bug Limited	Shirebrook[1]	6260240	100
Criminal Clothing Limited	Shirebrook[1]	4184750	100
Cruise Clothing Limited	Martin House, 184 Ingram Street, Glasgow, Scotland, G1 1DN	SC382991	100
Curlina Investments S.l	C.C.Puerto Venecia, local 84, Trav. Jardines Reales, 7, 50021 Zaragoza, Spain	B88415369	100
David Geoffrey & Associates (UK) Limited	Shirebrook[1]	670530	100
Design Source Supply Limited	Shirebrook[1]	9636568	100
Dink Digital Holdings Limited	Shirebrook[1]	11143016	100
Dink Digital Limited	Shirebrook[1]	11072685	90
Direct Fishing Limited	Shirebrook[1]	8203469	100
Direct Golf IP Limited	Shirebrook[1]	9911086	100
Direct Golf Retail Limited	Shirebrook[1]	9825889	100
Donnay International N.V.	Leopoldstraat nr 79, 2800 Mechelen, Belgium	435392220	100
Eastchance Limited	Unit 1903B & 1905, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	174348	100
Epoch Properties Limited	First Floor La Chasse Chambers St Helier JE2 4UE Jersey	74753	100
Etail Services Limited	Shirebrook[1]	5146997	100
Evans Cycles Brands Limited	Shirebrook[1]	11634915	100
Evans Cycles Limited	Shirebrook[1]	11577650	100
Evans Cycles Property Limited	Shirebrook[1]	11634939	100
Everlast Australia Limited	Shirebrook[1]	8103912	100
Everlast Sports International Inc. Corp.	Everlast 42 West 39th St. 3rd Floor New York, New York, 10018, United States	13-2811380	100
Everlast Sports Mfg. Corp.	Corporation Service Company 80 State Street, Albany, New York, 122207-2543, United States	13-1804772	100
Everlast World Boxing Headquarters Corporation	Corporation Service Company 80 State Street, Albany, New York, 122207-2543, United States	13-1804773	100
Everlast Worldwide Inc.	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	13-3672716	100
Exsports Limited	Shirebrook[1]	2779040	100
Feniger And Blackburn Limited	Shirebrook[1]	639594	100
FG (AF Holdings) Limited	Shirebrook[1]	13281983	100
FG USA Trade Group Limited	Shirebrook[1]	13216390	100
Field & Trek (UK) Ltd (in liquidation)	C/O Duff & Phelps Ltd the Chancery 58 Spring Gardens, Manchester, Greater Manchester, M2 1EW, United Kingdom	5622577	100
Firetrap Limited	Shirebrook[1]	6836684	100

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Forever Media Limited	Shirebrook	8249185	100
Forever Sports Limited	Shirebrook	9489811	100
Frasers Group (European Holdings) Limited	Shirebrook	12903845	100
Frasers Group Financial Services Limited	Shirebrook	13191369	100
Frasers Group Loyalty Services Limited	Shirebrook	13340837	100
Freeshield Limited	Shirebrook	6330786	100
Game AR Limited	Basingstoke	10142852	100
Game Belong Limited	Shirebrook	12794477	100
Game Digital Holdings Limited	Basingstoke	7893832	100
Game Digital Limited	Basingstoke	9040213	100
Game Digital Solutions Limited	Basingstoke	9476209	100
Game Esports and Events Limited	Basingstoke	9454730	100
Game Retail Limited	Basingstoke	7837246	100
Game Spain Holdings Limited	Basingstoke	10846702	100
Game Spain Investments Limited	Basingstoke	10863881	100
Game Stores Iberia SLU	C/ Virgilio 7 - 9, Parcelas 12 - 13, Pozuelo de Alarcon, Madrid, Spain	B81209751	100
Gelert IP Limited	Shirebrook	8576185	100
Gelert Limited	Shirebrook	8576204	100
Global Apparel (HK) Limited	Unit 1903B & 1905, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	1330162	100
Golddigga Brands Limited	Shirebrook	6636173	100
Gotay Investments S.L	C.C.Puerto Venecia, local 84, Trav. Jardines Reales, 7, 50021 · Zaragoza, Spain	B88542709	100
Graduate Clothing Limited	Shirebrook	2511038	91
GRMNT Ltd	Shirebrook	11144039	100
GT-Lines BV	Bert Haanstrakade 2, 1087DN, Amsterdam, Netherlands	17117820	100
Gul IP Limited	Shirebrook	8612478	100
Gul Watersports Limited	Shirebrook	7589716	100
Heatons (N.I.) Limited	PO Box BT15EX, 5th Floor Lesley Buildings, 61-65 Fountain Street, Belfast, Northern Ireland	NI035599	100
Heatons Stores Limited	Heaton House, IDA Business Park, Whitestown, Tallaght, Dublin, Ireland, D24E932,	509525	100
Heatons Unlimited Company	Heaton House, IDA Business Park, Whitestown, Tallaght, Dublin, Ireland, D24E932,	11229	100
Heaven or Hell Limited	Shirebrook	5899282	100
HK Sports & Golf Aktiebolag	Eskiolstorpsvagen 7, 269 96, Bastad, Sweden	556510-8189	100
HOF Ireland Stores Limited	Heaton House, IDA Business Park, Whitestown, Tallaght, Dublin, Ireland, D24E932	626384	100
Hot Tuna IP Limited	Shirebrook	6836792	100
House of Fraser Brands Limited	Shirebrook	10687367	100
House of Fraser Limited	Shirebrook	10686681	100

International Brand Management Limited*	Shirebrook	5142123	100
Investing Business Limited	Shirebrook	11780314	100
Jack Wills (IP) Limited	Shirebrook	11775495	100
Jack Wills Property Limited	Shirebrook	11775643	100
Jack Wills Retail (Ireland) Limited	Heaton House, IDA Business Park, Whitestown, Tallaght, Dublin, Ireland, D24E932,	656208	100
Jack Wills Retail Limited	Shirebrook	11634810	100
James Lillywhites Limited	Shirebrook	118840	100
Kangol Holdings Limited	Shirebrook	3317738	100
Kangol Limited	Shirebrook	3343793	100
Kangol Trustees Limited	Shirebrook	3505512	100
Karrimor International Limited	Aminaka Kudan Building 6/F, 1-14-17 Kudankita, Chiyoda-ku, Tokyo, 102-0073, Japan	0100-01-012128	95
Karrimor Limited	Shirebrook	5215974	100
Kensington Health Clubs Limited	Shirebrook	6021489	100
KooGa IP Limited	Shirebrook	12402087	100
La Jolla (UK) Limited	Shirebrook	5737550	100
Laneshift Limited	Shirebrook	6146743	100
Lillywhites Limited	Shirebrook	290939	100
Litesome Sportswear Limited	Shirebrook	207867	100
Lonsdale Australia Limited	Shirebrook	7665885	100
Lonsdale Boxing Limited	Shirebrook	3912303	100
Lonsdale Sports Limited	Shirebrook	4430781	100
Lovell Sports (Holdings) Limited	Shirebrook	9608995	100
Lovell Sports Limited	Shirebrook	4184358	100
Lovells SP Limited	Shirebrook	8907509	100
Masters Holders Limited	Shirebrook	8787718	100
Midtown Ltd	Shirebrook	9467997	100
Mississippi Manufacturing LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	3470413	100
Mountain Sports LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	6386224	100
Mountain Sports USA LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	7124259	100
Muddyfox IP Limited	Shirebrook	10246764	100
Muddyfox Limited	Shirebrook	4187350	100
Nevica IP Limited	Shirebrook	6836778	100
No Fear Brand Limited	Shirebrook	5568043	100
No Fear International Limited	Shirebrook	5532482	100
No Fear USA Limited	Shirebrook	7712470	100
OKI-NI Limited	Shirebrook	11635034	100

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Olympus Ventures Limited	Shirebrook	3945752	100
P W P Sportbase Limited	Shirebrook	1933891	100
Paddle Sport Limited	Shirebrook	6836690	100
POD Collection Services Limited	Academy House, 36 Poland Street, London, W1F 7LU, United Kingdom	9918495	100
Propeller (UK.) Limited	Shirebrook	2770207	100
Psyche Holdings Limited	Shirebrook	03438665	100
Psyche Limited	Shirebrook	02844011	100
Puffa IP Limited	Shirebrook	10910124	100
Queensberry Boxing IP Limited	Shirebrook	7929363	100
Queensberry Rules Limited	Shirebrook	6723660	100
Quentin Investments S.I	C.C.Puerto Venecia, local 84, Trav. Jardines Reales, 7, 50021 Zaragoza, Spain	888542733	100
Quickreply Limited	Shirebrook	5904737	100
Republic IP Limited	Shirebrook	5635015	100
Republic.com Retail Limited	Shirebrook	8248997	100
Rhapsody Investments (Europe) SA	1 Cote d'Eich, L-1450, Luxembourg	B21.60X	100
Robinsons Country Leisure Limited	Shirebrook	1204722	100
S&B Brands Limited	Shirebrook	5635585	100
SC Sports (SG) PTE LTD	9 RAFFLES PLACE, #26-01 REPUBLIC PLAZA, SINGAPORE 048619	198203096N	100
SD (Retail Co 10) Limited	Shirebrook	11689119	100
SD (Retail Co 11) Limited	Shirebrook	12298852	100
SD (Retail Co 12) Limited	Shirebrook	12298797	100
SD (Retail Co 13) Limited	Shirebrook	12298767	100
SD (Retail Co 4) Limited	Shirebrook	11635011	100
SD (Retail Co 7) Limited	Shirebrook	11687276	100
SD (Retail Co 8) Limited	Shirebrook	11687376	100
SD (Retail Co 9) Limited	Shirebrook	11689077	100
SD Equestrian Limited	Shirebrook	8692780	100
SD Outdoor IP Limited	Shirebrook	8560252	100
SD Outdoor Limited	Shirebrook	8560260	100
SDB 2 S.A.	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	0848.964.388	100
SDI ((Propco 135) Limited	Shirebrook	11227937	100
SDI (SP Holdings) Limited	Shirebrook	10682050	100
SDI (Aberdeen 2) Limited	Shirebrook	12579371	100
SDI (Aberdeen) Limited	Shirebrook	8512592	100
SDI (Aberwystwyth) Limited	Shirebrook	2789996	100
SDI (Acqco 5) Limited	Shirebrook	10162904	100
SDI (Aintree) Limited	Shirebrook	3352462	100
SDI (Ashford) Limited	Shirebrook	7848460	100
SDI (Ashington) Limited	Shirebrook	7849231	100
SDI (Ayr) Limited	Shirebrook	5528267	100

SDI (Ballymena) Limited	5th Floor, Lesley Buildings, 61-65 Fountain Street, Belfast, Northern Ireland, BT1 5EX	NI653829	100
SDI (Bangor) Limited	Shirebrook	5529705	100
SDI (Barrow in Furness) Limited	Shirebrook	7851574	100
SDI (Belfast) Limited	Shirebrook	9872471	100
SDI (Berwick) Limited	Shirebrook	2739957	100
SDI (Betws-y-Coed) Limited	Shirebrook	6836673	100
SDI (Birkenhead) Limited	Shirebrook	7849198	100
SDI (Bishop Auckland) Limited	Shirebrook	3004246	100
SDI (Brands 1) Limited	Shirebrook	11795958	100
SDI (Brands 2) Limited	Shirebrook	12299584	100
SDI (Brands 3) Limited	Shirebrook	12299567	100
SDI (Brands 4) Limited	Shirebrook	12299515	100
SDI (Bridgwater) Limited	Shirebrook	7852061	100
SDI (Brighton) Limited	Shirebrook	12579780	100
SDI (Brixton) Limited	Shirebrook	9127300	100
SDI (Brook EU) Limited	Shirebrook	9336830	100
SDI (Brook ROW) Limited	Shirebrook	9336806	100
SDI (Brook UK) Limited	Shirebrook	9340379	100
SDI (Burton) Limited	Shirebrook	8495632	100
SDI (Cardiff Flannels) Limited	Shirebrook	10177359	100
SDI (Cardiff QS) Limited	Shirebrook	12578045	100
SDI (Carlisle) Limited	Shirebrook	7851959	100
SDI (Chatham) Limited	Shirebrook	6836679	100
SDI (Cheshunt 2) Limited	Shirebrook	11775717	100
SDI (Cheshunt) Limited	Shirebrook	11775599	100
SDI (China) Online Limited	Shirebrook	10246762	100
SDI (Clacton) Limited	Shirebrook	7852078	100
SDI (Clonmel) Limited	5th Floor, Lesley Buildings, 61-65 Fountain Street, Belfast, Northern Ireland, BT1 5EX	NI653359	100
SDI (Colchester) Limited	Shirebrook	5632790	100
SDI (Corby) Limited	Shirebrook	10885672	100
SDI (Cork) Limited	Shirebrook	11775763	100
SDI (Coventry) Limited	Shirebrook	9680128	100
SDI (Darlington) Limited	Shirebrook	10915193	100
SDI (Derby) Limited	Shirebrook	9310031	100
SDI (Derry) Limited	5th Floor, Lesley Buildings, 61-65 Fountain Street, Belfast, Northern Ireland, BT1 5EX	NI653340	100
SDI (Doncaster) Limited	Shirebrook	9888670	100
SDI (Dundee) Limited	Shirebrook	9702004	100
SDI (Dunfermline) Limited	Shirebrook	8483679	100
SDI (East Ham) Limited	Shirebrook	9810378	100
SDI (East Kilbride) Limited	Shirebrook	6656368	100
SDI (Edinburgh) Limited	Shirebrook	10100990	100
SDI (Enfield) Limited	Shirebrook	10086209	100

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SDI (Fulham) Limited	Shirebrook[1]	7852037	100
SDI (Gainsborough) Limited	Shirebrook[1]	6338907	100
SDI (Galashiels) Limited	Shirebrook[1]	7852091	100
SDI (Glasgow Fort) Limited	Shirebrook[1]	9861504	100
SDI (Glasgow Frasers) Limited	Shirebrook[1]	11531596	100
SDI (Glasgow Ingram Street) Limited	Shirebrook[1]	9925519	100
SDI (Gloucester) Limited	Shirebrook[1]	7852067	100
SDI (Great Yarmouth) Limited	Shirebrook[1]	11732687	100
SDI (Hanley) Limited	Shirebrook[1]	11228017	100
SDI (Hastings) Limited	Shirebrook[1]	8625893	100
SDI (Hereford) Limited	Shirebrook[1]	9888642	100
SDI (Hofco) Limited	Shirebrook[1]	8319960	100
SDI (HoH Holdings) Limited	Shirebrook[1]	10161592	100
SDI (Hounslow) Limited	Shirebrook[1]	10086218	100
SDI (Hull) Limited	Shirebrook[1]	9638564	100
SDI (Ipswich 2) Limited	Shirebrook[1]	12578948	100
SDI (Ipswich) Limited	Shirebrook[1]	9788411	100
SDI (Isle of Man) Limited	Shirebrook[1]	9901745	100
SDI (Jersey Holding) Limited	Shirebrook[1]	10177028	100
SDI (K Lynn) Limited	Shirebrook[1]	10073076	100
SDI (Keighley) Limited	Shirebrook[1]	6260239	100
SDI (Kendal) Limited	Shirebrook[1]	6338918	100
SDI (Kentish Town) Limited	Shirebrook[1]	9901702	100
SDI (Kidderminster) Limited	Shirebrook[1]	9203731	100
SDI (Kilmarnock) Limited	Shirebrook[1]	7853433	100
SDI (Kingston) Limited	Shirebrook[1]	10915209	100
SDI (Kirkcaldy) Limited	Shirebrook[1]	7852097	100
SDI (Leeds) Limited	Shirebrook[1]	9293515	100
SDI (Leicester) Limited	Shirebrook[1]	9127170	100
SDI (Liverpool) Limited	Shirebrook[1]	9888734	100
SDI (Lowestoft) Limited	Shirebrook[1]	7852265	100
SDI (LSL Holdings) Limited	Shirebrook[1]	10161824	100
SDI (Manchester Cheetham Hill) Limited	Shirebrook[1]	10100969	100
SDI (Manchester Denton) Limited	Shirebrook[1]	9127295	100
SDI (Market Road) Limited	Shirebrook[1]	10799247	100
SDI (Middlesbrough) Limited	Shirebrook[1]	10081909	100
SDI (Nassau Street) Limited	Shirebrook[1]	11227964	100
SDI (Neath) Limited	Shirebrook[1]	7853548	100
SDI (Newark) Limited	Shirebrook[1]	7853470	100
SDI (Newcastle) Limited	Shirebrook[1]	9127286	100
SDI (Newport IOW) Ltd	Shirebrook[1]	12578944	100
SDI (Newport) Limited	Shirebrook[1]	8679118	100
SDI (Newquay) Limited	Shirebrook[1]	10089800	100
SDI (Newry) Limited	5th Floor, Lesley Buildings, 61-65 Fountain Street, Belfast, Northern Ireland, BT1 5EX	NI653358	100
SDI (Newton Abbot) Limited	Shirebrook[1]	6836666	100
SDI (NFSK) Limited	Shirebrook[1]	10919102	100
SDI (Northampton) Limited	Shirebrook[1]	7852272	100
SDI (Northwich) Limited	Shirebrook[1]	5656295	100
SDI (Nottingham) Limited	Shirebrook[1]	10100609	100
SDI (Nuneaton) Limited	Shirebrook[1]	7852249	100
SDI (Oswestry) Limited	Shirebrook[1]	7852363	100
SDI (Oxford Street HOF) Limited	Shirebrook[1]	7978784	100
SDI (Oxford Street) Limited	Shirebrook[1]	10046080	100
SDI (Penzance) Limited	Shirebrook[1]	7852297	100
SDI (Peterlee) Limited	Shirebrook[1]	7852401	100
SDI (Plymouth Flannels) Limited	Shirebrook[1]	9127387	100
SDI (Plymouth) Limited	Shirebrook[1]	9470468	100
SDI (Portsmouth) Limited	Shirebrook[1]	12579294	100
SDI (Preston) Limited	Shirebrook[1]	10915199	100
SDI (Propco 100) Limited	Shirebrook[1]	11732700	100
SDI (Propco 101) Limited	Shirebrook[1]	11773466	100
SDI (Propco 102) Limited	Shirebrook[1]	11775629	100
SDI (Propco 105) Limited	Shirebrook[1]	11775597	100
SDI (Propco 107) Limited	Shirebrook[1]	11775706	100
SDI (Propco 111) Limited	Shirebrook[1]	11775722	100
SDI (Propco 112) Limited	Shirebrook[1]	9127160	100
SDI (Propco 114) Limited	Shirebrook[1]	12298708	100
SDI (Propco 115) Limited	Shirebrook[1]	12300052	100
SDI (Propco 116) Limited	Shirebrook[1]	12332460	100
SDI (Propco 117) Limited	Shirebrook[1]	12332456	100
SDI (Propco 118) Limited	Shirebrook[1]	12332859	100
SDI (Propco 119) Limited	Shirebrook[1]	12332862	100
SDI (Propco 125) Limited	Shirebrook[1]	12577378	100
SDI (Propco 131) Limited	Shirebrook[1]	9127266	100
SDI (Propco 133) Limited	Shirebrook[1]	8972499	100
SDI (Propco 134) Limited	Shirebrook[1]	9625631	100
SDI (Propco 137) Limited	Shirebrook[1]	11227321	100
SDI (Propco 35) Limited	Shirebrook[1]	11500282	100
SDI (Propco 36) Limited	Shirebrook[1]	11523336	100
SDI (Propco 37) Limited	Shirebrook[1]	11523343	100
SDI (Propco 38) Limited	Shirebrook[1]	11523424	100
SDI (Propco 39) Limited	Shirebrook[1]	11523440	100
SDI (Propco 40) Limited	Shirebrook[1]	11523489	100
SDI (Propco 41) Limited	Shirebrook[1]	11523621	100
SDI (Propco 42) Limited	Shirebrook[1]	11571953	100
SDI (Propco 43) Limited	Shirebrook[1]	11523609	100
SDI (Propco 44) Limited	Shirebrook[1]	11523608	100
SDI (Propco 45) Limited	Shirebrook[1]	11523654	100
SDI (Propco 46) Limited	Shirebrook[1]	11523748	100

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SDI (Propco 47) Limited	Shirebrook	11530370	100
SDI (Propco 48) Limited (in liquidation)	4th Floor Toronto Square, Toronto Street, Leeds, LS1 2HJ	11523759	100
SDI (Propco 49) Limited	Shirebrook	11526115	100
SDI (Propco 50) Limited	Shirebrook	11526182	100
SDI (Propco 51) Limited	Shirebrook	11527237	100
SDI (Propco 52) Limited	Shirebrook	11526972	100
SDI (Propco 54) Limited	Shirebrook	11527149	100
SDI (Propco 55) Limited	Shirebrook	11527303	100
SDI (Propco 56) Limited	Shirebrook	11527382	100
SDI (Propco 57) Limited	Shirebrook	11527500	100
SDI (Propco 58) Limited	Shirebrook	11527596	100
SDI (Propco 59) Limited	4th Floor Toronto Square, Toronto Street, Leeds, LS1 2HJ	11527584	100
SDI (Propco 60) Limited	Shirebrook	11531386	100
SDI (Propco 61) Limited	Shirebrook	11531382	100
SDI (Propco 62) Limited	Shirebrook	11531444	100
SDI (Propco 63) Limited	Shirebrook	11531503	100
SDI (Propco 64) Limited	Shirebrook	11531506	100
SDI (Propco 65) Limited	Shirebrook	11531532	100
SDI (Propco 67) Limited	Shirebrook	11572676	100
SDI (Propco 68) Limited	Shirebrook	11572831	100
SDI (Propco 69) Limited	Shirebrook	11572830	100
SDI (Propco 70) Limited	Shirebrook	11572933	100
SDI (Propco 71) Limited	Shirebrook	11574887	100
SDI (Propco 73) Limited	Shirebrook	11575050	100
SDI (Propco 74) Limited	Shirebrook	11575091	100
SDI (Propco 75) Limited	Shirebrook	11577256	100
SDI (Propco 76) Limited	Shirebrook	11577617	100
SDI (Propco 77) Limited	Shirebrook	11578164	100
SDI (Propco 80) Limited	Shirebrook	11577670	100
SDI (Propco 81) Limited	Shirebrook	11641123	100
SDI (Propco 83) Limited	Shirebrook	11646302	100
SDI (Propco 85) Limited	Shirebrook	11649632	100
SDI (Propco 86) Limited	Shirebrook	11649235	100
SDI (Propco 87) Limited	Shirebrook	11649336	100
SDI (Propco 88) Limited	Shirebrook	11674753	100
SDI (Propco 89) Limited	Shirebrook	11649347	100
SDI (Propco 90) Limited	Shirebrook	11649431	100
SDI (Propco 91) Limited	Shirebrook	11687077	100
SDI (Propco 92) Limited	Shirebrook	11730204	100
SDI (Propco 93) Limited	Shirebrook	11730253	100
SDI (Propco 94) Limited	Shirebrook	11730440	100
SDI (Propco 96) Limited	Shirebrook	11730503	100
SDI (Propco 98) Limited	Shirebrook	11730868	100
SDI (Propco 99) Limited	Shirebrook	11732772	100

SDI (Ramsgate) Limited	Shirebrook	7852250	100
SDI (Reading) Limited	Shirebrook	10422164	100
SDI (Redcar) Limited	Shirebrook	2731452	100
SDI (Rolle St) Limited	Shirebrook	7852669	100
SDI (Romford) Limited	Shirebrook	10071547	100
SDI (Salisbury) Ltd	Shirebrook	10107572	100
SDI (Scarborough) Limited	Shirebrook	6328463	100
SDI (Scunthorpe Parishes Centre) Limited	Shirebrook	11730442	100
SDI (Scunthorpe) Limited	Shirebrook	7852055	100
SDI (SDI (Propco 136) Limited	Shirebrook	9888635	100
SDI (Southampton 2) Limited	Shirebrook	9665889	100
SDI (Southampton) Limited	Shirebrook	8512480	100
SDI (Southport) Limited	Shirebrook	9888806	100
SDI (St Austell) Limited	Shirebrook	7852284	100
SDI (St Helens) Limited	Shirebrook	7852281	100
SDI (Stafford) Limited	Shirebrook	8568681	100
SDI (Staines) Limited	Shirebrook	11646482	100
SDI (Stockport) Limited	Shirebrook	6372181	100
SDI (Stoke Longton) Limited	Shirebrook	7853877	100
SDI (Stoke Newington) Limited	Shirebrook	7852207	100
SDI (Strabane) Limited	Shirebrook	9890243	100
SDI (Streatham) Limited	Shirebrook	10066335	100
SDI (Strood) Limited	Shirebrook	7852251	100
SDI (Sunderland) Limited	Shirebrook	8755347	100
SDI (Sutton) Limited	Shirebrook	11228011	100
SDI (Swindon) Limited	Shirebrook	9888662	100
SDI (Tallaght) Limited	Shirebrook	10915203	100
SDI (Taunton) Limited	Shirebrook	7852191	100
SDI (Thanet) Limited	Shirebrook	12579034	100
SDI (The House Yarm) Limited	Shirebrook	12332871	100
SDI (The Lion Hotel) Limited	Shirebrook	6836880	100
SDI (Thurrock) Limited	Shirebrook	10089743	100
SDI (Trowbridge) Limited	Shirebrook	12355661	100
SDI (Uxbridge 2) Limited	Shirebrook	9127316	100
SDI (Uxbridge) Limited	Shirebrook	10177276	100
SDI (Wakefield) Limited	Shirebrook	8483711	100
SDI (Walsall) Limited	Shirebrook	7852289	100
SDI (Watford) Limited	Shirebrook	6328505	100
SDI (Widnes) Limited	Shirebrook	8576472	100
SDI (Wigan) IP Limited	Shirebrook	6835407	100
SDI (Wigan) Limited	Shirebrook	12579287	100
SDI (Wishaw) Limited	Shirebrook	6656365	100
SDI (Wrexham) Limited	Shirebrook	10915200	100
SDI (Wythenshawe) Limited	Shirebrook	9659156	100
SDI (Yeovil) Limited	Shirebrook	12577947	100

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SDI (York) Limited	Shirebrook[1]	11331391	100
SDI 2300 Collins LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	6870031	100
SDI 735 Collins LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	68700128	100
SDI Aviation Limited*	Shirebrook[1]	9633152	100
SDI Fitness (Birmingham) Limited	Shirebrook[1]	9038982	100
SDI Fitness (Bury St Edmunds) Limited	Shirebrook[1]	9038949	100
SDI Fitness (Cheltenham) Limited	Shirebrook[1]	9039840	100
SDI Fitness (Colchester) Limited	Shirebrook[1]	9039011	100
SDI Fitness (Croydon) Limited	Shirebrook[1]	9039243	100
SDI Fitness (DW) Limited	Shirebrook[1]	12298794	100
SDI Fitness (Epsom) Limited	Shirebrook[1]	9039043	100
SDI Fitness (Fareham) Limited (In liquidation)	Fourth Floor Toronto Square, Toronto Street, Leeds, LS1 2HJ	9039057	100
SDI Fitness (Formby) Limited	Shirebrook[1]	9039895	100
SDI Fitness (Glasgow) Limited	Shirebrook[1]	9038811	100
SDI Fitness (Guildford) Limited	Shirebrook[1]	9039269	100
SDI Fitness (Hove) Limited	Shirebrook[1]	9039030	100
SDI Fitness (Huntingdon) Limited	Shirebrook[1]	9039881	100
SDI Fitness (K Heath) Limited	Shirebrook[1]	9039717	100
SDI Fitness (K Lynn) Limited	Shirebrook[1]	9039847	100
SDI Fitness (Kettering) Limited	Shirebrook[1]	9039852	100
SDI Fitness (Lincoln City) Limited	Shirebrook[1]	9039331	100
SDI Fitness (Lincoln South West) Limited	Shirebrook[1]	9039319	100
SDI Fitness (Liverpool) Limited	Shirebrook[1]	9039347	100
SDI Fitness (Manchester) Limited	Shirebrook[1]	9039339	100
SDI Fitness (Milngavie) Limited	Shirebrook[1]	9039510	100
SDI Fitness (Newark) Limited	Shirebrook[1]	9039640	100
SDI Fitness (NI 1) Limited	c/o Kennedys, 10th Floor, River House, 48-60 High Street, Belfast, Northern Ireland, BT1 2BE, United Kingdom	NI672034	100
SDI Fitness (NI 2) Limited	c/o Kennedys, 10th Floor, River House, 48-60 High Street, Belfast, Northern Ireland, BT1 2BE, United Kingdom	NI672033	100
SDI Fitness (NI 3) Limited	c/o Kennedys, 10th Floor, River House, 48-60 High Street, Belfast, Northern Ireland, BT1 2BE, United Kingdom	NI672035	100
SDI Fitness (NI 4) Limited	c/o Kennedys, 10th Floor, River House, 48-60 High Street, Belfast, Northern Ireland, BT1 2BE, United Kingdom	NI672885	100
SDI Fitness (NI 5) Limited	c/o Kennedys, 10th Floor, River House, 48-60 High Street, Belfast, Northern Ireland, BT1 2BE, United Kingdom	NI672884	100
SDI Fitness (Northfield) Limited	Shirebrook[1]	9039412	100
SDI Fitness (Rugby) Limited	Shirebrook[1]	9039408	100
SDI Fitness (Sale) Limited	Shirebrook[1]	9039405	100
SDI Fitness (Salisbury) Limited	Shirebrook[1]	9039429	100
SDI Fitness 1 Limited	Shirebrook[1]	12371923	100
SDI Fitness 10 Limited	Shirebrook[1]	12372368	100
SDI Fitness 11 Limited	Shirebrook[1]	12820382	100
SDI Fitness 12 Limited	Shirebrook[1]	12821058	100
SDI Fitness 13 Limited	Shirebrook[1]	12820585	100
SDI Fitness 14 Limited	Shirebrook[1]	12820516	100
SDI Fitness 15 Limited	Shirebrook[1]	12822245	100
SDI Fitness 16 Limited	Shirebrook[1]	12822564	100
SDI Fitness 17 Limited	Shirebrook[1]	12822692	100
SDI Fitness 18 Limited	Shirebrook[1]	12822794	100
SDI Fitness 19 Limited	Shirebrook[1]	12822856	100
SDI Fitness 2 Limited	Shirebrook[1]	12372165	100
SDI Fitness 20 Limited	Shirebrook[1]	12823728	100
SDI Fitness 21 Limited	Shirebrook[1]	12823572	100
SDI Fitness 22 Limited	Shirebrook[1]	12823510	100
SDI Fitness 23 Limited	Shirebrook[1]	12823786	100
SDI Fitness 24 Limited	Shirebrook[1]	12823986	100
SDI Fitness 25 Limited	Shirebrook[1]	12823926	100
SDI Fitness 26 Limited	Shirebrook[1]	12825248	100
SDI Fitness 27 Limited	Shirebrook[1]	12830411	100
SDI Fitness 28 Limited	Shirebrook[1]	12825356	100
SDI Fitness 29 Limited	Shirebrook[1]	12825569	100
SDI Fitness 3 Limited	Shirebrook[1]	12372169	100
SDI Fitness 30 Limited	Shirebrook[1]	12825721	100
SDI Fitness 31 Limited	Shirebrook[1]	12930743	100
SDI Fitness 32 Limited	Shirebrook[1]	12930838	100
SDI Fitness 33 Limited	Shirebrook[1]	12930826	100
SDI Fitness 34 Limited	Shirebrook[1]	12930829	100
SDI Fitness 35 Limited	Shirebrook[1]	12930938	100
SDI Fitness 36 Limited	Shirebrook[1]	12930954	100
SDI Fitness 37 Limited	Shirebrook[1]	12930944	100
SDI Fitness 38 Limited	Shirebrook[1]	09038724	100
SDI Fitness 39 Limited	Shirebrook[1]	09038768	100
SDI Fitness 4 Limited	Shirebrook[1]	12372174	100
SDI Fitness 40 Limited	Shirebrook[1]	09038881	100
SDI Fitness 41 Limited	Shirebrook[1]	09038839	100
SDI Fitness 42 Limited	Shirebrook[1]	09038943	100
SDI Fitness 43 Limited	Shirebrook[1]	09039023	100
SDI Fitness 44 Limited	Shirebrook[1]	09039343	100
SDI Fitness 45 Limited	Shirebrook[1]	09039481	100
SDI Fitness 46 Limited	Shirebrook[1]	13030435	100

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SDI Fitness 47 Limited	Shirebrook(1)	13030364	100
SDI Fitness 48 Limited	Shirebrook(1)	13030107	100
SDI Fitness 49 Limited	Shirebrook(1)	13030173	100
SDI Fitness 5 Limited	Shirebrook(1)	12372199	100
SDI Fitness 50 Limited	Shirebrook(1)	13030175	100
SDI Fitness 6 Limited	Shirebrook(1)	12372224	100
SDI Fitness 7 Limited	Shirebrook(1)	12372218	100
SDI Fitness 8 Limited	Shirebrook(1)	12372305	100
SDI Fitness 9 Limited	Shirebrook(1)	12372303	100
SDI Four Limited	Shirebrook(1)	9719779	100
SDI Gift Card LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	S6773735	100
SDI Golf Limited	Shirebrook(1)	9083512	100
SDI Holdings USA inc	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	6651201	100
SDI Lifestyle Limited	Shirebrook(1)	8293614	100
SDI Properties (USA) Inc.	Corporation Service Company, 2 Office Park Court, Suite 103 Columbia	535872	100
SDI Property (Europe) B.V.	Van Konijnenburgweg 45, 4672PL Bergen op Zoom Netherlands	69042594	100
SDI Property (Evans Cycles) Limited	Shirebrook(1)	11646219	100
SDI Property Limited*	Shirebrook(1)	2767493	100
SDI Property US Inc	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	68700024	100
SDI Property US Limited	Shirebrook(1)	11323420	100
SDI Retail Services Limited	Shirebrook(1)	8143303	100
SDI Sport London Limited	Shirebrook(1)	9848767	100
SDI Sports (SC 2016) Ltd	Shirebrook(1)	429750	100
SDI Sports (Stoke) Limited	Shirebrook(1)	10163722	100
SDI Sports Group Americas LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	2047393	100
SDI Stores LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	1240332	100
SDI USA LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	6385155	100
SDI Ventures LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States	6870023	100
SDI Property (Bitburg) B.V.	Netherlands	82495807	100
SDI.com Fitness Parent Limited*	Shirebrook(1)	9082454	100
SDIL S.A.	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	810.198.636	100
Seven Strong Limited	Shirebrook(1)	7756386	100
Shelfco A3 Limited	Shirebrook(1)	10687408	100
SIA SIG Logistics	A. Deglava str 50 LV-1-35 Riga Latvia	4020311076	60
SIA Sportland	A. Deglava str 50 LV-1-35 Riga Latvia	40003530961	60
SIA Sportsdirect.com	A. Deglava str 50 LV-1-35 Riga Latvia	40103932873	60
Ski and Outdoor Warehouse Limited	Shirebrook(1)	2917223	100
Skins IP Limited	Shirebrook(1)	12168568	100
Slazenger Carlton (Holdings) Limited	Shirebrook(1)	10463051	100
Slazengers Australia Limited	Shirebrook(1)	9217319	100
Slazengers Limited	Shirebrook(1)	116000	100
Smith & Brooks Limited	Shirebrook(1)	2073720	100
Smith And Brooks Group Limited	Shirebrook(1)	4079331	100
Smith And Brooks Holdings Limited	Shirebrook(1)	4983573	100
SNÔ Sport Vertriebs GmbH	Flugplatzstraße 30, 4600, Wels Austria	272671 m	100
Sofa Manufacture Ireland Limited	The Black Church , St Mary;s Place, Dublin D07 p4AX Ireland	69923	100
Sofa.com Bidco Limited	Shirebrook(1)	9341955	100
Sofa.com BV	Flaas 4 V 6, Den Dungen, 5275HH, Netherlands	17196766	100
Sofa.com Ltd	Shirebrook(1)	5222498	100
Sondico IP Limited	Shirebrook(1)	6546121	100
Spinsort Limited	Shirebrook(1)	6029888	100
Sport Eybl & Sports Experts Logistikbetriebs GmbH	Flugplatzstraße 30, 4600, Wels Austria	FN 96024 m	100
Sport Eybl Holding GmbH	Flugplatzstraße 30, 4600, Wels Austria	180095 x	100
Sportdirect.com China Pte Limited	C25, 3rd Floor, ASEAN Building, 690 Minzhi Avenue, Xinniu Community, Minzhi Street, Longhua District, Shenzhen, China	91440300579987503D	100
Sportland Eestie A.S.	Parnu mnt 139c Kesklinna, Tallinn Estonia 11317	10677712	60
Sportland International Group A.S.	Parnu mnt 139c Kesklinna, Tallinn Estonia 11317	10993195	60
Sports Direct (Singapore) Pte.Ltd	6 Eu Tong Sen Street, #11-09, The Central, 059817, Singapore	202004542Z	51
Sports Direct Asia Retail Sdn Bhd	Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur W.P. Malaysia	201901040821	51
Sports Direct Holdings Limited*	Shirebrook(1)	6464317	100

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Sports Direct International Holdings Limited*	Shirebrook[1]	6027131	100
Sports Direct International Limited	Shirebrook[1]	11775757	100
Sports Direct MST Sdn Bhd	Level 15-2, Bangunan Faber Imperial Court Jalan Sultan Ismail 52200 Kuala Lumpur Malaysia	925116-M	51
Sports World International Limited	Shirebrook[1]	6531266	100
Sports World The Netherlands B.V.	Van Konijenburgweg 45, 4612 PL Bergen op zoom, Netherlands	34056291	100
Sportsdirect (Iceland) ehf	Skogarlind 2, 201, Kopavogur, Iceland	6301121760	100
Sportsdirect.com (Asia) Ltd	Unit 1903B & 1905, Exchange Tower,, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	1216339	100
Sportsdirect.com (Shanghai) Limited	Room 315, 3rd Floor Building 2, No 239 Gang'ao Road, China (Shanghai) Pilot Free Zone, Shanghai, China	91310115MA1K463A6B	90
Sportsdirect.com (Taiwan) Limited	6F.-8&-9, No. 213, Chaofu Rd., Xitun Dist., Taichung City 407, Taiwan	82770619	95
Sportsdirect.com Austria GmbH	Flugplatzstraße 30, 4600, Wels Austria	309738 y	100
Sportsdirect.com Belgium S.A.	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	416.268.471	100
Sportsdirect.com Cyprus Limited	Miltiades Stylianou 34B, Shop 2, 8577 Tala, Paphos, Cyprus	HE 230340	100
Sportsdirect.com Czech Republic s.r.o.	Prague 1 - Nove Mesto, Na Porici 1079/3a, 100 00, Czech Republic	24268933	100
Sportsdirect.com Fitness Limited	Shirebrook[1]	9028577	100
Sportsdirect.com France	Zac des Brateaux, Rue des Brateaux, 9100, Villabe, France	FR27379062813	100
Sportsdirect.com Hungary Kft	H-1053 Budapest, Karolyi Mihaly utca 12, Hungary	01-09-986824	100
Sportsdirect.com Immobilien GmbH	Flugplatzstraße 30, 4600, Wels Austria	104151 p	100
Sportsdirect.com Malta Limited	Brewery Street, Zone 3 Central Business District Birkirkara CBD 3040 Malta	C99278	100
Sportsdirect.com OU	Parnu mnt 139c, Kesklinna, Tallinn, 11318, Estonia	1285837	100
Sportsdirect.com Poland S.P.Z.oo	5 Skladowa Street, 61-888 Poznań,, Poland , 00-872, Warsaw	452610	100
Sportsdirect.com Pty Ltd	c/o Norton Rose Fulbright, L11, 485 Bourke Street, Melbourne VIC 3000, Australia	603 187 319	100
Sportsdirect.com Retail (Europe) S.A.*	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	458883046	100
Sportsdirect.com Retail Limited*	Shirebrook[1]	3406347	100
Sportsdirect.com S.L.U. Spain	Centro Comercial Puerto Venecia, Local 84, Travesía de los Jardines Reales nº 7, 50021, Zaragoza , Spain	B-86567880	100
Sportsdirect.com Slovakia s.r.o.	Vysoka 2/B, 81106, Bratislava, Slovakia	47 240 458	100
Sportsdirect.com SLVN d.o.o.	Planjava 4, 1236 Trzin, Slovenia	1198157000	100
Sportsdirect.com Switzerland A.G. Switzerland CHE-	Zeughausgasse 27, 3011 Bern, Switzerland	331.683.991	100
Sportsdirect.com Vienna North GmbH	Wels, Flugplatzstrabe 30	FN104486G	100
SSG Sport GmbH (SSD)	Vornholzstr. 48, , 94036, Passau, Germany	HRB 7134	100
Sterling Resources (Holdings) Limited	Shirebrook[1]	4651701	100
Sterling Resources Limited	Shirebrook[1]	1413254	100
Stirlings (Argyle Street) Limited	Martin House, 184 Ingram Street, Glasgow, Scotland, G1 1DN	SC088108	100
Straub Corporation Limited	Shirebrook[1]	3003584	100
Strike Success Ltd	Shirebrook[1]	11820529	100
Suplay Investments S.l.	C.C.Puerto Venecia, local 84, Trav. Jardines Reales, 7, 50021 Zaragoza, Spain	B88542691	100
Swimmo Eupen SPRL	Parc Industriel, Avenue Ernest, Solvay 29 1480 Saintes, Belgium	878673906	100
Table Tennis Pro Europe Ltd	Shirebrook[1]	5003853	100
The Antigua Group Inc	3773 Howard Huges Pkway, STE 500S Las vegas, Nevada, USA 89169-6014	0734679-4	100
The Flannels Group Limited	Shirebrook[1]	2318510	100
The Trademark Licensing Company Limited	Shirebrook[1]	4477829	100
Total Estates Limited	Shirebrook[1]	4958214	100
Tri Yeovil UK Limited	Shirebrook[1]	10680690	100
UAB SDI (Gedimino) LT	Seimyniskiu g. 3, Vilnius, Lithuania	135039836	51
UAB Sportland LT	Seimyniskiu g. 3, Vilnius, Lithuania	135039836	51
UAB Sportsdirect.com	Seimyniskiu g. 3, Vilnius, Lithuania	304155613	51
Universal Cycles Limited	Shirebrook[1]	1339667	100
USA Pro IP Limited	Shirebrook[1]	6497914	100
USC IP Limited	Shirebrook[1]	6836808	100
Used Tackle Limited	Shirebrook[1]	7989154	100
Van Mildert (Lifestyle) Limited	Shirebrook[1]	8319959	100
Vinecomb Investments Holdings Limited	Shirebrook[1]	10161816	100
Vinecomb Investments Limited	Shirebrook[1]	2206022	100
Voodoo Dolls Brand Limited	Shirebrook[1]	5323305	100
Wareshop2 Limited	Shirebrook[1]	9870840	100
Warrnambool *	Heaton House , IDA Business Park, Whitestown, Tallaght, Dublin 24, Ireland	387014	100
Waterline Angling Products Limited	Shirebrook[1]	2696374	100
West Coast Capital (HOFCO) Limited	15 Atholl Crescent, Edinburgh, EH3 8HA	SC437614	100
Westminster Manufacturing LLC	2 Office Park Court , Suite 103, Coumbia SC 29233 USA	44358	100
Wildlow Limited	Shirebrook[1]	4571678	100
William Sykes Limited	Shirebrook[1]	123229	100
World of Service International Limited	Shirebrook[1]	1202465	100
World of Service Limited	Shirebrook[1]	6020729	100
Yeomans Outdoors Limited	Shirebrook[1]	8058714	100
Zaparah SPz.o.o	ul. Żernicka 22, Robakowo, 62-023 Gądki, Poland	KRS 0000459435	100

(1) Unit A, Brook Park East, Shirebrook, NG20 8RY
*Direct shareholdings held by Frasers Group plc.
(2) Unity House, Telford Road, Basingstoke, Hampshire, RG12 6YJ

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Frasers Group plc intends to provide a parental guarantee for the following United Kingdom incorporated subsidiaries thus entitling them to exemption from statutory audit under section 479A of the Companies Act 2006.

COMPANY NAME	COMPANY NUMBER	COMPANY NAME	COMPANY NUMBER
Direct Fishing Limited	08203469	SDI (Market Road) Limited	10799247
Hot Tuna IP Limited	06836792	SDI (Middlesbrough) Limited	10081909
SD Equestrian Limited	08692780	SDI (Nassau Street) Limited	11227964
SD Outdoor Limited	08560260	SDI (Neath) Limited	07853548
SDI (Aberdeen) Limited	08512592	SDI (New Cavendish Street) Limited	06306917
SDI (Aberwystwyth) Limited	02789996	SDI (Newark) Limited	07853470
SDI (Aintree) Limited	03352462	SDI (Newcastle) Limited	09127286
SDI (Ashford) Limited	07848460	SDI (Newport) Limited	08679118
SDI (Ashington) Limited	07849231	SDI (Newquay) Limited	10089800
SDI (Ayr) Limited	05528267	SDI (Newton Abbot) Limited	06836666
SDI (Bangor) Limited	05529705	SDI (Northampton) Limited	07852272
SDI (Barrow In Furness) Limited	07851574	SDI (Northwich) Limited	05656295
SDI (Beddgelert) Limited	08577551	SDI (Nottingham) Limited	10100609
SDI (Belfast) Limited	09872471	SDI (Nuneaton) Limited	07852249
SDI (Berwick) Limited	02739957	SDI (Oswestry) Limited	07852363
SDI (Betws-Y-Coed) Limited	06836673	SDI (Oxford Street) Limited	10046080
SDI (Bexleyheath) Limited	09788372	SDI (Paisley) Limited	02933408
SDI (Birkenhead) Limited	07849198	SDI (Penzance) Limited	07852297
SDI (Bishop Auckland) Limited	03004246	SDI (Peterlee) Limited	07852401
SDI (Bridgwater) Limited	07852061	SDI (Plymouth Flannels) Limited	09127387
SDI (Brixton) Limited	09127300	SDI (Plymouth) Limited	09470468
SDI (Burton) Limited	08495632	SDI (Preston) Limited	10915199
SDI (Cardiff Flannels) Limited	10177359	SDI (Ramsgate) Limited	07852250
SDI (Carlisle) Limited	07851959	SDI (Reading) Limited	10422164
SDI (Chatham) Limited	06836679	SDI (Redcar) Limited	02731452
SDI (Cheshunt 2) Limited	11775717	SDI (Rolle St) Limited	07852669
SDI (Cheshunt) Limited	11775599	SDI (Romford) Limited	10071547
SDI (Clacton) Limited	07852078	SDI (Salisbury) Limited	10107572
SDI (Colchester) Limited	05632790	SDI (Scarborough) Limited	06328463
SDI (Cork) Limited	11775763	SDI (Scunthorpe) Limited	07852055
SDI (Darlington) Limited	10915193	SDI (Slough) Limited	07852417
SDI (Derby) Limited	09310031	SDI (Solihull) Limited	08612647
SDI (Derry) Limited	NI653340	SDI (Southampton 2) Limited	09665889
SDI (Doncaster) Limited	09888670	SDI (Southampton) Limited	08512480
SDI (Dundee) Limited	09702004	SDI (Southport) Limited	09888806
SDI (Dunfermline) Limited	08483679	SDI (St Austell) Limited	07852284
SDI (East Ham) Limited	09810378	SDI (St Helens) Limited	07852281
SDI (East Kilbride) Limited	06656368	SDI (Stafford) Limited	08568681
SDI (Edinburgh) Limited	10100990	SDI (Stoke Longton) Limited	07853877
SDI (Enfield) Limited	10086209	SDI (Stoke Newington) Limited	07852207
SDI (Fulham) Limited	07852037	SDI (Strabane) Limited	09890243
SDI (Gainsborough) Limited	06338907	SDI (Streatham) Limited	10066335
SDI (Galashiels) Limited	07852091	SDI (Strood) Limited	07852251
SDI (Glasgow Fort) Limited	09861504	SDI (Sunderland High Street) Limited	10107775
SDI (Glasgow Frasers) Limited	11531596	SDI (Sunderland) Limited	08755347
SDI (Glasgow Ingram Street) Limited	09925519	SDI (Sutton) Limited	11228011
SDI (Gloucester) Limited	07852067	SDI (Swindon) Limited	09888662
SDI (Great Yarmouth) Limited	11732687	SDI (Tallaght) Limited	10915203
SDI (Hanley) Limited	11228017	SDI (Taunton) Limited	07852191
SDI (Hastings) Limited	08625893	SDI (Thurrock) Limited	10089743
SDI (Hereford) Limited	09888642	SDI (Uxbridge 2) Limited	09127316
SDI (Hofco) Limited	08319960	SDI (Uxbridge) Limited	10177276
SDI (Hoh Holdings) Limited	10161592	SDI (Wakefield) Limited	08483711
SDI (Hounslow) Limited	10086218	SDI (Walsall) Limited	07852289
SDI (Hull) Limited	09638564	SDI (Watford) Limited	06328505
SDI (Ipswich) Limited	09788411	SDI (Weymouth) Limited	06716652
SDI (Isle Of Man) Limited	09901745	SDI (Widnes) Limited	08576472
SDI (K Lynn) Limited	10073076	SDI (Wigan) Limited	12579287
SDI (Keighley) Limited	06260239	SDI (Wishaw) Limited	06656365
SDI (Kendal) Limited	06338918	SDI (Wolverhampton) Limited	09788373
SDI (Kentish Town) Limited	09901702	SDI (Wythenshawe) Limited	09659156
SDI (Kidderminster) Limited	09203731	SDI (York) Limited	11331391
SDI (Kilmarnock) Limited	07853433	SDI Four Limited	09719779
SDI (Kingston) Limited	10915209	SDI Golf Limited	09083512
SDI (Kirkcaldy) Limited	07852097	SDI Properties (Wigan) Limited	06836522
SDI (Leeds) Limited	09293515	SDI Property Limited	02767493
SDI (Leicester) Limited	09127170	SDI Sport London Limited	09848767
SDI (Liverpool) Limited	09888734	SDI Sports (East Ham) Limited	10259103
SDI (Lowestoft) Limited	07852265	SDI Sports (Stoke) Limited	10163722
SDI (Lsl Holdings) Limited	10161824	Stirlings (Argyle Street) Limited	SC088108
SDI (Luton) Limited	09680625	Vinecomb Investments Holdings Limited	10161816
SDI (Manchester Cheetham Hill) Limited	10100969	Wareshop1 Limited	09870849
SDI (Manchester Denton) Limited	09127295	Wareshop3 Limited	09870808
Alpha Developments Stockport Limited	12662564	SDI (Propco 75) Limited	11577256
SDI (Stockport) Limited	06372181		

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FRASERS GROUP PLC COMPANY BALANCE SHEET

at 25 April 2021

	Notes	As at 25 April 2021 (£m)	As at 26 April 2020 (£m)
FIXED ASSETS			
Investments	2	1,494.9	1,235.8
CURRENT ASSETS			
Debtors	4	162.9	86.8
Cash at bank and in hand		16.1	333.6
		179.0	**420.4**
Creditors: amounts falling due within one year	5	(609.0)	(901.5)
NET CURRENT LIABILITIES		**(430.0)**	**(481.1)**
NET ASSETS		**1,064.9**	**754.7**
CAPITAL AND RESERVES			
Called up share capital	7	64.1	64.1
Share premium		874.3	874.3
Treasury share reserve		(295.7)	(295.7)
Permanent contribution to capital		0.1	0.1
Capital redemption reserve		8.0	8.0
Own share reserve		(66.7)	(67.0)
Share based payment reserve		0.8	-
Profit and Loss account		480.0	170.9
SHAREHOLDERS' FUNDS		**1,064.9**	**754.7**

Frasers Group plc reported a profit after taxation for the 52 weeks ended 25 April 2021 of £231.8m (FY20: a loss of £47.7m).

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

The Financial Statements were approved by the Board on 5 August 2021 and were signed on its behalf by: C-Wo

Chris Wootton

Chief Financial Officer

Company number: 06035106

COMPANY STATEMENT OF CHANGES IN EQUITY

For the 52 weeks **ended 25 April 2021**

	Called up share capital (£m)	Share premium account (£m)	Treasury share reserve (£m)	Perm contn to capital (£m)	Capital redemption reserve (£m)	Own share reserve (£m)	Share based payment reserve (£m)	Profit & Loss Account (£m)	Total (£m)
AS AT 28 APRIL 2019	**64.1**	**874.3**	**(281.7)**	**0.1**	**8.0**	**(67.2)**	**-**	**241.3**	**838.9**
(Loss) for the financial period	-	-	-	-	-	-	-	(47.7)	**(47.7)**
Fair value adjustment in respect of long-term financial assets - recognised	-	-	-	-	-	-	-	(22.7)	**(22.7)**
Share purchase	-	-	(44.0)	-	-	0.2	-	-	**(43.8)**
Reversal of prior year fair valuation of share buyback contractual obligation	-	-	30.0	-	-	-	-	-	**30.0**
AS AT 26 APRIL 2020	**64.1**	**874.3**	**(295.7)**	**0.1**	**8.0**	**(67.0)**	**-**	**170.9**	**754.7**
Profit for the financial period	-	-	-	-	-	-	-	231.8	**231.8**
Fair value adjustment in respect of long-term financial assets - recognised	-	-	-	-	-	-	-	77.3	**77.3**
Share scheme	-	-	-	-	-	0.3	0.8	-	**1.1**
AS AT 25 APRIL 2021	**64.1**	**874.3**	**(295.7)**	**0.1**	**8.0**	**(66.7)**	**0.8**	**480.0**	**1,064.9**

The share premium account is used to record the excess proceeds over nominal value on the issue of shares. The permanent contribution to capital relates to a cash payment of £50,000 to the Company on 8 February 2007 under a deed of capital contribution. The capital redemption reserve arose on the redemption of the Company's redeemable preference shares of 10p each at par on 2 March 2007. The own shares and treasury reserves represent the cost of shares in Frasers Group plc purchased in the market and held by Frasers Group plc Employee Benefit Trust to satisfy options under the Group's Share Scheme. For further information see note 25 in the Group Notes to the financial statements.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the 52 weeks **ended 25 April 2021**

1. ACCOUNTING POLICIES

Accounting Policies

Frasers Group plc (the "Company") (Company number: 06035106) is a company incorporated and domiciled in the United Kingdom, its shares are listed on the London Stock Exchange. The registered office is Unit A, Brook Park East, Shirebrook, NG20 8RY.

These financial statements have been prepared in compliance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £0.1m.

These accounts have been prepared in accordance with applicable United Kingdom accounting standards. A summary of the material accounting policies adopted are described below.

Basis Of Accounting

The accounts have been prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

These financial statements for the period ended 25 April 2021 are prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

As permitted by Section 408 of the Companies Act 2006, a profit and loss account of the Company is not presented. The Company's profit after taxation for the 52-week period ended 25 April 2021 was £231.8m (FY20: loss of £47.7m).

As permitted by FRS 102 the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, share-based payments, the aggregate remuneration of key management personnel and related party transactions with other wholly-owned members of the Group. Where required, equivalent disclosures are given in the Group accounts of Frasers Group plc.

Principal Activity

The principal activity of Frasers Group plc is that of an investment holding company.

Investments

Fixed asset investments in subsidiaries are accounted for at cost less provision for impairment. In the Group accounts associates are accounted for under the equity method by which the Group's investment is initially recorded at cost and subsequently adjusted to reflect the Group's share of the net assets of the associate. As this is not permitted under FRS 102 associates are accounted for at cost less provision for impairment. An assessment is made at each reporting date of whether there are indications that the Company's investment in subsidiaries or associates may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset. Shortfalls between the carrying value of the investment and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in profit or loss.

The Company has followed the requirements of IFRS 9 for listed investments, as permitted by FRS 102 Section 12. The Company has made the irrevocable election available under IFRS 9 to account for the investments at fair value through the other comprehensive income (FVOCI).

Fair value movements through other comprehensive income

Elections are made on an instrument-by-instrument basis to account for movements in selected instruments through other comprehensive income. The Company has elected to account for movements in its listed investments through other comprehensive income. These investments are not subject to impairment and gains and losses are not recycled to the profit and loss account on the disposal of listed investments. Dividend income is recognised in the profit and loss account.

This treatment does not apply to investments in the Company's subsidiaries and associates where movements are recognised in the profit and loss account and investments are subject to impairment.

Associates

An entity is treated as an associated undertaking where the Company exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

Financial Assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. Provision for impairment is established when there is objective evidence that the Company will not be able to collect amounts due according to the original terms of the receivable. The Company applies a consistent accounting policy as the Group in terms of impairment of financial assets and the recognition of expected credit losses.

Financial Liabilities

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Employee Benefit Trust

An Employee Benefit Trust has been established for the purposes of satisfying certain share based awards. The Group has 'de facto' control over the special purpose entity.

The cost of shares acquired by the Sports Direct Employee Benefit Trust is recognised within 'Own share reserve' in equity.

Deferred Taxation

Deferred tax is provided for on a full provision basis on all timing differences, which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in the future is more unlikely than not.

Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign Currencies

Transactions in foreign currencies are initially recorded in the Company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Dividends

Dividends on the Company's ordinary shares are recognised as a liability in the Company's Financial Statements, and as a deduction from equity, in the period in which the dividends are declared. Where such final dividends are proposed subject to the approval of the Company's shareholders, the final dividends are only declared once shareholder approval has been obtained.

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Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company, with the exception of those accounted for via merger relief available under Section 612 of the Companies Act 2006, are recorded at the proceeds received, net of any direct issue costs.

Income From Group Undertakings

Income from Group undertakings is recognised when qualifying consideration is received from the Group undertaking.

Related Party Transactions

The Company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with wholly-owned subsidiaries which form part of the Group. See note 34 of the Group Financial Statements for further details of related party transactions.

Share-Based Payments

The Company issues from time to time equity-settled share-based payments to certain Directors and employees of the Company and its subsidiaries. These are measured at fair value at the date of grant, which is expensed to profit and loss on a straight-line basis over the vesting period, with the corresponding credit going to equity.

Non-market vesting conditions are not taken into account in determining grant date fair value. Instead, they are taken into account by adjusting the number of equity instruments to vest. At the end of each reporting period the Company revises its estimates of the number of options that are expected to vest based on the non market vesting and service conditions. Any revisions, if any, are recognised in profit and loss with an adjustment to equity.

Fair value is calculated using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and the expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the scheme. The expected staff numbers used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

For cash-settled share-based payment transactions, the Company measures the services received and the liability incurred at the fair value of the liability. Until the liability is settled, the Company remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the Income Statement for the period.

The credit for the share based payment charge does not equal the charge per the profit and loss as it excludes amounts recognised in the balance sheet in relation to the expected national insurance contributions for the shares.

Critical Accounting Estimates And Judgements

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Control and Significant Influence Over Certain Entities

The Company holds greater than 20% of the voting rights of Studio Retail Group plc and Mulberry Group plc. The Company exercises the same judgements as per Note 2 of the Group financial statements on assessing whether it has control and significant influence over associates and joint ventures.

Impairment of Investments

At each period end management assess the future performance of entities with which the Company holds an investment in to ascertain the future economic value of its investments. Judgement is involved in the assessment of future performance and this involves an element of estimation uncertainty. As at the period end the directors have reviewed the carrying value of its investments and has made impairments as disclosed in Note 2 of the Company financial statements.

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2. INVESTMENTS

	Investment in subsidiaries	Investments in associates	Long-term financial assets	Total
	(£m)	(£m)	(£m)	(£m)
AS AT 28 APRIL 2019	**1,124.2**	**11.0**	**80.9**	**1,216.1**
Additions	37.5	4.8	24.2	**66.5**
Transfer	15.8	(15.8)	-	-
Impairment charge	(22.0)	-	-	**(22.0)**
Disposals	-	-	(2.1)	**(2.1)**
Amounts recognised through other comprehensive income	-	-	(22.7)	**(22.7)**
AS AT 26 APRIL 2020	**1,155.5**	**-**	**80.3**	**1,235.8**
Additions	78.9	-	113.3	**192.2**
Impairment charge	(1.1)	-	-	**(1.1)**
Disposals	-	-	(5.6)	**(5.6)**
Amounts recognised through other comprehensive income	-	-	77.3	**77.3**
Exchange differences	-	-	(3.7)	**(3.7)**
AS AT 25 APRIL 2021	**1,233.3**	**-**	**261.6**	**1,494.9**

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

Long-term financial assets include various holdings including a 35.6% stake in Studio Retail Group plc and a 36.9% stake in Mulberry Group plc for further details refer to Note 20 of the Group Financial Statements.

For further disclosures in relation to investments in associates and long term financial assets see note 19, 20 and 34 of the Group Financial Statements.

The Directors assess the value of the investments in subsidiaries at each period end for indicators of impairment. For the period ended 25 April 2021 an impairment loss of £1.1m has been recognised within the income statement for loss making companies where the recoverable amount is less than the carrying value (FY20: £22.0m). The additions to investments in subsidiaries in the period are due to a reorganisation of the US subsidiaries.

The Company is the principal holding company of the Group. The principal subsidiary undertakings of the Company are set out in note 37 of the Group Financial Statements.

The Group's policies for financial risk management are set out in Note 3 and Note 29 of the Group Financial Statements.

3. FINANCIAL INSTRUMENTS

Financial Assets And Liabilities By Category

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

	25 April 2021	26 April 2020
	(£m)	(£m)
FINANCIAL ASSETS		
AMORTISED COST:		
Trade and other receivables*	138.1	74.3
FVOCI:		
Long Term Financial Assets (Equity Instruments)	261.6	80.3
DERIVATIVE FINANCIAL ASSETS (FV):		
Derivative financial assets – contracts for difference	20.1	7.7
	419.8	**162.3**
FINANCIAL LIABILITIES		
AMORTISED COST:		
Trade and other payables	607.3	867.1
DERIVATIVE FINANCIAL LIABILITIES (FV):		
Derivative financial Liabilities – contracts for difference	1.7	34.4
	609.0	**901.5**

* Prepayments of £3.7m (FY20: £0.1m), corporation tax of £1.0m (FY20: £1.0m) and deferred tax assets of £nil (FY20: £3.7m) are not included as a financial asset.

4. DEBTORS

	25 April 2021	26 April 2020
	(£m)	(£m)
Amounts owed by Group undertakings	6.8	-
Derivative financial assets	20.1	7.7
Other debtors	131.3	74.3
Corporation tax	1.0	1.0
Prepayments	3.7	0.1
Deferred tax assets (note 6)	-	3.7
	162.9	**86.8**

Other debtors includes £131.0m (FY20: £71.3m) of deposits in respect of derivative financial instruments which are collateral to cover margin requirements for derivative transactions held with counterparties. The collateral requirement changes with the market (which is dependent on share price, interest rates and volatility) and further purchases / sales of underlying investments held.

Further information on derivative financial assets can be found in the Group consolidated accounts in the financial instruments note 29 and the financial risk management disclosure note 3.

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5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	25 April 2021 (£m)	26 April 2020 (£m)
Trade creditors	1.3	0.5
Amounts owed to Group undertakings	602.5	865.8
Derivative financial liabilities	1.7	34.4
Other creditors	3.5	0.8
	609.0	**901.5**

The amounted owed to Group undertakings mainly relates to an unsecured interest free loan with Sportsdirect.com Retail Limited which is repayable on demand.

Further information on derivative financial liabilities can be found in the Group consolidated accounts in the financial instruments note 29 and the financial risk management disclosure note 3.

Other creditors at 25 April 2021 mostly relate to the accrual for costs payable to MM Prop Consultancy Limited, see note 34 of the Group financial statements.

6. DEFERRED TAX ASSETS

	Other temporary differences
AT 28 APRIL 2019	**3.3**
Credited to the profit and loss account	0.4
AT 26 APRIL 2020	**3.7**
Charged to the profit and loss account	(3.7)
AT 25 APRIL 2021	**-**

The tax rate used to measure the deferred tax assets and liabilities was 19% (FY20: 19%) on the basis that these were the tax rates that were substantively enacted at the balance sheet date for the periods when the assets and liabilities are expected to reverse.

7. CALLED UP SHARE CAPITAL

	25 April 2021 (£m)	26 April 2020 (£m)
AUTHORISED		
999,500,010 ordinary shares of 10p each	100.0	100.0
499,990 redeemable preference shares of 10p each	-	-
	100.0	**100.0**
CALLED UP AND FULLY PAID		
640,602,369 (FY20: 640,602,369) ordinary share of 10p each	64.1	64.1
SHARE CAPITAL	**64.1**	**64.1**

The company holds 121,260,175 ordinary shares in treasury as at the period end date (FY20: 121,260,175).

8. POST BALANCE SHEET EVENTS

On 4 May 2021 the Group commenced a share buyback programme with the aggregate purchase price of all shares acquired under the programme to be no greater than £60m and the maximum number of shares to be purchased of 10m ordinary shares with a nominal value of 10p each. The purposes of the programme was to reduce the share capital of the Company. 3,895,835 ordinary shares of 10p each for consideration of £22,429,985 were acquired through this programme.

On 21 June 2021 the Group commenced an irrevocable non-discretionary share buyback programme to purchase the Group's shares during the closed period which commenced 21 June 2021 and ends on the day of reporting full year FY21 results. The aggregate purchase price of all shares acquired under the programme were no greater than £60m and the maximum number of shares to be purchased were 10m ordinary shares with a nominal value of 10p each. The purpose of the programme was to reduce the share capital of the Company. In total to date 2,024,127 ordinary shares of 10p each for consideration of £11,937,385 have been acquired through this programme.

The Board is now in discussions with regards to transitioning the CEO role from Mike Ashley to Michael Murray over the course of FY22. It is currently proposed that Michael Murray will assume the role of CEO on 1 May 2022. A reward and remuneration package is now under consideration on the assumption Michael Murray will assume the CEO role. Any reward and remuneration package will be subject to any requisite shareholder approval.

The Group's elevation strategy is transforming the business and receiving positive feedback from consumers and our brand partners, especially on projects such as the new Oxford Street Sports Direct which opened in June 2021.

The Board consider it appropriate that Michael leads us forward on this increasingly successful elevation journey.

Should Michael Murray assume the CEO role, Mike Ashley would step down from the CEO role at the same time but would remain on the Board as an executive director.

9. PAYROLL COSTS

Frasers Group plc has no direct employees, the Directors are remunerated through Sportsdirect.com Retail Limited. Details of the Directors' remuneration can be found in the Directors' Remuneration Report.

10. RELATED PARTY TRANSACTIONS

Related party transactions with the Company are disclosed within note 34 in the Group Financial Statements.

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GLOSSARY

CONSOLIDATED FIVE YEAR RECORD

Unaudited Income statement

	52 weeks ended 25 April 2021 (£m)	52 weeks ended 26 April 2020 (£m)	52 weeks ended 28 April 2019 (£m)	52 weeks ended 29 April 2018 (restated) (£m)	53 weeks ended 30 April 2017 (£m)
CONTINUING OPERATIONS:					
REVENUE	**3,625.3**	3,957.4	3,701.9	3,359.5	3,245.3
Cost of sales	**(2,094.5)**	(2,294.8)	(2,118.4)	(2,024.4)	(1,914.7)
GROSS PROFIT	**1,530.8**	1,662.6	1,583.5	1,335.1	1,330.6
Selling, distribution and administrative expenses	**(1,636.0)**	(1,564.3)	(1,413.8)	(1,172.6)	(1,255.6)
Other operating income	**36.8**	32.5	23.4	26.5	22.5
Exceptional items	**(1.6)**	(13.1)	(41.0)	(4.8)	(17.3)
Profit on disposal of property	**9.7**	54.2	8.4	16.3	-
Profit on disposal of subsidiary	-	-	-	-	79.9
OPERATING (LOSS)/PROFIT	**(60.3)**	171.9	160.5	200.5	160.1
Investment income/(costs)	**96.0**	(34.6)	6.7	(93.2)	111.3
Finance income	**9.0**	31.0	40.0	3.4	18.8
Finance cost	**(36.2)**	(29.3)	(19.4)	(40.9)	(9.4)
Share of (loss) / profit of associated undertakings and joint ventures	-	(15.9)	(8.6)	(8.7)	0.8
Fair value gain on step acquisition	-	20.4	-	-	-
PROFIT BEFORE TAXATION	**8.5**	143.5	179.2	61.1	281.6
Taxation	**(86.5)**	(42.5)	(63.2)	(37.9)	(49.9)
(LOSS)/PROFIT FOR THE PERIOD	**(78.0)**	101.0	116.0	23.2	231.7
Equity holders of the Group	**(83.0)**	93.8	112.0	20.1	229.9
Non-controlling interests	**5.0**	7.2	4.0	3.1	1.8
(LOSS)/PROFIT FOR THE PERIOD	**(78.0)**	101.0	116.0	23.2	231.7

Notes to the consolidated Income Statement five year record:

1. All information is presented under IFRS.
2. The five year record has been prepared on the same basis as the Financial Statements for the 52 weeks ended 25 April 2021, as set out in note 1, basis of preparation, of the Consolidated Financial Statements.

ALTERNATIVE PERFORMANCE MEASURES

Reconciliation of excluding acquisitions and currency neutral performance measures:

	UK Sports Retail	Premium Lifestyle	European Retail	Rest Of World Retail	Wholesale & Licensing	Group Total
			REVENUE			
FY21 Reported	1,968.5	735.6	615.2	152.7	153.3	**3,625.3**
Adjustments for acquisitions and currency neutral	(307.4)	(83.9)	(202.5)	-	-	**(593.8)**
FY21 EXCLUDING ACQUISITIONS AND CURRENCY NEUTRAL	**1,661.1**	**651.7**	**412.7**	**152.7**	**153.3**	**3,031.5**
FY20 Reported	2,203.3	722.0	697.7	174.2	160.2	**3,957.4**
Adjustments for acquisitions and currency neutral	(257.7)	(79.2)	(178.9)	(11.2)	(7.3)	**(534.3)**
FY20 EXCLUDING ACQUISITIONS AND CURRENCY NEUTRAL	**1,945.6**	**642.8**	**518.8**	**163.0**	**152.9**	**3,423.1**
% VARIANCE	**(14.6%)**	**1.4%**	**(20.5%)**	**(6.3%)**	**0.3%**	**(11.4%)**
			UNDERLYING EBITDA			
FY21 Reported	279.2	53.9	4.1	25.6	28.0	**390.8**
Adjustments for acquisitions and currency neutral	0.4	(13.8)	(7.4)	-	-	**(20.8)**
FY21 EXCLUDING ACQUISITIONS AND CURRENCY NEUTRAL	**279.6**	**40.1**	**(3.3)**	**25.6**	**28.0**	**370.0**
FY20 Reported	227.4	4.5	51.8	(6.8)	25.2	**302.1**
Adjustments for acquisitions and currency neutral	6.1	3.9	5.0	0.2	(0.7)	**14.5**
FY20 EXCLUDING ACQUISITIONS AND CURRENCY NEUTRAL	**233.5**	**8.4**	**56.8**	**(6.6)**	**24.5**	**316.6**
% VARIANCE	**19.7%**	**377.4%**	**(105.8%)**	**(487.9%)**	**14.3%**	**16.9%**

Movement in provisions pre-IFRS 16:

	Legal and regulatory (£m)	Property related (£m)	Other (£m)	Total (£m)
AT 28 APRIL 2019	**234.0**	**198.5**	**8.0**	**440.5**
Amounts provided	13.0	111.2	-	**124.2**
Amounts utilised / reversed	(21.6)	(70.8)	(5.3)	**(97.7)**
Acquisitions	-	10.6	-	**10.6**
AT 26 APRIL 2020	**225.4**	**249.5**	**2.7**	**477.6**
Amounts provided	7.4	118.2	-	**125.6**
Amounts utilised / reversed	(17.0)	(45.8)	(1.4)	**(64.2)**
AT 25 APRIL 2021	**215.8**	**321.9**	**1.3**	**539.0**

During the period, onerous lease provisions (Pre-IFRS 16) were recognised due to an ongoing management review of the Group's store profile and strategy including current and anticipated freehold acquisitions, resulting in overall additional onerous provisions of £71.9m (FY20: £26.9m) in the period, with reference to the Groups alternative performance measures.

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Reconciliation of underlying performance measures (EBITDA and PBT):

	52 weeks ended 25 April 2021		52 weeks ended 26 April 2020	
	EBITDA	PBT	EBITDA	PBT
	(£m)	(£m)	(£m)	(£m)
OPERATING (LOSS) / PROFIT	**(60.3)**	-	**171.9**	-
Depreciation of property, plant and equipment and investment properties (excluding right-of-use asset)	218.3	-	130.8	-
Impairment of property, plant and equipment and investment properties (excluding right-of-use asset)	148.8	-	24.8	-
Amortisation of intangible assets	7.1	-	14.5	-
Impairment of intangible assets (non-exceptional)	-	-	5.9	-
IFRS 16 right-of-use asset depreciation	82.1	-	122.6	-
IFRS 16 right-of-use asset impairment	168.2	-	106.1	-
IFRS 16 disposal and modification/remeasurement of lease liabilities	(27.7)	-	(9.7)	-
	536.5	-	**566.9**	-
Share of (loss) / profit and impairments of associates	-	-	(15.9)	-
REPORTED	**536.5**	**8.5**	**551.0**	**143.5**
Exceptional items	1.6	1.6	13.1	13.1
	1.6	**1.6**	**13.1**	**13.1**
IFRS 16 Reversal of rent expense	(127.3)	(127.3)	(137.5)	(137.5)
IFRS 16 Reversal of onerous lease provision	(36.6)	(36.6)	(35.5)	(35.5)
IFRS 16 right-of-use asset depreciation	-	82.1	-	122.6
IFRS 16 right-of-use asset impairment	-	168.2	-	106.1
IFRS 16 disposal and modification/remeasurement of lease liabilities	-	(27.7)	-	(9.7)
Interest Payable - IFRS 16	-	11.8	-	10.9
	(163.9)	**70.5**	**(173.0)**	**56.9**
Profit on sale of properties:				
Profit on sale of properties - pre-IFRS 16 basis	(9.7)	(9.7)	(109.3)	(109.3)
IFRS 16 sale and leaseback - adjustment to post-IFRS 16 basis	-	-	55.1	55.1
	(9.7)	**(9.7)**	**(54.2)**	**(54.2)**
(Profit) / loss on disposal of financial instruments	-	(48.5)	-	7.7
Realised FX loss / (gain)	26.3	26.3	(34.8)	(34.8)
Fair value adjustment on equity derivatives	-	(47.5)	-	26.9
Fair value adjustment on foreign currency contracts	-	4.6	-	(21.3)
Fair value gain on step acquisition	-	-	-	(20.4)
UNDERLYING	**390.8**	**5.8**	**302.1**	**117.4**

Reconciliation of Adjusted Profit/(loss) before Tax performance measure:

	52 weeks ended 25 April 2021	52 weeks ended 26 April 2020
	PBT	PBT
	(£m)	(£m)
REPORTED	**8.5**	**143.5**
Exceptional items	1.6	13.1
Fair value gain on step acquisition	-	(20.4)
Fair value adjustment to foreign currency contracts	4.6	(21.3)
Net Investment (income) / costs	(96.0)	34.6
Realised FX loss / (gain)	26.3	(34.8)
Share scheme	1.3	-
ADJUSTED	**(53.7)**	**114.7**

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REGISTRAR AND TRANSFER OFFICE

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Telephone:

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Shirebrook
NG20 8RY

Telephone:

0344 245 9200

Frasers Group plc is registered in England and Wales (No. 06035106)

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E14 4BB

HSBC Bank plc
8 Canada Square
London
E14 5HQ

AUDITORS

RSM UK Audit LLP
25 Farringdon Street
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EC4A 4AB

SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

The date, time and format of the Annual General Meeting to be announced in line with Covid-19 guidance. Each shareholder is entitled to attend (subject to Covid-19 guidance) and vote at the meeting, the arrangements for which are described in a separate notice.

RESULTS

For the year to 24 April 2022:

- Half year results announced: tbc December 2021
- Preliminary announcement of full year results: tbc
- Annual Report circulated: tbc

SHAREHOLDER HELPLINE

The Frasers Group shareholder register is maintained by Computershare who are responsible for making dividend payments and updating the register, including details of changes to shareholders' addresses. If you have a query about your shareholding in Sports Direct, you should contact Computershare's Frasers Group Shareholder Helpline on: 0370 707 4030. Calls are charged at standard geographic rates, although network charges may vary.

Address:

The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Website:

www.computershare.com

WEBSITE

The Group website at www.frasers.group provides news and details of the Company's activities plus information for shareholders and contains real time share price data as well as the latest results and announcements.

UNSOLICITED MAIL

The Company is obliged by law to make its share register publicly available and as a consequence some shareholders may receive unsolicited mail, including from unauthorised investment firms.

For more information on unauthorised investment firms targeting UK investors, visit the website of the Financial Conduct Authority at www.fca.org.uk

If you wish to limit the amount of unsolicited mail you receive contact:

The Mailing Preference Service
DMA House
70 Margaret Street
London
W1W 8SS

Telephone:

020 7291 3310

Email:

mps@dma.org.uk

or register online at www.mpsonline.org.uk

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