FRASERS GROUP

7 December 2023

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

Unaudited half year results for the 26 weeks ended 29 October 2023 ("FY24 H1")

Elevation Strategy drives strong first half performance; on track to achieve full year guidance

	FY24 H1	FY23 H1 [1]	Change
UK Sports Retail	£1,485.0m	£1,473.1m	0.8%
Premium Lifestyle	£550.1m	£533.5m	3.1%
International Retail	£645.8m	£570.3m	13.2%
Retail revenue	£2,680.9m	£2,576.9m	4.0%
Property	£31.4m	£14.0m	124.3%
Financial Services	£57.3m	£61.1m	(6.2%)
Group revenue	£2,769.6m	£2,652.0m	4.4%
Retail gross margin	41.8%	40.5%	+130 bps
Group gross margin	43.0%	42.3%	+70 bps
Retail operating costs	(£755.9m)	(£752.6m)	(0.4%)
Retail profit from trading	**£364.7m**	**£290.2m**	**25.7%**
Other operating costs	(£21.5m)	(£21.3m)	(0.9%)
Gain on disposal of properties	-	£91.2m	(100.0%)
Group profit from trading	**£412.5m**	**£439.0m**	**(6.0%)**
Depreciation & amortisation	(£132.9m)	(£112.8m)	(17.8%)
Impairments net of impairment reversals	£5.9m	(£77.7m)	107.6%
Share-based payments	(£9.3m)	(£6.7m)	(38.8%)
Foreign exchange realised	£21.9m	£43.8m	(50.0%)
Operating profit	**£298.1m**	**£285.6m**	**4.4%**
Reported profit before tax ("PBT")	**£310.2m**	**£287.2m**	**8.0%**
Fair value adjustment to derivative financial instruments	(£15.7m)	(£12.4m)	
Fair value losses on equity derivatives	£21.9m	£32.0m	
Realised FX gain	(£21.9m)	(£43.8m)	
Share-based payments	£9.3m	£6.7m	
Adjusted profit before tax ("APBT")[2]	**£303.8m**	**£269.7m**	**12.6%**
Reported profit after tax	£234.6m	£222.2m	5.6%
Reported basic earnings per share ("EPS")	53.0p	46.7p	13.5%
Adjusted basic EPS	53.7p	45.4p	18.3%
Cash inflow from operating activities before working capital	£441.1m	£389.9m	13.1%
Net assets	£1,736.2m	£1,391.2m	24.8%

Michael Murray, Chief Executive of Frasers Group:

"We have delivered a strong performance in the first half of the year, with great momentum as we head into the Christmas trading period. The elevation strategy continues to drive strong trading performance across the business with good growth in Sports Direct supported by our brand partners.

Our long-term ambitions for our Premium Lifestyle business remain unchanged although it is likely that progress will remain subdued for the short to medium term in the face of a softer luxury market however, we continue to invest with confidence in our unique proposition.

During the period, we have opened new elevated stores, and further strengthened brand partnerships to allow us to deliver the best consumer experience. I am also excited about the potential of our strategic investments which we expect to unlock further opportunities for the Group. We have a clear ambition to be the leading sports retailer in EMEA and we are making progress on broadening our footprint through a focused international M&A strategy.

As we look to 2024, we are confident that our diversified proposition will continue to provide consumers with choice across a range of brands and price points. I want to thank our talented colleagues for their relentless focus and hard work which has enabled another strong set of results."

Outlook

"As noted at the FY23 preliminary results, FY24 started well. This strong trading momentum continued throughout the first half of FY24 and into the early recent weeks of the second half especially at Sports Direct. We are looking forward to our Christmas trading period and remain confident of achieving APBT in the range £500m-£550m. We are building a diverse business for sustained multi-year growth. Our substantial ongoing investment into our elevation strategy, infrastructure and new business integrations continues to unlock that potential, and we expect further profitable growth for FY25 and beyond."

Headlines

- Continued strategic progress against key priorities:
    - Strong trading performance with continued revenue and profit growth in UK Sports and International;
    - Investment in elevation and brand relationships, bringing in new brands including The North Face and On Running;
    - Completion of warehouse automation project has increased the efficiency of our warehouse and inventory handling processes. We expect this will lead to a 5% to 15% gross reduction in like-for-like inventory holding in the next 12 months; and
    - Accelerated integration of acquired entities (including Studio Retail and Sportmaster) which will improve efficiency and profitability in coming years.

- Retail profit from trading of £364.7m, an increase of £74.5m (25.7%) driven by strong trading performance from Sports Direct reflecting the continuing success of the elevation strategy and strengthening brand relationships.

- APBT [(2)] increased by 12.6% to £303.8m despite lower profits from the disposal of properties and subsidiaries (£20.0m in the current period vs. £117.5m in H1 of FY23). There was also a significant reduction in property and acquisition related impairments as a result of the strong trading performance, and future forecasts outweighing our downside impairment assumptions (a net impairment reversal of £5.9m in the current period vs. £77.7m of impairments in H1 of FY23).

- Reported PBT of £310.2m, an increase of 8.0% and reported profit after tax of £234.6m, an increase of 5.6% reflecting the strong trading performance partially offset by a reduction in foreign exchange gains and an increase in effective tax rate.

Summary of financial performance

- Group:
    - Retail revenue increased by 4.0%, largely due to the impact of businesses acquired in H2 of FY23 and a strong underlying performance from Sports Direct. Excluding acquisitions and disposals, on a currency neutral basis, revenue increased by 0.8%. [(3)]
    - Group gross margin increased to 43.0% from 42.3%, driven by an increase in retail gross margin reflecting improvements in Sports Direct's product mix as a result of strengthening brand relationships.

- UK Sports (53.6% of total group revenue):
    - Revenue increased by 0.8% with Sports Direct more than mitigating a decline in Game UK and Studio Retail.
    - Gross profit increased by £76.7m and gross margin increased by +490 bps to 44.4% reflecting an improved product mix in Sports Direct due to strengthening brand relationships, as well as reduced lower margin sales from

Game UK and Studio Retail. This contributed to a substantial £105.5m (74.7%) increase in the segment's profit from trading.

- Premium Lifestyle (19.9% of total group revenue):
    - Revenue increased by 3.1%, with the impact of planned House of Fraser store closures and a softer luxury market offset by sales from the businesses acquired from JD Sports Fashion plc in H2 of FY23. Excluding acquisitions and disposals, revenue decreased by 11.2%. [3]
    - Segment profit from trading reduced by £35.1m driven by the planned clearance of surplus inventory from businesses acquired from JD Sports Fashion plc and the impact of continuing closures of legacy House of Fraser stores, combined with an increase in operating costs related to integrating these acquired businesses into the Group.
    - We have invested in a unique proposition in our luxury business and are well positioned for the future. Our long-term ambitions for this business remain unchanged although it is likely that progress will remain subdued for the short to medium term in the face of a softer market.

- International Retail (23.3% of total group revenue):
    - Revenue increased by 13.2% due to growth from Game Spain, and the Sports Direct business in Europe, especially in Ireland, as well as the acquisition of the MySale business in Australia at the end of H1 FY23. Game Spain's sales have benefited from increased availability of games consoles as inventory has become available in the Spanish market. Excluding acquisitions and disposals, on a currency neutral basis, revenue increased by 12.7%. [3]
    - Segment profit from trading increased by £4.1m (5.5%) year on year as gross profit growth (achieved at a lower margin % due to Game Spain) was partially offset by the one-off costs associated with integrating acquired businesses.

- Property (1.1% of total group revenue):
    - Revenue increased by 124.3%, largely due to the acquisitions of the Luton and Dundee shopping centres and Coventry Arena.
    - Segment profit from trading declined by £93.3m, with the equivalent result in H1 of FY23 including a £91.2m gain on disposal of properties.

- Financial Services (2.1% of total group revenue):
    - Revenue decreased 6.2% due to lower sales in the Studio Retail business which was largely the result of reduced trading whilst the business was integrated into the Group's warehouse and ecommerce infrastructure.
    - Segment profit from trading was down year-on-year with the impairment charge returning to normalised levels (a charge of £15.2m vs. a credit of £3.8m). H1 of FY23 benefitted from a reduction in impairment provision as a result of the impact of the cost-of-living crisis being less severe than anticipated. We remain focused on rebuilding a profitable Studio Retail business and growing Frasers Plus.

- Basic EPS of 53.0p, an increase of 6.3p year-on-year.

- Cash inflow from operating activities before working capital movements of £441.1m, an increase of £51.2m (13.1%) largely driven by strong trading performance particularly in Sports Direct.

- Net assets have increased to £1,736.2m from £1,668.2m at 30 April 2023, due to the H1 profitability of the Group offset by share buybacks.

Strategic and operational highlights

Strategic progress:

- Significant momentum behind the growth of Sports Direct, supporting our ambition to become the number one sports retailer in EMEA.
- Continued to diversify and strengthen our brand partnerships, with new brands such as On Running, The North Face, Columbia and Salomon, joining other category-leading brands from adidas and Nike, to Puma and Under Armour.
- Promising early uptake of Frasers Plus, following the roll-out across the Group earlier in the year.
- Submitted planning application for a global headquarters campus in Warwickshire, which will enable Frasers' future growth.
- Continued investment into the omni-channel experience for consumers, opening new flagship models across our Sports, Premium and Luxury pillars, including our largest and most advanced Everlast Gym concept in Newcastle post period-end.

Acquisitions and investments:

- Launched new joint venture in Indonesia to support our international expansion.
- Made further strategic investments in AO World, ASOS, Currys and Boohoo, as the Group looks to explore opportunities to expand commercial relationships and further develop the Group's ecosystem.

- Sold the Missguided intellectual property for £28m, enabling us to rationalise the number of brands within the Premium Lifestyle segment. This resulted in a gain on disposal of £20m in the period.
- Acquired shopping destinations in Castleford, Luton, and Dundee, each of which are well positioned to unlock future growth opportunities in high-performing retail locations.

Revised segments

Following a review of the Group's operating segments at the start of the 2023/24 financial year, a decision was taken to change the Group's segmental reporting to more accurately reflect the impact of recent acquisitions and strategy changes on how management views the business and makes decisions, and to allow a more granular analysis of the Group's operating base. Further details are given in note 1 to the condensed consolidated financial statements and in the appendix below.

Other notes

(1) Restated to reflect the Group's revised segmental reporting, the reclassification of rental income and the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.
(2) This is an Alternative Performance Measure, for which the reconciliation to the equivalent GAAP measure is set out in the Glossary section below. Adjusted EPS is discussed in note 8.
(3) A reconciliation to results excluding acquisitions and disposals, and currency neutral performance measures can be found in the Glossary section below.

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CEO'S STATEMENT

Introduction

We are pleased to report a strong start to the year, and we are firmly on track to achieve the profit guidance set out at FY23. Demand across the Group's key brands remains resilient despite the economic headwinds, with our biggest segment, Sport, driving a particularly strong performance. Our substantial ongoing investment into our elevation strategy, infrastructure and integrations continues to unlock Frasers potential, and we expect further profitable growth for FY25 and beyond.

Strategy

The Elevation Strategy continues to deliver, with significant progress across the key priorities we set out at full year results.

The global growth of, and interest in, Sport is at an all time high and continues to grow. Sports Direct is a market leader, delivering against our mission to serve the athlete with the best kit their money can buy. Our brand partnerships are stronger than ever, unlocking a more elevated product mix for our consumers, and we are proud to now have all the leading sports brands available via the Frasers ecosystem. During the year we welcomed On Running and The North Face, joining other leading brands from adidas and Nike, to Puma and Under Armour. The significant momentum we see behind our biggest segment, Sports Direct, provides us with confidence in the Group's future expansion strategy.

In our Premium and Luxury division, our dynamic brand partnerships enable us to elevate the consumer experience whilst providing an unrivalled proposition. FLANNELS continues to collaborate with its luxury brand partners, including Christian Louboutin, C.P. Company and Hugo Boss, while the FLANNELS X concept space in London keeps pioneering innovative cultural experiences.

Whilst there has been some softening in the global luxury market, partly because of the cost-of-living challenges facing the consumer, we have seen a positive demand due to our unique proposition. Our long-term ambitions for our Premium and Luxury business remain unchanged and we continue to invest with confidence in our unique proposition, although it is likely that progress will remain subdued for the short to medium term in the face of a softer luxury market. However, we are excited about the potential prospects and are well placed to capitalise on opportunities in the sector.

In our Frasers business, we are seeing a successful execution of our new concept stores, with a positive response from consumers and partners. We continue to redefine the brand as we build a sustainable and productive business model.

As huge advocates of physical retail, we continue to make significant investments in our Group portfolio, both in the UK and internationally. Our programme of refurbishments, relocations and new store openings remains on track, with several new, experiential FLANNELS, Frasers and Sports Direct stores. Last month, we were also excited to open our largest and most advanced Everlast Gyms concept in Gateshead, Newcastle alongside a FLANNELS and Sports Direct flagship store.

To further innovate our omni-channel experience, we are investing significantly to transform the Group's digital infrastructure by building a cutting-edge digital platform which will elevate the consumer experience through personalisation, elevated designs and better product discoverability.

Our improved digital capabilities will support the launch of the next phase of Frasers Plus, our credit and loyalty facility, which will change how consumers can shop across the Group's brands. Frasers Plus has now been rolled out across the Group, and we have been pleased to see a promising initial take-up as well as gaining invaluable consumer insights which will help us serve consumers better.

In addition, we have been pleased to see the completion of our automation programme across the supply chain which is enabling us to manage our stock more efficiently. Due to the increased optimisation, we expect this will lead to a gross stock reduction of 5-15% on a like-for-like basis for HY25.

Investments

Strategic investments and acquisitions are a key part of Frasers' DNA, and we have continued to explore new partnerships which are aligned with our strategy, strengthen our ecosystem, and unlock synergies.

In the UK, we made further investments in AO World, ASOS, Currys and Boohoo, and to rationalise the number of brands in our women's ecommerce portfolio, we divested the Missguided IP to SHEIN, the Singapore-based fashion retailer. More broadly, the integrations of our recent acquisitions remain on track to unlock further cost savings this year and beyond.

We remain committed to our ambition to be the leading sports retailer in EMEA and we are excited about potential strategic investments and acquisitions. While we were disappointed by the insolvency of SportScheck, we continue to believe it is an attractive asset in one of Europe's most important markets, and are actively working with the appointed administrator to explore the possibility of acquiring the business out of administration. We have also strategically invested into the Norwegian sports retailer, XXL, and look forward to unlocking future synergies.

As we grow our footprint in South East Asia and build on the success we have seen with our Sport business, we have entered into a joint venture with MAP Active, a retail conglomerate which is rapidly expanding across South East Asia. The joint venture will allow us to introduce Sports Direct stores across Indonesia with both wholesale and retail components.

Our investments in property remain an important element of the Elevation Strategy, acquiring real estate where we have good occupational demands, whilst offering strong investment returns. Over the past year we have acquired shopping destinations in Castleford, Luton and Dundee, each of which are well positioned to unlock future growth opportunities for Frasers brands in popular retail locations.

People

Our people remain our greatest asset. Through their unrivalled passion, attitude and determination we have been able to make huge strides in progressing our strategy and delivering another successful set of results.

To ensure we continue to have the best team on the planet, we believe it's important to create an inclusive and diverse working environment where everyone is set up for success. That is why we purchased, subject to planning, a new site in Rugby, Warwickshire for the development of a potential Frasers Group Global Headquarters, a state-of-the-art campus which would give us the scale to grow while providing amazing facilities for colleagues and the public. The planning, which was submitted in October, includes proposals that would deliver a well-located, world-class platform to further bolster our sector-leading ecosystem and growth ambitions.

As part of our efforts to create an inclusive and energetic workforce, we have introduced 'Retail Reconnect' for Head Office staff whereby they will spend two days a year in either a Retail or Warehouse environment. The benefits so far have been incredible, driving collaboration and enabling our teams to better understand our consumers and our business. I have spent some time working at the Sports Direct Oxford Street flagship, which provided me with invaluable insights that have enabled us to improve our operations, and I look forward to working within our Premium and Luxury stores in the remainder of FY24.

As we look ahead, I am confident and excited about the future for Frasers Group. Our proposition remains compelling, and our dynamic ecosystem allows us to deliver on our strategic vision and grow at pace.

Michael Murray
Chief Executive Officer
6 December 2023

INTERIM MANAGEMENT STATEMENT

SUMMARY OF RESULTS

	26 weeks ended 29 October 2023 (Unaudited)	26 weeks ended 23 October 2022 (Unaudited)[1]
Retail revenue	£2,680.9m	£2,576.9m
Total revenue	£2,769.6m	£2,652.0m
Retail gross profit	£1,120.6m	£1,042.8m
Group gross profit	£1,189.9m	£1,121.7m
Retail gross margin	41.8%	40.5%
Group gross margin	43.0%	42.3%
Retail profit from trading	**£364.7m**	**£290.2m**
Group profit from trading	**£412.5m**	**£439.0m**
Adjusted profit before tax ("APBT")[2]	**£303.8m**	**£269.7m**
Adjusted basic EPS[2]	53.7p	45.4p
Cash inflow from operating activities before working capital	£441.1m	£389.9m
Net assets	£1,736.2m	£1,391.2m

(1) Restated to reflect the Group's revised segmental reporting, the reclassification of rental income and the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.
(2) This is an Alternative Performance Measure, for which the reconciliation to the equivalent GAAP measure is set out in the Glossary section below. Adjusted EPS is discussed in note 8.

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

PERFORMANCE OVERVIEW

Retail revenue increased by 4.0%, largely due to the impact of businesses acquired in H2 of FY23 and a strong underlying performance from Sports Direct. Total group revenue increased 4.4% due to retail growth combined with revenue from acquisitions in the property segment.

Group gross margin increased to 43.0% from 42.3%, driven by an increase in retail gross margin reflecting improvements in Sports Direct's product mix as a result of strengthening brand relationships.

Retail profit from trading increased by £74.5m (25.7%) to £364.7m, driven by strong trading performance from Sports Direct reflecting the continuing success of the elevation strategy and strengthening brand relationships.

APBT [2] increased by 12.6% to £303.8m despite lower profits from the disposal of properties and subsidiaries (£20.0m in the current period vs. £117.5m in H1 of FY23). There was also a significant reduction in property and acquisition related impairments as a result of the strong trading performance, and future forecasts outweighing our downside impairment assumptions (a net impairment reversal of £5.9m in the current period vs. £77.7m of impairments in H1 of FY23).

Reported PBT of £310.2m, an increase of 8.0% and reported profit after tax of £234.6m, an increase of 5.6% reflecting the strong trading performance partially offset by a reduction in foreign exchange gains and an increase in effective tax rate.

Adjusted EPS increased by 8.3p (18.3%) to 53.7p.

Cash inflow from operating activities before working capital movements of £441.1m, an increase of £51.2m (13.1%) largely driven by strong trading performance particularly in Sports Direct.

Net assets have increased to £1,736.2m from £1,668.2m at 30 April 2023, due to the H1 profitability of the Group offset by share buybacks.

REVIEW BY BUSINESS SEGMENT

UK SPORTS

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

UK Sports accounts for 53.6% (FY23 H1: 55.5%) of the Group's revenue.

	26 weeks ended 29 October 2023 (Unaudited)	26 weeks ended 23 October 2022 (Unaudited)(1)
Revenue	£1,485.0m	£1,473.1m
Cost of sales	(£825.7m)	(£890.5m)
Gross profit	£659.3m	£582.6m
Gross margin %	44.4%	39.5%
Profit from trading	**£246.7m**	**£141.2m**
Operating profit	**£241.8m**	**£121.1m**

(1) Restated to reflect the Group's revised segmental reporting, the reclassification of rental income and the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.

Revenue increased by 0.8% with Sports Direct more than mitigating a decline in Game UK and Studio Retail.

Gross profit increased by £76.7m and gross margin increased by +490 bps to 44.4% reflecting an improved product mix in Sports Direct due to strengthening brand relationships, as well as reduced lower margin sales from Game UK and Studio Retail. This contributed to a substantial £105.5m (74.7%) increase in the segment's profit from trading.

UK Sports' operating profit result of £241.8m (FY23 H1: £121.1m) includes impairment reversals of £23.7m (FY23 H1: impairments of £10.2m), a result of the strong trading performance, and future forecasts outweighing our downside impairment assumptions, and foreign exchange gains of £24.9m (FY23 H1: £47.7m).

UK SPORTS RETAIL STORE PORTFOLIO (3)

	29-Oct-23	23-Oct-22	30-Apr-23
England	381	387	384
Scotland	38	37	38
Wales	28	29	29
Northern Ireland	20	19	20
Isle of Man	1	1	1
GAME UK (1)	277	276	267
Evans Cycles (2)	51	60	57
USC	11	17	16
Total	807	826	812
Opened	44	60	93
Closed	(49)	(42)	(89)
Acquired	-	-	-
Area (sq.ft.)	Approx 6.8m	Approx 6.8m	Approx. 6.9m

(1) The GAME UK store numbers include 205 concessions operating within Sports Direct fascia stores (30 April 2023: 176) and does not include BELONG arenas.
(2) The Evans Cycles store numbers include 2 concessions operating within House of Fraser fascia stores (30 April 2023: 2).
(3) Table excludes the Group's standalone gyms.

PREMIUM LIFESTYLE

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

Premium Lifestyle accounts for 19.9% (FY23 H1: 20.1%) of the Group's revenue.

	26 weeks ended 29 October 2023 (Unaudited)	26 weeks ended 23 October 2022 (Unaudited)[1]
Revenue	£550.1m	£533.5m
Cost of sales	(£347.0m)	(£310.3m)
Gross profit	£203.1m	£223.2m
Gross margin %	36.9%	41.8%
Profit from trading	**£39.9m**	**£75.0m**
Operating profit	**£23.1m**	**£20.2m**

(1) Restated to reflect the Group's revised segmental reporting, the reclassification of rental income and the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.

Revenue increased by 3.1%, with the impact of planned House of Fraser store closures and a softer luxury market offset by sales from the businesses acquired from JD Sports Fashion plc in H2 of FY23. Excluding acquisitions and disposals, revenue decreased by 11.2%. [3]

Segment profit from trading reduced by £35.1m driven by the planned clearance of surplus inventory from businesses acquired from JD Sports Fashion plc and the impact of continuing closures of legacy House of Fraser stores, combined with an increase in operating costs related to integrating these acquired businesses into the Group.

Premium Lifestyle's operating profit result of £23.1m (FY23 H1: £20.2m) includes impairment reversals of £2.4m (FY23 H1: impairments of £48.0m including £20.5m in respect of writing down intangibles recognised on the acquisition of Missguided and I Saw it First).

We have invested in a unique proposition in our luxury business and are well positioned for the future. Our long-term ambitions for this business remain unchanged although it is likely that progress will remain subdued for the short to medium term in the face of a softer luxury market.

PREMIUM LIFESTYLE STORE PORTFOLIO

	29-Oct-23	23-Oct-22	30-Apr-23
Fashion Brands (3)	37	-	67
Jack Wills (2)	32	48	33
FLANNELS	76	56	58
House of Fraser / Frasers (2)	29	34	31
Gieves & Hawkes	5	-	5
Sofa.com (1)	20	23	20
Cruise	3	5	4
18 Montrose	2	3	2
Garment Quarter	1	1	1
Total	205	170	221
Opened	24	7	9
Acquired	-	-	82
Closed	(40)	(16)	(49)
Area (sq.ft.)	Approx. 3.4m	Approx. 3.8m	Approx. 3.6m

(1) Sofa.com store numbers include 13 concessions operating within House of Fraser fascia stores (30 April 2023: 13).
(2) Jack Wills and Frasers stores in Republic of Ireland are shown in the International store numbers as opposed to the Premium Lifestyle store numbers.
(3) During the period 18 stores were closed from Fashion Brands and rebranded as Flannels and Flannels Junior

INTERNATIONAL

This segment includes the results all of the Group's sports retail stores, management and operating functions in Europe, Asia and the rest of the world, including the Group's European Distribution Centres in Belgium and Austria, GAME Spain stores, the Baltics & Asia e-commerce offerings, the MySale business in Australia, the Group's US retail operations until they were disposed of in 2022, and all non-UK based wholesale and licensing activities (relating to brands such as Everlast, Karrimor and Slazenger).

International accounts for 23.3% (FY23 H1: 21.5%) of the Group's revenue.

	26 weeks ended 29 October 2023 (Unaudited)	26 weeks ended 23 October 2022 (Unaudited)[(1)]
Revenue	£645.8m	£570.3m
Cost of sales	(£387.6m)	(£333.3m)
Gross profit	£258.2m	£237.0m
Gross margin %	40.0%	41.6%
Profit from trading	**£78.1m**	**£74.0m**
Operating profit	**£35.9m**	**£33.2m**

(1) Restated to reflect the Group's revised segmental reporting, the reclassification of rental income and the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.

Revenue increased by 13.2% due to growth from Game Spain, and the Sports Direct business in Europe, especially in Ireland, as well as the acquisition of the MySale business in Australia at the end of H1 FY23. Game Spain's sales have benefited from increased availability of games consoles as inventory has become available in the Spanish market. Excluding acquisitions and disposals, on a currency neutral basis, revenue increased by 12.7%. [(3)]

Segment profit from trading increased by £4.1m (5.5%) year on year as gross profit growth, achieved at a lower margin % (-160bps) due to lower margins made by Game Spain on the sale of consoles, was partially offset by the one-off costs associated with integrating acquired businesses.

International's operating profit result of £35.9m (FY23 H1: £33.2m) includes impairments of £4.2m (FY23 H1: impairments of £8.4m) and foreign exchange losses of £4.6m (FY23 H1: losses of £3.8m).

INTERNATIONAL STORE PORTFOLIO

	29-Oct-23	23-Oct-22	30-Apr-23
GAME Spain	226	234	233
Sportmaster – Denmark	48	75	68
Republic of Ireland(2)	46	44	45
Belgium	33	34	34
Estonia(1)	23	22	22
Portugal	21	21	21
Austria	19	19	19
Lithuania(1)	22	19	19
Latvia(1)	20	18	18
Poland	22	13	15
Slovenia	11	12	11
Czech Republic	10	12	12
Spain	13	12	12
Hungary	8	7	7
Cyprus	6	6	6
Holland	5	5	5
Slovakia	5	5	5
France	7	4	7
Luxembourg	2	2	2
Iceland	2	2	2
Germany	1	1	1
Malaysia	33	33	33
Total	583	600	597
Opened	20	8	16
Acquired	-	75	75
Closed	(34)	(6)	(17)
Disposed	-	(42)	(42)
Area (sq.ft.)	Approx. 4.3m	Approx. 4.3m	Approx. 4.3m

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

(2) Excluding Heatons fascia stores.

PROPERTY

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

Property accounts for 1.1% (FY23 H1: 0.5%) of the Group's revenue.

	26 weeks ended 29 October 2023 (Unaudited)	26 weeks ended 23 October 2022 (Unaudited)(1)
Revenue	£31.4m	£14.0m
Cost of sales	(£4.2m)	-
Gross profit	£27.2m	£14.0m
Gross margin %	86.6%	100.0%
Profit from trading	**£9.5m**	**£102.8m**
Operating (loss)/profit	**(£40.2m)**	**£70.3m**

(1) Restated to reflect the Group's revised segmental reporting, the reclassification of rental income and the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.

Revenue increased by 124.3%, largely due to the acquisitions of Luton, Dundee and Coventry Arena.

Segment profit from trading declined by £93.3m, with the equivalent result in H1 of FY23 including a £91.2m gain on disposal of properties.

Property's operating loss of £40.2m (FY23 H1: profit of £70.3m) includes impairments of £16.0m (FY23 H1: impairments of £6.4m) and depreciation of £35.5m (FY23 H1: £26.1m).

The cost of sales in the current period of £4.2m (FY23 H1: £nil) relates to the generation of non-rental income at the Coventry Arena.

FINANCIAL SERVICES

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

Financial Services accounts for 2.1% (FY23 H1: 2.3%) of the Group's revenue.

	26 weeks ended 29 October 2023 (Unaudited)	26 weeks ended 23 October 2022 (Unaudited)(1)
Revenue	£57.3m	£61.1m
Impairment (losses) / profits on credit receivables*	(£15.2m)	£3.8m
Gross profit	£42.1m	£64.9m
Gross margin %	73.5%	106.2%
Profit from trading	**£38.3m**	**£46.0m**
Operating profit	**£37.5m**	**£40.8m**

* In the Financial Services segment, impairment losses on consumer credit receivables are disclosed within gross margin.
(1) Restated to reflect the Group's revised segmental reporting, the reclassification of rental income and the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.

Revenue decreased 6.2% due to lower sales in the Studio Retail business which was largely the result of reduced trading whilst the business was integrated into the Group's warehouse and ecommerce infrastructure.

Segment profit from trading was down year-on-year with the impairment charge returning to normalised levels (a charge of £15.2m vs. a credit of £3.8m). H1 of FY23 benefitted from a reduction in impairment provision as a result of the impact of the cost-of-living crisis being less severe than anticipated. We remain focused on rebuilding a profitable Studio Retail business and growing Frasers Plus.

STRATEGIC INVESTMENTS

Included within long-term financial assets at the period ended 29 October 2023 are the following direct interests held by the Group:

	29 October 2023 (unaudited) %	23 October 2022 (unaudited) %	30 April 2023 (audited) %
Mulberry Group plc	36.9	36.9	36.9
AO World plc	22.8	-	-
N Brown Group plc	19.8	-	17.6
Boohoo Group plc	16.5	-	-
ASOS plc	12.6	2.9	5.5
XXL ASA	12.2	-	-

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

The Group also holds indirect strategic investments via options. The fair value of the options are recognised in Derivative Financial Assets or Liabilities on the Group Balance Sheet, with the movement in fair value recorded in the Income Statement.

The Group's largest sold put position is in Hugo Boss at approximately 18% of the equivalent share capital. On 15 December 2023 10.9% of this position expires, and as at the date of reporting it is anticipated that these will expire unexercised. Management would anticipate a significant double digit % decline in the Hugo Boss spot price being required for these sold put options in December 2023 to exercise.

FOREIGN EXCHANGE AND TREASURY

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

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

As at 29 October 2023, the Group had the following forward contracts that qualified for hedge accounting under IFRS 9 Financial Instruments, meaning that fluctuations in the value of the contracts before maturity are recognised in the Hedging Reserve through Other Comprehensive Income. After maturity, the sales and purchases are then valued at the hedge rate.

Currency	Hedging against	Currency value	Timing	Rates
EUR / GBP	Euro sales	EUR 576m	FY24-FY26	0.98 - 1.09
USD / GBP	USD inventory purchases	USD 390m	FY24	1.21 - 1.26
USD / EUR	USD inventory purchases	USD 30m	FY24	1.31

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

The Group has the following currency options and unhedged forwards:

Currency	Expected use	Currency value	Timing	Rates
EUR / GBP	Euro sales	EUR 1,116m	FY24 - FY27	0.98 - 1.09
USD / GBP	USD inventory purchases	USD 570m	FY24 - FY25	1.21 - 1.26
USD / EUR	USD inventory purchases	USD 100m	FY24 - FY25	1.11 - 1.31

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

Currency	Expected use	Currency value	Timing	Rates
EUR / GBP	Cash flow management	EUR 120m	FY24	1.14 - 1.15

USD / EUR	Cash flow management	EUR 70m	FY24	0.88 – 1.07

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

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

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

CASH FLOW AND NET DEBT

Net debt increased by £180.7m from £416.8m at 30 April 2023 to £597.5m at 29 October 2023. Net debt includes £146.3m borrowings relating to the Frasers Group Financial Services Limited securitisation facility (30 April 2023: £161.6m). Net interest on bank loans and overdrafts increased to £25.0m (FY23 H1: £16.8m) largely due to increased interest rates and increased usage of the Revolving Credit Facility ("RCF") in the period.

Analysis of net debt:

	29 October 2023 (Unaudited)	23 October 2022 (Unaudited)	30 April 2023 (Audited)
Cash and cash equivalents	£266.7m	£314.8m	£332.9m
Borrowings	(£864.2m)	(£813.9m)	(£749.7m)
Net debt	(£597.5m)	(£499.1m)	(£416.8m)
Securitisation (disclosed within borrowings)	(£146.3m)	(£134.4m)	(£161.6m)
Net debt excluding securitisation	(£451.2m)	(£364.7m)	(£255.2m)

Cash flow:

	26 weeks ended 29 October 2023 (Unaudited)	26 weeks ended 23 October 2022 (Unaudited)(1)
Operating cash inflow before changes in working capital	**£441.1m**	**£389.9m**
Decrease in receivables	£3.7m	£46.5m
Increase in inventories	(£125.3m)	(£152.3m)
Increase in payables	£162.7m	£43.3m
Decrease in provisions	(£46.6m)	(£9.8m)
Cash inflows from operating activities	**£435.6m**	**£317.6m**
Income taxes paid	(£68.2m)	(£58.4m)
Net cash inflows from operating activities	**£367.4m**	**£259.2m**
Lease payments	(£70.6m)	(£71.5m)
Net finance costs paid	(£19.3m)	(£23.9m)
Net capital expenditure (including sale & leasebacks)	(£151.4m)	£103.6m
Net proceeds from acquisition and disposal of subsidiary undertakings	-	£10.5m
Borrowings acquired through business combinations	-	(£7.0m)
Purchase of listed investments, net of disposal proceeds	(£184.9m)	(£96.1m)
Purchase of associated undertakings	-	(£11.9m)
Proceeds in relation to equity derivatives	£32.9m	£48.6m
Increase in deposits relating to equity derivatives	(£54.3m)	(£145.8m)
Investment income	£2.0m	£1.4m
Exchange movement on opening cash balances	(£0.2m)	£5.3m
Purchase of own shares	(£102.3m)	(£80.4m)
Movement in net debt	**(£180.7m)**	**(£8.0m)**

(1) Restated to reflect the change in presentation of movements in deposits relating to equity derivatives detailed in the FY23 annual report.

SUMMARY CONSOLIDATED BALANCE SHEET (EXTRACT)

	29 October 2023 (Unaudited)	23 October 2022 (Unaudited)(1)	30 April 2023 (Audited)(1)
Property, plant & equipment	£1,173.1m	£990.6m	£1,150.7m
Investment properties	£192.9m	£58.5m	£141.3m
Long-term financial assets	£410.7m	£241.4m	£289.6m
Intangible assets	£24.2m	£152.0m	£24.1m
Inventories	£1,590.2m	£1,466.5m	£1,464.9m
Trade & other receivables	£790.7m	£942.0m	£720.1m
Trade & other payables	(£874.9m)	(£838.9m)	(£711.9m)
Provisions	(£259.9m)	(£426.1m)	(£306.5m)
Net debt	(£597.5m)	(£499.1m)	(£416.8m)
Lease liabilities	(£684.2m)	(£659.9m)	(£679.9m)
Other	(£29.1m)	(£35.8m)	(£7.4m)
Net assets	£1,736.2m	£1,391.2m	£1,668.2m

(1) Restated to reflect the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.

The increase within property, plant and equipment from 30 April 2023 is largely due to net additions offset by depreciation and the transfer of three properties with a net book value of approximately £50m to investment property following a change of use in the period. This transfer also accounts for the increase in investment property since 30 April 2023.

Long-term financial assets have increased since 30 April 2023 due to the business making significant strategic investments in AO World plc, ASOS plc and Boohoo plc during the period.

Inventory has increased from 30 April 2023 as holdings are increased in the build up to the peak Christmas trading period and also due to acquisitions. The increase compared to 23 October 2022 is principally due to acquisitions.

Trade and other receivables includes £244.4m relating to deposits in respect of derivative financial instruments (30 April 2023: £190.1m; 23 October 2022: £389.7m) and the Frasers Group Financial Services consumer credit receivables portfolio with a carrying value of £211.5m (30 April 2023: £225.9m; 23 October 2022: £240.3m).

See note 10 for further details in relation to provisions.

The increase in trade and other payables since 30 April 2023 largely follows the seasonal increase in inventory holding noted above.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in note 15. There have been no material changes in the related party transactions described in the last annual report.

GOING CONCERN

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

DIRECTORS' RESPONSIBILITY STATEMENT

There have been no changes in Directors in the period. Each of the directors confirm that to the best of their knowledge:

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

performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The summary of results for the 53 weeks ended 30 April 2023 is an extract from the published Annual Report and Financial Statements which have been reported on by the Group's auditors at the time and delivered to the Registrar of Companies. The audit report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498 (2) or s498 (3) of the Companies Act 2006.

Michael Murray
Chief Executive Officer
6 December 2023

FINANCIAL INFORMATION
CONSOLIDATED INCOME STATEMENT

FOR THE 26 WEEKS ENDED 29 OCTOBER 2023

	Note	26 weeks ended 29 October 2023 (unaudited) £m Continuing operations	26 weeks ended 23 October 2022 (unaudited)[1] £m Continuing operations	26 weeks ended 23 October 2022 (unaudited)[1] £m Discontinued operations	26 weeks ended 23 October 2022 (unaudited)[1] £m Total
Revenue		**2,716.4**	2,587.3	8.5	2,595.8
Credit account interest		**53.2**	56.2	-	56.2
Total revenue (including credit account interest)		**2,769.6**	2,643.5	8.5	2,652.0
Cost of sales		**(1,564.5)**	(1,529.7)	(4.4)	(1,534.1)
Impairment (losses)/reversals on credit customer receivables		**(15.2)**	3.8	-	3.8
Gross profit		**1,189.9**	1,117.6	4.1	1,121.7
Selling, distribution and administrative expenses		**(899.9)**	(875.2)	(4.0)	(879.2)
Other operating income		**2.2**	2.0	0.1	2.1
Property related impairments		**5.9**	(50.2)	-	(50.2)
Profit on sale of properties		**-**	91.2	-	91.2
Operating profit	3	**298.1**	285.4	0.2	285.6
Gain on sale of subsidiaries / discontinued operation		**20.0**	-	26.3	26.3
Investment income	4	**34.9**	27.2	-	27.2
Investment costs	5	**(21.9)**	(40.4)	-	(40.4)
Finance income	6	**28.0**	24.7	-	24.7
Finance costs	7	**(48.9)**	(36.1)	(0.1)	(36.2)
Profit before taxation		**310.2**	260.8	26.4	287.2
Taxation		**(75.6)**	(64.9)	(0.1)	(65.0)
Profit for the period		**234.6**	195.9	26.3	222.2
ATTRIBUTABLE TO:					
Equity holders of the Group		**234.2**	188.7	26.3	215.0
Non-controlling interests		**0.4**	7.2	-	7.2
Profit for the period		**234.6**	195.9	26.3	222.2
EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS					
		Pence per share	Pence per share	Pence per share	Pence per share
Basic earnings per share	8	53.0	41.0	5.7	46.7
Diluted earnings per share	8	53.0	41.0	5.7	46.7

(1) Restated to reflect the change in accounting policy regarding the valuation of investment property and the reclassification of rental income. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 26 WEEKS ENDED 29 OCTOBER 2023

	Note	26 weeks ended 29 October 2023 (unaudited) £m	26 weeks ended 23 October 2022 (unaudited)[1] £m
Profit for the period		234.6	222.2
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Fair value movement on long-term financial assets		(66.4)	(69.7)
Remeasurements of defined benefit pension scheme		0.2	(1.2)
Deferred tax on remeasurements of defined benefit pension scheme		-	0.3
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Exchange differences on translation of foreign operations		(12.9)	(2.4)
Fair value movement on hedged contracts – recognised in the period	11	10.7	24.6
Fair value movement on hedged contracts – reclassified and reported in sales	11	(1.5)	(12.6)
Fair value movement on hedged contracts – reclassified and reported in inventory/cost of sales	11	(2.4)	(19.6)
Fair value movement on hedged contracts – taxation taken to reserves	11	(2.1)	2.2
Fair value adjustment in respect of investment properties		1.2	-
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(73.2)**	**(78.4)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**161.4**	**143.8**
ATTRIBUTABLE TO:			
Equity holders of the Group		161.0	136.6
Non-controlling interest		0.4	7.2
		161.4	**143.8**

(1) Restated to reflect the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	29 October 2023 (unaudited) £m	23 October 2022 (unaudited)[(1)] £m	30 April 2023 (audited)[(1)] £m	24 April 2022 (audited)[(1)] £m
ASSETS – NON CURRENT					
Property, plant and equipment		1,173.1	990.6	1,150.7	1,011.0
Investment properties		192.9	58.5	141.3	95.5
Intangible assets		24.2	152.0	24.1	120.6
Long-term financial assets		410.7	241.4	289.6	206.6
Investment in associated undertakings		17.2	11.9	16.9	-
Retirement benefit surplus		0.8	0.6	0.8	2.2
Deferred tax assets		81.9	93.7	82.1	100.8
		1,900.8	1,548.7	1,705.5	1,536.7
ASSETS – CURRENT					
Inventories		1,590.2	1,466.5	1,464.9	1,277.6
Trade and other receivables	9	790.7	942.0	720.1	841.4
Derivative financial assets	11	92.6	131.6	79.3	116.5
Cash and cash equivalents		266.7	314.8	332.9	336.8
		2,740.2	2,854.9	2,597.2	2,572.3
Assets in disposal groups classified as held for sale		-	-	-	40.0
TOTAL ASSETS		4,641.0	4,403.6	4,302.7	4,149.0
Share capital		64.1	64.1	64.1	64.1
Share premium		874.3	874.3	874.3	874.3
Treasury shares reserve		(746.5)	(569.3)	(644.2)	(488.9)
Permanent contribution to capital		0.1	0.1	0.1	0.1
Capital redemption reserve		8.0	8.0	8.0	8.0
Foreign currency translation reserve		34.5	33.2	47.4	35.6
Reverse combination reserve		(987.3)	(987.3)	(987.3)	(987.3)
Own share reserve		(66.8)	(66.8)	(66.8)	(66.8)
Hedging reserve	11	18.7	49.9	14.0	55.3
Share based payment reserve		42.0	20.0	33.1	14.1
Revaluation reserve		1.2	-	-	-
Retained earnings		2,453.5	1,928.8	2,285.5	1,784.4
Issued capital and reserves attributable to owners of the parent		1,695.8	1,355.0	1,628.2	1,292.9
Non-controlling interests		40.4	36.2	40.0	22.0
TOTAL EQUITY		1,736.2	1,391.2	1,668.2	1,314.9
LIABILITIES – NON CURRENT					
Lease liabilities		513.4	516.6	560.3	503.6
Borrowings		864.2	813.9	749.7	827.9
Retirement benefit obligations		1.6	1.7	1.7	1.6
Deferred tax liabilities		16.6	44.7	15.7	40.4
Provisions	10	251.9	426.1	290.2	433.0
		1,647.7	1,803.0	1,617.6	1,806.5
LIABILITIES – CURRENT					
Derivative financial liabilities	11	92.1	180.8	66.5	107.2
Trade and other payables		874.9	838.9	711.9	729.8
Lease liabilities		170.8	143.3	119.6	117.0
Provisions	10	8.0	-	16.3	-
Current tax liabilities		111.3	46.4	102.6	50.9
		1,257.1	1,209.4	1,016.9	1,004.9
Liabilities in disposal groups classified as held for sale		-	-	-	22.7
TOTAL LIABILITIES		2,904.8	3,012.4	2,634.5	2,834.1
TOTAL EQUITY AND LIABILITIES		4,641.0	4,403.6	4,302.7	4,149.0

(1) Restated to reflect the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE 26 WEEKS ENDED 29 OCTOBER 2023

	26 weeks ended 29 October 2023 (unaudited) £m	26 weeks ended 23 October 2022 (unaudited)(1) £m
Profit before taxation	310.2	287.2
Net finance costs	20.9	11.5
Net investment (income)/costs	(13.0)	13.2
Gain on disposal of subsidiaries/discontinued operations	(20.0)	(26.3)
Operating profit	**298.1**	**285.6**
Depreciation of property, plant and equipment	131.3	112.9
Amortisation of intangible assets	1.6	3.3
(Impairment reversal)/impairment of tangible assets and intangible assets	(5.9)	77.7
Loss/(gain) on modification/remeasurement of lease liabilities	6.5	(3.4)
Profit on disposal of property, plant and equipment	-	(91.2)
Share-based payment charge in equity (excluding deferred tax)	9.3	4.6
Pension contributions less income statement charge	0.2	0.4
Operating cash inflow before changes in working capital	**441.1**	**389.9**
Decrease in receivables	3.7	46.5
Increase in inventories	(125.3)	(152.3)
Increase in payables	162.7	43.3
Decrease in provisions	(46.6)	(9.8)
CASH INFLOW FROM OPERATING ACTIVITIES	**435.6**	**317.6**
Income taxes paid	(68.2)	(58.4)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**367.4**	**259.2**
Proceeds on disposal of property, plant and equipment and investment property	5.9	0.1
Proceeds from sale and leaseback transactions	-	171.5
Proceeds on disposal of listed investments	85.0	17.4
Premiums in relation to equity derivatives	32.9	48.6
Proceeds on disposal of subsidiary undertaking	-	51.4
Purchase of subsidiaries, net of cash acquired	-	(40.9)
Purchase of property, plant and equipment and investment property	(157.3)	(118.8)
Purchase of listed investments	(269.9)	(113.5)
Purchase of associated undertakings	-	(11.9)
Increase in deposits relating to equity derivatives (2)	(54.3)	(145.8)
Investment income received	2.0	1.4
Finance income received	2.0	3.7
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	**(353.7)**	**(136.8)**
Lease payments	(70.6)	(71.5)
Finance costs paid	(21.3)	(27.6)
Borrowings drawn down	199.2	466.3
Borrowings repaid	(84.7)	(487.3)
Proceeds from sale and leaseback transactions	-	50.8
Purchase of own shares	(102.3)	(80.4)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	**(79.7)**	**(149.7)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(66.0)**	**(27.3)**
Exchange movement on cash balances	(0.2)	5.3
CASH AND CASH EQUIVALENTS INCLUDING OVERDRAFTS AT BEGINNING OF PERIOD	332.9	336.8
CASH AND CASH EQUIVALENTS INCLUDING OVERDRAFTS AT THE PERIOD END	**266.7**	**314.8**

(1) Restated to reflect the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.

(2) Movements in deposits relating to equity derivatives have been presented as a separate line item within net cash outflows from investing activities in the current period. Following a reassessment in FY23, management have concluded that this is a more appropriate presentation of movements in these collateral deposits in line with IAS 7 *Statement of Cash Flows*. Prior period information has been restated on an equivalent basis. The presentational adjustment does not have any impact on net decrease in cash and cash equivalents, the balance sheet, the Group's profit, or earnings per share in any of the periods presented.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS ENDED 29 OCTOBER 2023 (UNAUDITED)

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

FOR THE 26 WEEKS ENDED 23 OCTOBER 2022 (UNAUDITED)

	Share capital (£m)	Share premium[1] (£m)	Treasury shares (£m)	Share scheme reserve (£m)	Foreign currency translation (£m)	Own share reserve (£m)	Retained earnings (£m)	Other[2] (£m)	Total attributable to owners of parent (£m)	Non-controlling interests (£m)	Total (£m)
At 24 April 2022[1]	64.1	874.3	(488.9)	14.1	35.6	(66.8)	1,784.4	(923.9)	1,292.9	22.0	1,314.9
Acquisitions	-	-	-	-	-	-	-	-	-	7.0	7.0
Purchase of own shares	-	-	(80.4)	-	-	-	-	-	(80.4)	-	(80.4)
Share scheme	-	-	-	5.9	-	-	-	-	5.9	-	5.9
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	-	-	(80.4)	5.9	-	-	-	-	(74.5)	7.0	(67.5)
Profit for the financial period[1]	-	-	-	-	-	-	215.0	-	215.0	7.2	222.2
OTHER COMPREHENSIVE INCOME											
Cash flow hedges - recognised in the period	-	-	-	-	-	-	-	24.6	24.6	-	24.6
Cash flow hedges – reclassified and reported in sales	-	-	-	-	-	-	-	(12.6)	(12.6)	-	(12.6)
Cash flow hedges - reclassified and reported in inventory/cost of sales	-	-	-	-	-	-	-	(19.6)	(19.6)	-	(19.6)
Cash flow hedges - taxation	-	-	-	-	-	-	-	2.2	2.2	-	2.2
Fair value adjustment in respect of long term financial assets - recognised	-	-	-	-	-	-	(69.7)	-	(69.7)	-	(69.7)
Remeasurements of defined benefit pension scheme	-	-	-	-	-	-	(1.2)	-	(1.2)	-	(1.2)
Deferred tax on remeasurements of defined benefit pension scheme	-	-	-	-	-	-	0.3	-	0.3	-	0.3
Translation differences - Group	-	-	-	-	(2.4)	-	-	-	(2.4)	-	(2.4)
Total comprehensive income for the period	-	-	-	-	(2.4)	-	144.4	(5.4)	136.6	7.2	143.8
At 23 October 2022	64.1	874.3	(569.3)	20.0	33.2	(66.8)	1,928.8	(929.3)	1,355.0	36.2	1,391.2

(1) Restated to reflect the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix below for details.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE 26 WEEKS ENDED 29 OCTOBER 2023

1. BASIS OF PREPARATION

Non-Statutory

The results for the first half of the financial year have not been audited or reviewed by external auditors. The financial information in the Group's Annual Report and Financial Statements for the 53 week period ended 30 April 2023 is prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006 and which have been delivered to the Registrar of Companies. The Interim Results have been prepared on the basis of the policies set out in the 2023 Annual Report and in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the UK and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority (DTR). The Interim Results do not include all of the information required for full annual statements and should be read in conjunction with the 2023 Annual Report.

The summary of results for the 53 weeks ended 30 April 2023 is an extract from the published Annual Report and Financial Statements which have been reported on by the Group's auditors at the time and delivered to the Registrar of Companies. The audit report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498 (2) or s498 (3) of the Companies Act 2006.

Going Concern

The Directors have reviewed the current financial performance and liquidity of the business, including modelling a number of downside scenarios. The Group is still profitable, highly cash generative and has considerable financial resources. The Group is able to operate within its banking facilities which mature in November 2026, and is well placed to take advantage of strategic opportunities as they arise. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the continued uncertain economic outlook.

Management have assessed the level of trading and have forecast and projected a conservative base case scenario and also a number of even more conservative scenarios taking into account the Group's open positions in relation to various option positions. These forecasts and projections show that the Group will be able to operate within the current facility and its covenant requirements (being interest cover and net debt to EBITDA ratios). Management have also identified a number of mitigating actions which could be taken if required such as putting on hold discretionary spend, liquidating certain assets on the balance sheet and paying down the Revolving Credit Facility.

Having thoroughly reviewed the 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 approval of these condensed consolidated financial statements. Trading would need to fall significantly below levels observed during the pandemic to require mitigating actions or a relaxation of covenants. On this basis, the Directors continue to adopt the going concern basis for the preparation of these condensed consolidated financial statements.

New accounting standards, interpretations and amendments adopted by the Group

The principal accounting policies have remained unchanged from those applied for the 53-week period ended 30 April 2023 except as noted below.

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

Risks and uncertainties

The Board has considered the risks and uncertainties for the remaining half of the financial year and determined that the risks and the level of risks presented in the FY23 Annual Report, noted below, also remain relevant for the rest of the financial year and that there aren't any further risks or uncertainties to add at this stage:

- Strategy
- Third-party brand relationships, key suppliers and supply chain management
- Global macro-economic conditions, events (pandemic) or political factors

- Treasury, liquidity and credit risks
- Customer
- Governance, legal and regulatory compliance
- Technology capability and infrastructure renewal
- Cyber risks, data loss and data privacy
- Business continuity management and incident response
- People, talent management and succession
- Environmental, social & governance (ESG)
- Property
- Mergers & acquisitions

Detailed explanations of the principal risks and uncertainties can be found in the Principal Risks and Uncertainties section of the FY23 Annual Report.

Segmental Reporting

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

Historically the Group has presented four operating segments:

- UK Sports
  This segment included the Group's core sports retail store operations in the UK, plus all the Group's sports retail online business, Frasers Fitness, the Group's Shirebrook campus operations, freehold property owning companies excluding Premium Lifestyle fascia properties, GAME UK stores and online operations, Frasers Group Financial Services Limited, and retail store operations in Northern Ireland.

- Premium Lifestyle
  This segment included the results of the Group's premium and luxury retail businesses FLANNELS, Cruise, Van Mildert, Jack Wills, House of Fraser, Gieves and Hawkes, and Sofa.com along with the related websites, the Missguided and I Saw it First websites, and freehold property owning companies where trading was purely from Premium Lifestyle fascias.

- Wholesale & Licensing
  This segment included the results of the Group's portfolio of internationally recognised brands such as Everlast, Karrimor, and Slazenger.

- International
  This segment included all of the Group's sports retail stores, management and operating functions in Europe, Asia and the rest of the world, including the Group's European Distribution Centres in Belgium and Austria, European freehold property owning companies, GAME Spain stores, the Baltics & Asia e-commerce offerings, the MySale business in Australia, and the Group's US retail operations until they were disposed of in 2022.

Following the acquisition of Frasers Group Financial Services Limited (formerly known as Studio Retail Limited) and the launch of the Group's consumer credit offering, Frasers Plus, as well as recent acquisitions of investment property, the Group has decided that its financial services and property businesses should be disclosed as separate operating segments.

In addition, the Group's wholesale and licensing activities have become less of an area of focus in recent periods and therefore management judge the results from these activities no longer warrant separate presentation as an operating segment.

As a result, the Group will now present five operating segments, with the creation of new Property and Financial Services segments, and the Wholesale and Licensing Segment being absorbed into the UK Sports and International segments:

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

- Premium Lifestyle
  This segment includes the results of the Group's premium and luxury retail businesses FLANNELS, Cruise, Van Mildert, Jack Wills, House of Fraser, Gieves and Hawkes, and Sofa.com along with the related websites, the

businesses acquired from JD Sports Fashion plc in FY23, as well as the results from the I Saw it First website and the Missguided website until the disposal of the Missguided intellectual property in October 2023.

- International
  This segment includes the results all of the Group's sports retail stores, management and operating functions in Europe, Asia and the rest of the world, including the Group's European Distribution Centres in Belgium and Austria, GAME Spain stores and e-commerce offering, the Baltics & Asia e-commerce offerings, the MySale business in Australia, the Group's US retail operations until they were disposed of in 2022, and all non-UK based wholesale and licensing activities (relating to brands such as Everlast, Karrimor, and Slazenger).

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

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

The operating performance of each segment will be assessed by reference to revenue, gross margin, and profit from trading activities after operating expenses. For the avoidance of doubt, operating costs in the Group's three retail operating segments include rents payable to third party landlords. Intra-group rent payments are eliminated on consolidation.

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

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

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

Net investment and finance income and costs are not split by segment as management consider that these items relate to the Group as a whole and any split would not be meaningful. The segmental results for the comparative period ended 23 October 2022 have been restated to present segmental information on a consistent basis.

Change to classification of rental income
As a result of the changes above, management has concluded that it is more appropriate to disclose rental income received from third parties within revenue from the property segment rather than in other operating income in various retail segments as was previously disclosed.

The impact of this change is to increase reported revenue in the 26-week period ended 23 October 2022 by £14.0m and in the 53-week period ended 30 April 2023 by £29.3m, in each case reducing the amounts reported in other operating income by an equivalent amount.

The changes to our segmental analysis and the reclassification of rental income have no impact on the Group's results overall.

Change in accounting policy in respect of investment properties

Following the creation of the Property operating segment, management conducted a review of the accounting treatment of investment properties (properties held to earn rentals or for capital appreciation or both, rather than for use in operations) and concluded that it would be more appropriate to adopt the fair value model set out in paragraphs 33-35 of IAS 40 *Investment Property* for remeasuring the value of these properties, rather than on the cost model set out in paragraph 56 of the standard, which was previously used. As result, in future, these assets will not be depreciated but held at fair value with changes in fair value being recorded in the income statement in the period in which they occur.

Management has considered this voluntary change in accounting policy in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and concluded that the fair value model results in the financial statements providing reliable and more relevant information. The key driver of this change is to align periodic movements in fair value of investment properties with the Property segment's aim of generating profits via rental income and capital appreciation, enabling a more complete assessment of the segment's performance for each reporting period. The changes have been applied retrospectively and as such prior period figures have been restated on an equivalent basis to allow for meaningful comparison.

The impact of this change in accounting policy is to increase the carrying value of the Group's investment properties held on 25 April by 2022 by £6.3m, with a corresponding adjustment being made to the Group's opening retained earnings at this date. The carrying value of these assets as at 24 April 2023 increased by £10.0m vs. the amount previously reported, resulting in an increase to profit before tax for the 53-week period ended 2023 of £3.7m and an increase in basic and diluted earnings per share of 0.8p.

Management concluded that there was no material difference in the fair value of investment properties between 25 April 2022 and 23 October 2022. Consequently, the reported profit after tax for the 26-week period 23 October 2022 increased by £2.6m, reflecting the reversal of depreciation charged under the cost method previously applied. Basic, diluted and adjusted earnings per share tax for the 26-week period 23 October 2022 increased by 0.6p because of this change in accounting policy.

This change in accounting policy does not have a material impact on the reported tax charge in the comparative period, nor on the Group's consolidated cash flow statement.

Transfer of properties to investment property

During the current period management has transferred three properties with a net book value of approximately £50m to investment property from property plant and equipment, following a change of use. The properties were transferred at fair value. A £1.2m increase in carrying value at the point of transfer has been recognised in other comprehensive income.

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Climate Change

We have considered the potential impact of climate change in preparing these financial statements. Tackling climate change is a global imperative and measures which support climate change initiatives and our wider ESG agenda continue to be key components of our strategic direction, supporting sustainability, the broader social agenda and consumer choice. The risks associated with climate change have been deemed to be arising in the medium to long term and we are working to mitigate these risks as detailed within the TCFD section of the FY23 Annual Report.

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

Determining Related Party Relationships

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

Control and Significant Influence Over Certain Entities

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

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

Mulberry Group Plc

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

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

Four (Holdings) Limited

The Group holds 49% of the share capital of Four (Holdings) Limited which is accounted for as an associate using the equity method. The Group does not have any representation on the board of directors and no participation in decision making about relevant activities such as establishing operating and capital decisions, including budgets, appointing or remunerating key management personnel or service providers and terminating their services or employment. However, in prior periods the Group has provided Four (Holdings) Limited with a significant loan. At the reporting date, the gross amount owed by Four (Holdings) Limited for this loan totalled £30.0m (£6.3m net of amounts recognised in respect of loss allowance). The Group is satisfied that the existence of these transactions provides evidence that the entity has significant influence over the investee but in the absence of any other rights, in isolation it is insufficient to meet the control criteria of IFRS 10, as the Group does not have power over Four (Holdings) Limited.

Tymit Limited

The Group holds 25% of the share Capital of Tymit Limited. This holding is accounted for as an associate under IAS 28, although the carrying value of the investment is £nil as a result of management's assessment of future trading prospects of the business. Management has advanced Tymit convertible loans of £11.0m (FY23: £7.3m at 29 October 2023), which have been fully provided for. Management has considered whether any of the rights attaching to the loan notes could give rise to control and concluded that this was not the case.

Kangol LLC

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

AO World plc

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

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

Cash Flow Hedging

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

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

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

If the forecast transactions were determined to be not highly probable and all hedge accounting was discontinued, amounts in the Hedging reserve of up to £18.7m (30 April 23: £14.0m) would be shown in Finance Income.

Key Sources of Estimation Uncertainty

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

Property Related Provisions

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

Dilapidations – Note 10

The Group provides for its legal responsibility for dilapidation costs following advice from chartered surveyors and previous experience of exit costs (including strip out costs and professional fees). Management use a reference estimate of £100,000 (FY23 £100,000) for large leasehold stores, £50,000 (FY23: £50,000) for smaller leasehold stores (£25,000 per store for Game UK and Game Spain stores) and $/€50,000 (FY23: $/€50,000) for non-UK stores. Management do not consider these costs to be capital in nature and therefore dilapidations are not capitalised, except for in relation to the sale and leaseback of Shirebrook for which a material dilapidations provision was capitalised in FY20. The annual movement in the dilapidations provisions is considered to be immaterial.

A 10% increase in dilapidation cost per store would result in an approx. £8.8m (FY23: £8.5m) reduction in profit before tax.

Legal and regulatory provisions – Note 10

Provisions are made for items where the Group has identified a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Legal and regulatory provisions reflect management's best estimate of the potential costs arising from the settlement of outstanding disputes of a commercial and regulatory nature. A substantial portion of the amounts provided relates to ongoing legal claims and non-UK tax enquiries. Further details can be found in note 10. Management have made a judgement to consider all claims collectively given their similar nature. In accordance with IAS37.92, management have concluded that it would prejudice seriously the position of the entity to provide further specific disclosures in respect of amounts provided for non-UK tax enquiries and legal claims.

Other Receivables and Amounts Owed By Related Parties

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

Impairment of Assets

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

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

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

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

Impairments in the period have been recognised for the amount of £3.0m (FY23 H1: impairment of £38.7m) due to the ongoing challenges in the retail sector on the forecast cash flows of the CGU, including price increases and the cost-of-living squeeze on customers. This is broken down as follows:

- £0.9m (FY23 H1: £23.6m) against the right-of-use assets; and
- £2.1m (FY23 H1: £15.1m) against plant and equipment

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

In line with IAS 36 Impairment of Assets, management have considered whether any amounts should be recognised for the reversal of prior period impairment losses with £35.1m (FY23: £nil) being recognised in the period.

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

Forecast:	Impact of change in assumption:	Impairment increase / (decrease) £m
Sales decline year 1	10% improvement to 6%	(2.8)
Sales decline year 1	10% reduction to -14%	8.2
Existing gross margin year 1 > 40%	100bps - improvement	(1.3)
Existing gross margin year 1 > 40%	100bps - reduction	1.4
New store exemption [1]	Change from 1 to 2 years	(2.7)
Operating costs increase year 1	Change from 3% to 6%	1.5

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

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

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

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

Impairments in the period have been recognised in the amount of £39.7m (FY23 H1: £11.5m) due to the ongoing challenges in the retail sector on the forecast cash flows of the CGU. This is broken down as follows:

- £15.9m (FY23 H1: £6.4m) against freehold land and buildings
- £8.3m (FY23 H1: £3.5m) against long-term leasehold; and
- £15.5m (FY23 H1: £1.6m) plant and equipment

In line with IAS 36 Impairment of Assets, management have considered whether any amounts should be recognised for the reversal of prior period impairment losses with £13.5m (FY23: £nil) being recognised in the period.

Value In Use (VIU)

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

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

Key assumptions	Year 1	Year 2	Year 3	Year 4	Year 5
Sales decline	-4%	-3%	-2%	-2%	-2%
Existing gross margin > 40%	-150bps	-125bps	-100bps	-75bps	-50bps
Operating costs increase per annum	3%	3%	3%	3%	3%
Terminal growth rate of 2%					
Properties purchased within a year, or stores which have been open for less than one year, are not reviewed for impairment					

Fair value less costs of disposal

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

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

A 10% increase in the market valuation amounts used in the impairment calculations would result in a decrease in impairment of £2.0m (FY23 H1: £1.3m).

The total recoverable amount of the assets that were impaired at the period end was £19.9m (FY23 H1: £29.5m), with £19.9m (FY23 H1: £21.6m) of this being based on their fair value less costs of disposal and £nil (FY23 H1: £7.9m) being based on their value in use.

Credit Customer Receivables

The Group's credit customer receivables are recognised on balance sheet at amortised cost (i.e., net of provision for expected credit loss). At 29 October 2023, consumer credit receivables with a gross value of £309.6m were recorded on the balance sheet, less a provision for impairment of £98.1m (30 April 2023: gross value of £326.0m, less a provision for impairment of £100.1m). Further details are provided in Note 9.

Expected credit loss

An appropriate allowance for expected credit loss in respect of trade receivables is derived from estimates and underlying assumptions such as the Probability of Default and the Loss Given Default, taking into consideration forward looking macro-economic assumptions. The assessment involves significant estimation uncertainty. Changes in the assumptions applied such as the value and frequency of future debt sales in calculating the Loss Given Default, and the estimation of customer repayments and Probability of Default rates, as well as the weighting of the macro-economic scenarios applied to the impairment model could have a significant impact on the carrying value of trade receivables. These assumptions are continually assessed for relevance and adjusted accordingly. Revisions to estimates are recognised retrospectively. Sensitivity analysis is given in note 9.

Macroeconomic scenarios

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

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

Post model adjustment

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

It is our expectation that Studio's customer base has seen and will continue to see a significant reduction in real earnings as a result of the current cost of living crisis and, whilst the adverse impact payment and arrears performance has been less severe than anticipated to date, it will continue to be felt in future. Judgement has therefore been exercised in applying a post model adjustment of £8.0m (April 2023: £6.6m) to the output of the impairment model in arriving at the provision. This reflects management's best estimate based on the information available to them at the current time.

Inventory provisioning

The Group carries significant amounts of inventory, against which there are provisions for expected losses to be incurred in the sale of slow moving, obsolete and delisted products. At 29 October 2023 a provision of £223.8m (30 April 2023: £220.6m; 23 October 2022: £256.9m) was held against a gross inventory value of £1,814.0m (30 April 2023: £1,685.5m; 23 October 2022: £1,723.4m).

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

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

An adjusted rate of loss is then calculated based on losses incurred on the sale of out of season inventory over the past three years (being management's assessment of the time taken to clear through out of season inventory), with any inventory remaining on hand after three years of being classified as out of season being assumed to require a 100% provision rate. The historical rate is sensitised to reflect management's best estimate of future performance by making assumptions around changes to sales prices achieved on the sale of out of season inventory vs. those achieved in the past three years and the level of inventory remaining after three years of being classified as out of season. In the current period, management have estimated that selling prices will need to reduce by a further 5% to clear an equivalent volume of out of season inventory and that approximately twelve times as much Premium Lifestyle out of season inventory will remain on hand at the end of the three-year period of assessment than has typically been the case historically, requiring a 100% provision rate, reflecting the different profile of this inventory to Sports inventory.

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

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

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

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

% of inventory rolling into out of season (including inventory previously classified as continuity) category	
Base assumption	30%
Sensitised assumption	25%/35%
(Decrease)/Increase to provision	(£6.1m)/£8.3m
Decrease in sales prices on out of season inventory	
Base assumption	-5%
Sensitised assumption	0%/-10%
(Decrease)/Increase to provision	(£4.1m)/£7.2m
Increase in out of season Premium Lifestyle inventory on hand after three-years	
Base assumption	12 times historical rate
Sensitised assumption	10 times historical rate/14 times historical rate
(Decrease)/increase to provision	(£1.6m)/£7.7m

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

3. SEGMENTAL ANALYSIS

IFRS 8 requires operating segments to be identified on the basis of the internal financial information reports to the CODM who is primarily responsible for the allocation of resources to segments and assessment of performance of the segments.

Following a review of the Group's operating segments at the start of the 2023/24 financial year, a decision was taken to change the Group's segmental reporting to more accurately reflect the impact of recent acquisitions and strategy changes on how management views the business, and to allow a more granular analysis of the Group's operating base.

As a result, the Group will now present five operating segments, with the creation of new Property and Financial Services segments, and the Wholesale and Licensing Segment being absorbed into the UK Sports and International segments:

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

- Premium Lifestyle

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

- International
  This segment includes the results of all of the Group's sports retail stores, management and operating functions in Europe, Asia and the rest of the world, including the Group's European Distribution Centres in Belgium and Austria, GAME Spain stores and e-commerce business, the Baltics & Asia e-commerce offerings, the MySale business in Australia, the Group's US retail operations until they were disposed of in 2022, and all non-UK based wholesale and licensing activities (relating to brands such as Everlast, Karrimor, and Slazenger).

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

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

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

	UK Sports	Premium lifestyle	International	Retail	Property	Financial Services	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Revenue	1,485.0	550.1	645.8	2,680.9	31.4	57.3	2,769.6
Cost of sales	(825.7)	(347.0)	(387.6)	(1,560.3)	(4.2)	(15.2)	(1,579.7)
Gross profit	659.3	203.1	258.2	1,120.6	27.2	42.1	1,189.9
Gross Margin %	44.4%	36.9%	40.0%	41.8%	86.6%	73.5%	43.0%
Operating costs	(412.6)	(163.2)	(180.1)	(755.9)	(17.7)	(3.8)	(777.4)
Profit from trading	**246.7**	**39.9**	**78.1**	**364.7**	**9.5**	**38.3**	**412.5**
Depreciation & amortisation	(44.2)	(19.0)	(33.4)	(96.6)	(35.5)	(0.8)	(132.9)
Impairments net of impairment reversals	23.7	2.4	(4.2)	21.9	(16.0)	-	5.9
Share-based payments	(9.3)	-	-	(9.3)	-	-	(9.3)
Foreign exchange realised	24.9	(0.2)	(4.6)	20.1	1.8	-	21.9
Operating profit	241.8	23.1	35.9	300.8	(40.2)	37.5	298.1
Gain on sale of subsidiaries/discontinued operations							20.0
Net investment income							13.0
Net finance costs							(20.9)
Profit before tax							**310.2**
Fair value adjustment to derivative financial instruments							(15.7)
Fair value losses on equity derivatives							21.9
Realised FX gain							(21.9)
Share-based payments							9.3
Adjusted profit before tax ("APBT")							**303.8**

Segmental information for the 26 weeks **ended 23 October 2022 (unaudited)** (1):

	UK Sports	Premium lifestyle	International	Retail	Property	Financial Services	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Revenue	1,473.1	533.5	570.3	2,576.9	14.0	61.1	2,652.0
Cost of sales	(890.5)	(310.3)	(333.3)	(1,534.1)	-	3.8	(1,530.3)
Gross profit	582.6	223.2	237.0	1,042.8	14.0	64.9	1,121.7
Gross Margin %	39.5%	41.8%	41.6%	40.5%	100.0%	106.2%	42.3%
Operating costs	(441.4)	(148.2)	(163.0)	(752.6)	(2.4)	(18.9)	(773.9)
Gain on disposal of properties	-	-	-	-	91.2	-	91.2
Profit from trading	**141.2**	**75.0**	**74.0**	**290.2**	**102.8**	**46.0**	**439.0**
Depreciation & amortisation	(52.7)	(6.7)	(26.8)	(86.2)	(26.1)	(0.5)	(112.8)
Impairments net of impairment reversals	(10.2)	(48.0)	(8.4)	(66.6)	(6.4)	(4.7)	(77.7)
Share-based payments	(4.9)	-	(1.8)	(6.7)	-	-	(6.7)
Foreign exchange realised	47.7	(0.1)	(3.8)	43.8	-	-	43.8
Operating profit	**121.1**	**20.2**	**33.2**	**174.5**	**70.3**	**40.8**	**285.6**
Gain on sale of subsidiaries/discontinued operations							26.3
Net investment income							(13.2)
Net finance costs							(11.5)
Profit before tax							287.2
Fair value adjustment to derivative financial instruments							(12.4)
Fair value losses on equity derivatives							32.0
Realised FX gain							(43.8)
Share-based payments							6.7
Adjusted profit before tax ("APBT")							**269.7**

(1) Prior period numbers have been re-categorised due to changes in the reporting segments, see Note 1 for further details.

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

	UK Sports	Premium lifestyle	International	Retail	Property	Financial Services	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Property, plant & equipment depreciation	(27.1)	(14.6)	(15.8)	**(57.5)**	(35.5)	(0.8)	**(93.8)**
Property, plant & equipment impairment	(2.1)	(6.2)	(4.0)	**(12.3)**	(16.0)	-	**(28.3)**
IFRS 16 ROU depreciation	(17.1)	(4.4)	(16.0)	**(37.5)**	-	-	**(37.5)**
IFRS 16 ROU impairment	25.8	8.6	(0.2)	**34.2**	-	-	**34.2**
Revaluation on transfer to investment property*	-	-	-	-	1.2	-	**1.2**
IFRS 16 disposal and modification/remeasurement of lease liabilities	(3.8)	-	(2.7)	**(6.5)**	-	-	**(6.5)**
Intangible amortisation	-	-	(1.6)	**(1.6)**	-	-	**(1.6)**

*Recorded in other comprehensive income

Other segment items included in the income statement for the 26 weeks ended **23 October 2022 (unaudited)**[1]:

	UK Sports	Premium lifestyle	International	Retail	Property	Financial Services	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Property, plant & equipment depreciation	(34.2)	(4.9)	(10.2)	**(49.3)**	(26.1)	(0.5)	**(75.9)**
Property, plant & equipment impairment	(3.8)	(13.3)	(3.1)	**(20.2)**	(6.4)	-	**(26.6)**
IFRS 16 ROU depreciation	(20.0)	(2.5)	(14.5)	**(37.0)**	-	-	**(37.0)**
IFRS 16 ROU impairment	(6.4)	(14.2)	(3.0)	**(23.6)**	-	-	**(23.6)**
IFRS 16 disposal and modification/remeasurement of lease liabilities	1.5	0.7	1.2	**3.4**	-	-	**3.4**
Intangible amortisation	-	-	(3.3)	**(3.3)**	-	-	**(3.3)**
Intangible impairment	-	(20.5)	(2.3)	**(22.8)**	-	(4.7)	**(27.5)**

(1) Prior period numbers have been re-categorised due to changes in the reporting segments, see Note 1 for further details.

4. INVESTMENT INCOME

	26 weeks ended 29 October 2023 (unaudited) (£m)	26 weeks ended 23 October 2022 (unaudited) (£m)
Premium received on equity derivatives	32.9	17.4
Fair value gain on equity derivatives	-	8.4
Dividend income	2.0	1.4
	34.9	27.2

5. INVESTMENT COSTS

	26 weeks ended 29 October 2023 (unaudited) (£m)	26 weeks ended 23 October 2022 (unaudited) (£m)
Fair value loss on equity derivatives	21.9	38.4
Loss on disposal of equity derivatives	-	2.0
	21.9	40.4

6. FINANCE INCOME

	26 weeks ended 29 October 2023 (unaudited) (£m)	26 weeks ended 23 October 2022 (unaudited) (£m)
Bank interest receivable	11.9	3.3
Other finance income	0.4	0.4
Fair value adjustment to derivatives	15.7	21.0
	28.0	24.7

7. FINANCE COSTS

	26 weeks ended 29 October 2023 (unaudited) (£m)	26 weeks ended 23 October 2022 (unaudited) (£m)
Interest on bank loans and overdrafts	31.7	16.8
Other interest	5.6	3.7
IFRS 16 lease interest	11.6	7.1
Fair value adjustment to derivatives	-	8.6
	48.9	36.2

The fair value adjustment to derivative financial instruments in the prior period 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.

8. EARNINGS PER SHARE 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, 441,787,344 (23 October 2022: 460,090,844), is adjusted to assume conversion of all dilutive potential ordinary shares under the Group's share schemes, being nil (23 October 2022: nil). There is therefore no difference between the Basic and Diluted EPS calculations for all periods. Shares bought back into treasury and own shares held are deducted when calculating the weighted average number of shares below.

BASIC AND DILUTED EARNINGS PER SHARE

	26 weeks ended 29 October 2023 (unaudited)	26 weeks ended 23 October 2022 (unaudited)	26 weeks ended 23 October 2022 (unaudited)	26 weeks ended 23 October 2022 (unaudited)
	Basic and diluted, total	Basic and diluted, continuing operations	Basic and diluted, discontinued operations	Basic and diluted, total
	£m	£m	£m	£m
Profit for the period	234.2	188.7	26.3	215.0
	Number in millions	Number in millions		
Weighted average number of shares	441.8	460.1	460.1	460.1
	Pence per share	Pence per share	Pence per share	Pence per share
Earnings per share	53.0	**41.0**	**5.7**	**46.7**

ADJUSTED EARNINGS PER SHARE

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

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

	26 weeks ended 29 October 2023 (unaudited) Basic	26 weeks ended 29 October 2023 (unaudited) Diluted	26 weeks ended 23 October 2022 (unaudited) Basic	26 weeks ended 23 October 2022 (unaudited) Diluted
	£m	£m	£m	£m
Profit for the period	234.2	234.2	215.0	215.0
Pre-tax adjustments to profit / (loss) for the period for the following items:				
Fair value adjustment to derivatives included within finance (income)	(15.7)	(15.7)	(12.4)	(12.4)
Fair value losses on disposal of equity derivatives	21.9	21.9	32.0	32.0
Realised foreign exchange (gain)	(21.9)	(21.9)	(43.8)	(43.8)
Share based payments	9.3	9.3	6.7	6.7
Tax adjustments on the above items	9.3	9.3	11.0	11.0
Adjusted profit for the period	237.1	237.1	**208.5**	**208.5**
	Number in millions		Number in millions	
Weighted average number of shares	441.8	441.8	460.1	460.1
	Pence per share		Pence per share	
Adjusted earnings per share	53.7	53.7	**45.4**	**45.4**

9. TRADE AND OTHER RECEIVABLES

	26 weeks ended 29 October 2023 (unaudited) (£m)	26 weeks ended 23 October 2022 (unaudited) (£m)	53 weeks ended 30 April 2023 (audited) (£m)
Gross credit customer receivables	309.6	355.3	326.0
Allowance for expected credit loss on credit customer receivables	(98.1)	(115.0)	(100.1)
Net credit customer receivables	**211.5**	**240.3**	**225.9**
Trade receivables	117.1	70.4	65.6
Deposits in respect of derivative financial instruments	244.4	389.7	190.1
Amounts owed by related parties	6.8	26.8	4.7
Other receivables	107.6	126.4	122.3
Prepayments	103.3	88.4	111.5
	790.7	**942.0**	**720.1**

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

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

Credit Customer Receivables

Following the acquisition of Frasers Group Financial Services Limited (formerly known as Studio Retail Limited), credit customer receivables now make up a significant element of trade and other receivables. Further disclosure with regards to the credit customer receivables and the associated allowance for expected credit loss can be found at the end of this note.

Certain of the Group's trade receivables are funded through a securitisation facility that is secured against those receivables. The finance provider will seek repayment of the finance, as to both principal and interest, only to the extent that collections from the trade receivables financed allows and the benefit of additional collections remains with the Group. At the period end, receivables of £232.8m (30 April 2023: £256.4m, 23 October 2022: £269.1m) were eligible to be funded via the securitisation facility, and the facilities utilised were £146.3m (30 April 2023: £161.6m, 23 October 2022: £134.4m).

Other information
On average, interest is charged at 3.4% (2023: 3.4%) per month on the outstanding balance.

The Group will undertake a reasonable assessment of the creditworthiness of a customer before opening a new credit account or significantly increasing the credit limit on that credit account. The Group will only offer credit limit increases for those customers that can reasonably be expected to be able to afford and sustain the increased repayments in line with the affordability and creditworthiness assessment. There are no customers who represent more than 1% of the total balance of the Group's trade receivables.

Where appropriate, the Group will offer forbearance to allow customers reasonable time to repay the debt. The Group will ensure that the forbearance option deployed is suitable in light of the customer's circumstances (paying due regard to current and future personal and financial circumstances). Where repayment plans are agreed, the Group will ensure that these are affordable to the customer and that unreasonable or unsustainable amounts are not requested. At the balance sheet date there were 22,291 accounts with total gross balances of £14.9m (30 April 2023: 21,395 with total gross balances of £14.3m, 23 October 2022: 24,159 with total gross balances of £15.6m) on repayment plans. Provisions are assessed as detailed above.

During the current period, overdue receivables with a gross value of £16.2m (30 April 2023: £56.0m, 23 October 2022: £27.2m) were sold to third party debt collection agencies. As a result of the sales, the contractual rights to receive the cash flows from these assets were transferred to the purchasers. Any gain or loss between actual recovery and expected recovery is reflected within the impairment charge.

Allowance for expected credit loss

The following tables provide information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 29 October 2023:

	(Unaudited) 29 October 2023			(Audited) 30 April 2023			(Unaudited) 23 October 2022		
	Trade receivables (£m)	Trade receivables on forbearance arrangements (£m)	Total (£m)	Trade receivables (£m)	Trade receivables on forbearance arrangements (£m)	Total (£m)	Trade receivables (£m)	Trade receivables on forbearance arrangements (£m)	Total (£m)
Ageing of trade receivables									
Not past due	226.8	13.5	240.3	242.5	13.0	255.5	257.2	14.2	**271.4**
Past due									
0 – 60 days	23.3	1.4	24.7	23.4	1.3	24.7	22.9	1.4	**24.3**
60 – 120 days	8.9	-	8.9	9.6	0.0	9.6	8.9	-	**8.9**
120+ days	35.7	-	35.7	36.2	-	36.2	50.7	-	**50.7**
Gross trade receivables	294.7	14.9	309.6	311.7	14.3	326.0	**339.7**	**15.6**	**355.3**
Allowance for expected credit loss	(87.7)	(10.4)	(98.1)	(90.2)	(9.9)	(100.1)	(104.2)	(10.8)	**(115.0)**
Carrying value	207.0	4.5	211.5	221.5	4.4	225.9	**235.5**	**4.8**	**240.3**

1 May 2023 to 29 October 2023	Stage 1 (£m)	Stage 2 (£m)	Stage 3 (£m)	Total (unaudited) (£m)
Consumer credit receivables	161.5	92.8	55.3	309.6
Allowance for doubtful debts:				
30 April 2023	(17.2)	(37.2)	(45.7)	(100.1)
Impairment credit/(charge)	29.7	(25.2)	(24.0)	(19.5)
Utilisation in period	0.5	4.5	16.5	21.5
Closing balance	13.0	(57.9)	(53.2)	(98.1)
Carrying value	174.5	34.9	2.1	211.5

	1 May 2023 to 29 October 2023 (unaudited) (£m)	25 April 2022 to 30 April 2023 (audited) (£m)	24 April 2022 to 23 October 2022 (unaudited) (£m)
Impairment charge impacting on provision	**(19.5)**	**(22.2)**	-
Recoveries	**6.0**	9.2	5.0
Other	**(1.7)**	(2.5)	(1.2)
Impairment (charge)/credit	**(15.2)**	**(15.5)**	**3.8**

Sensitivity analysis
Management judgement is required in setting assumptions around probabilities of default, cash recoveries and the weighting of macro-economic scenarios applied to the impairment model, which have a material impact on the results indicated by the model.

A 1% increase/decrease in the probability of default would increase/decrease the provision amount by approximately £2.1m (FY23: £2.3m).

A 1% increase/decrease in the assumed recoveries rate would result in the impairment provision decreasing/increasing by approximately £1.0m (FY23: £1.0m).

Changing the weighting of macro-economic scenarios so that the severe-case scenario's weighting is halved to 10% (with both upside and downside increasing to 5% and base remaining at 50%) would result in the impairment provision reducing by approximately £0.5m.

10. PROVISIONS

26 weeks ended 29 October 2023 (unaudited)

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

26 weeks ended 23 October 2022 (unaudited)

	Legal and regulatory (£m)	Property related (£m)	Other (£m)	Total (£m)
At 24 April 2022	**230.2**	**161.2**	41.6	**433.0**
Acquired through business combinations	-	2.3	-	2.3
Amounts provided	0.5	30.8	-	31.3
Amounts utilised / reversed	-	(30.1)	(10.4)	(40.5)
At 23 October 2022	**230.7**	**164.2**	**31.2**	426.1

53 weeks ended 30 April 2023 (audited)

	Legal and regulatory (£m)	Property related (£m)	Financial services related (£m)	Other (£m)	Total (£m)
At 24 April 2022	230.2	161.2	41.6	-	433.0
Acquired through business combinations	-	6.0	-	-	6.0
Amounts provided	1.3	69.7	-	0.8	71.8
Amounts utilised / reversed	(108.0)	(70.2)	(25.6)	(0.5)	(204.3)
At 30 April 2023	123.5	166.7	16.0	0.3	306.5

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

Legal and regulatory provisions

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

A substantial portion of the amounts provided relates to ongoing legal claims and non-UK tax enquiries. In accordance with IAS37.92, management have concluded that it would prejudice seriously the position of the Group to provide further specific disclosures in respect of amounts provided for legal claims and non-UK tax enquiries.

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

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

Financial services provisions
As a regulated business, Frasers Group Financial Services Limited has an obligation to proactively review its business to ensure that appropriate outcomes were delivered to customers. At 24 April 2022, a provision of £41.6m was recognised in respect of the probable costs of remediating customers who may have been adversely impacted by legacy decisions. Since the approval of the prior year's consolidated financial statements, the receipt of new information which was not available at the point the prior year financial statements were approved, enabled management to refine the relevant customer cohorts who were potentially impacted by these legacy decisions and complete detailed analysis of the financial implications. This enabled a revision to management's best estimate of the likely costs of remediation and resulted in a reduction in the amount provided at 30 April 2023 of approximately £25m. £4.9m remains provided at 29 October 2023 and this is expected to be utilised within 12 months of the balance sheet date.

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

11. FINANCIAL INSTRUMENTS

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

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

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

*Prepayments of £103.3m are not included as a financial asset.

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

(Unaudited)	Level 1 (£m)	Level 2 (£m)	Level 3 (£m)	Other (£m)	Total (£m)
FINANCIAL ASSETS – 23 October 2022					
Amortised cost:					
Trade and other receivables*	-	-	-	826.8	826.8
Cash and cash equivalents	-	-	-	314.8	314.8
Amounts owed by related parties	-	-	-	26.8	26.8
FVOCI:					
Long Term Financial Assets (Equity Instruments) - designated	241.4	-	-	-	241.4
Derivative financial assets (FV):					
Foreign forward purchase and sales contracts, and interest rate swaps	-	102.1	-	-	102.1
Derivative financial assets – contracts for difference & equity options	-	1.3	-	-	1.3
Interest rate swaps	-	28.2	-	-	**28.2**
	-	**131.6**	-	-	**131.6**
FINANCIAL LIABILITIES – 23 October 2022					
Amortised cost:					
Non-current borrowings	-	-	-	(813.9)	**(813.9)**
Trade and other payables**	-	-	-	(801.8)	**(801.8)**
IFRS 16 lease liabilities	-	-	-	(659.9)	**(659.9)**
Derivative financial liabilities (FV):					
Foreign forward and written options purchase and sales contracts – unhedged	-	(40.4)	-	-	**(40.4)**
Derivative financial liabilities – contracts for difference & equity options	-	(140.4)	-	-	**(140.4)**
	-	**(180.8)**	-	-	**(180.8)**

*Prepayments of £88.4m are not included as a financial asset.
**Other taxes including social security costs of £37.1m are not included as a financial liability.

(Audited)	Level 1 (£m)	Level 2 (£m)	Level 3 (£m)	Other (£m)	Total (£m)
FINANCIAL ASSETS – 30 April 2023					
Amortised cost:					
Trade and other receivables*	-	-	-	603.9	**603.9**
Cash and cash equivalents	-	-	-	332.9	**332.9**
Amounts owed by related parties	-	-	-	4.7	**4.7**
FVOCI:					
Long Term Financial Assets (Equity Instruments) - designated	289.6	-	-	-	**289.6**
Derivative financial assets (FV):					
Foreign forward purchase and sales contracts	-	49.9	-	-	**49.9**
Foreign currency options	-	0.7	-	-	**0.7**
Interest rate swaps	-	28.7	-	-	**28.7**
	-	**79.3**	-	-	**79.3**
FINANCIAL LIABILITIES – 30 April 2023					
Amortised cost:					
Non-current borrowings	-	-	-	(749.7)	**(749.7)**
Trade and other payables**	-	-	-	(701.5)	**(701.5)**
IFRS 16 lease liabilities	-	-	-	(679.9)	**(679.9)**
Derivative financial liabilities (FV):					
Foreign forward and written options purchase and sales contracts – unhedged	-	(22.7)	-	-	**(22.7)**
Derivative financial liabilities – contracts for difference & equity options	-	(43.8)	-	-	**(43.8)**
	-	**(66.5)**	-	-	**(66.5)**

*Prepayments of £111.5m are not included as a financial asset.
**Other taxes including social security costs of £10.4m are not included as a financial liability.

(b) Financial assets and liabilities

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Contracts for difference are classified as Level 2 as the fair value is calculated using quoted prices for listed shares at contract inception and the period end.

Foreign forward purchase and sales contracts and options are classified as Level 2, the Group enters into these derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts and options are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, and yield curves of the respective currencies.

Long-term financial assets such as equity instruments are classified as Level 1 as the fair value is calculated using quoted prices.

The fair value of equity derivative agreements are included within the derivative financial assets balance of £0.7m (23 October 2022: £1.3m, 30 April 2023: £nil) and derivative financial liabilities balance of £76.4m (23 October 2022: £140.4m, 30 April 2022: £43.8m). The derivative financial assets and derivative financial liabilities as at 29 October 2023 relate to strategic investments held of between 0.1% and 36.9% 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 and current / non-current borrowings are held at amortised cost.

The maximum exposure to credit risk as at 29 October 2023 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 £30.0m (23 October 2022: £62.6m, 30 April 2023: £48.7m).

The Group's largest sold put position is in Hugo Boss at approximately 18% of the equivalent share capital. On 15 December 2023 10.9% of this position expires, and as at the date of reporting it is anticipated that these will expire unexercised. Management would anticipate a significant double digit % decline in the Hugo Boss spot price being required for these sold put options in December 2023 to exercise.

(c) Derivatives: Foreign currency forward contracts

(c)(i) Hedged currency instruments

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

Hedge effectiveness is determined at inception of the hedge relationship and at every reporting period end through the assessment of the hedged items and hedging instrument to determine whether there is still an economic relationship between the two.

The critical terms of the foreign currency forwards entered into exactly match the terms of the hedged item. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate. Hedge ineffectiveness may arise where the critical terms of the forecast transaction no longer meet those of the hedging instrument, for example if there was a change in the timing of the forecast sales transactions from what was initially estimated or if the volume of currency in the hedged item was below expectations leading to over-hedging. Differences can arise when the initial value on the hedging instrument is not zero.

The hedged items and the hedging instrument are denominated in the same currency and as a result the hedging ratio is always one to one.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued, and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

The fair value of hedged contracts as at 29 October 2023 was:

	29 October 2023 (unaudited) (£m)	23 October 2022 (unaudited) (£m)	30 April 2023 (audited) (£m)
Assets			
US Dollar purchases – GBP	6.4	41.3	0.7
US Dollar purchases – EUR	4.7	17.0	7.1
Euro sales	35.7	34.4	37.7
Total	**46.8**	**92.7**	**45.5**
Liabilities			
US Dollar purchases – GBP	-	-	2.2
Total	-	-	**2.2**

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

	29 October 2023 (unaudited)			23 October 2022 (unaudited)			30 April 2023 (audited)		
	Currency (millions)	GBP (millions)	Rates	Currency (millions)	GBP (millions)	Rates	Currency (millions)	GBP (millions)	Rates
Euro sales (EUR / GBP)	576.0	550.3	0.98 - 1.09	696.0	672.0	0.98 - 1.08	816.0	771.1	0.98 – 1.09
US Dollar purchases (USD / GBP)	390.0	318.2	1.21 – 1.26	240.0	170.2	1.41	380.0	306.5	1.21 – 1.26
US Dollar purchases (USD / EUR)	30.0	22.9	1.31	90.0	60.8	1.26 - 1.31	60.0	40.1	1.31

The timing of the contracts is as follows:

Currency	Hedging against	Currency value	Timing	Rates
EUR / GBP	Euro sales	EUR 576m	FY24-FY26	0.98 - 1.09
USD / GBP	USD inventory purchases	USD 390m	FY24	1.21 - 1.26
USD / EUR	USD inventory purchases	USD 30m	FY24	1.31

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.

	29 October 2023 (unaudited) (£m)		23 October 2022 (unaudited) (£m)		24 April 2023 (audited) (£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	Change in the fair value of the currency forward	Change in the fair value of the hedged item
US Dollar purchases – GBP	3.5	(3.5)	25.1	(25.1)	(2.7)	2.7
US Dollar purchases – EUR	1.2	(1.2)	7.6	(7.6)	0.8	(0.8)
Euro sales	6.0	(6.0)	(8.1)	8.1	7.7	(7.7)

At 29 October 2023 £341.1m of purchase contracts (23 October 2022: £231.0m, 30 April 2023: £346.7m) and £550.3m of forward sales contracts (23 October 2022: £672.0m, 30 April 2023: £771.1m) qualified for hedge accounting and the gain on fair valuation of these contracts of £10.7m (23 October 2022: £24.6m, 30 April 2023: £7.2m) has therefore been recognised in other comprehensive income.

At 29 October 2023, £16.5m hedged purchase contracts had a maturity of greater than 12 months (23 October 2022: £20.0m, 30 April 2023: £nil) and £329.4m of hedged sales had a maturity of greater than 12 months (23 October 2022: £550.8m, 30 April 2023: £576.0m).

The movements through the Hedging reserve are:

	USD/GBP	EUR/GBP	USD/EUR	Total Hedge Movement	Deferred Tax	Total Hedging Reserve
As at 24 April 2022 (audited)	**33.0**	**28.9**	**12.0**	**73.9**	**(18.6)**	55.3
Recognised	25.1	(8.1)	7.6	**24.6**	-	**24.6**
Reclassified in sales	-	(12.6)	-	**(12.6)**	-	**(12.6)**
Reclassified in inventory / cost of sales	(16.8)	-	(2.8)	**(19.6)**	-	**(19.6)**
Deferred tax	-	-	-	-	2.2	**2.2**
As at 23 October 2022 (unaudited)	**41.3**	**8.2**	**16.8**	**66.3**	**(16.4)**	**49.9**
Recognised	(19.0)	15.6	(14.0)	(17.4)	-	(17.4)
Reclassified in sales	-	(12.0)	-	(12.0)	-	(12.0)
Reclassified in inventory / cost of sales	(16.2)	-	(2.7)	(18.9)	-	(18.9)
Deferred tax	-	-	-	-	12.4	12.4
As at 30 April 2023 (audited)	**6.1**	**11.8**	**0.1**	**18.0**	**(4.0)**	**14.0**
Recognised	3.5	6.0	1.2	10.7	-	10.7
Reclassified in sales	-	(1.5)	-	(1.5)	-	(1.5)
Reclassified in inventory / cost of sales	1.3	-	(3.7)	(2.4)	-	(2.4)
Deferred tax	-	-	-	-	(2.1)	(2.1)
As at 29 October 2023 (unaudited)	**10.9**	**16.3**	**(2.4)**	**24.8**	**(6.1)**	**18.7**

(c)(ii) Unhedged currency instruments

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

	29 October 2023 (unaudited) (£m)	23 October 2022 (unaudited) (£m)	30 April 2023 (audited) (£m)
US Dollar purchases – GBP	462.9	-	155.1
Contracted rates USD / GBP	1.21 - 1.26	-	1.21 - 1.25
US Dollar purchases - EUR	71.4	60.8	18.6
Contracted rates USD / EUR	1.11 - 1.31	1.26-1.31	1.31
Euro sales	1,116.0	672.0	831.8
Contracted rates EUR / GBP	0.98 - 1.09	0.98-1.08	0.98 - 1.13

The gain on fair value of the written options and swaps of £15.7m has been included within finance income (23 October 2022: £8.6m loss in finance costs, 30 April 2023: £26.0m gain).

At 29 October 2023, £20.0m of unhedged purchase contracts had a maturity at inception of greater than 12 months (23 October 2022: £40.0m, 30 April 2023: £16.3m) and £816.0m of unhedged sales contracts had a maturity at inception of greater than 12 months (23 October 2022: £550.8m, 30 April 2023: £831.8m).

These contracts form part of the Treasury management activities, which incorporates the risk management strategy for areas that are not reliable enough in timing and amount to qualify for hedge accounting. This includes acquisitions, disposals of overseas subsidiaries, related working capital requirements, dividends and loan repayments from overseas subsidiaries and purchase and sale of overseas property. Written options carry additional risk as the exercise of the option lies with the purchaser. The options involve the Group receiving a premium on inception in exchange for accepting that risk and the outcome is that the bank may require the Group to sell Euros or buy USD. However, the Group is satisfied that the use of options as a Treasury management tool is appropriate.

The October 2023 values above excludes short term swaps of USD/EUR of EUR 70m and EUR/GBP of EUR 120m which are required for Treasury management purposes only (23 October 2022: GBP/EUR of Euro 70m, 30 April 2023: USD/GBP of USD 70.0m, EUR/USD of EUR 27.0m and EUR/GBP of EUR 180m of EUR 40m short term swaps).

(d) Interest rate swaps

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. The Group has two contracts in place that fix interest payments on variable rate debt. The first contract covers a notional amount of £250.0m and fixes the interest rate at 0.985% per annum until 29 May 2026. The second contract covers a notional amount of £100.0m and fixes the interest rate at 0.45% per annum until 2 September 2024. The fair value of these interest rate swaps is an asset of £28.2m (30 April 2023: £28.7m, 23 October 2022: £37.6m). The fair value loss of £0.5m has been recognised in finance costs classified as fair value adjustments to derivatives.

Capital Management

The capital structure of the Group consists of equity attributable to the equity holders of the parent company, comprising issued share capital (less treasury shares), share premium, retained earnings and cash and borrowings.

It is the Group's policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the development of the business.

In respect of equity, the Board has decided, in order to maximise flexibility in the near term with regards to a number of inorganic growth opportunities under review, not to return any cash by way of a final dividend at this time.

The Board is committed to keeping this policy under review and to looking to evaluate methods of returning cash to shareholders when appropriate.

The objective of the Share Scheme is to encourage employee share ownership and to link employee's remuneration to the performance of the Company. It is not designed as a means of managing capital. From time to time the Board may initiate share buy back programmes.

In respect of cash and borrowings, the Board regularly monitors the ratio of net debt to Reported EBITDA (Pre-IFRS 16), the working capital requirements and forecasted cash flows, however no minimum or maximum ratios are set outside of maintaining a ratio of net debt to Reported EBITDA (pre IFRS 16) below 3.0.

Based on this analysis, the Board determines the appropriate return to equity holders whilst ensuring sufficient capital is retained within the Group to meet its strategic objectives, including but not limited to, acquisition opportunities.

The Group allocates capital in the following order:

- The existing business such as automation and infrastructure
- Growth opportunities such as acquisitions and property purchases
- Strategic investments where the Group believes that there is a mutually beneficial commercial relationship
- Returns to shareholders in the form of share buy backs

These capital management policies have remained unchanged from the prior period.

12. POST BALANCE SHEET EVENTS

The Group made several transactions to increase its holding in ASOS plc and Boohoo Group plc bringing the total direct shareholding in ASOS plc to 18.3% as of 21 November 2023 and the total direct shareholding in Boohoo Group plc to 17.2% as of 4 December 2023.

On 9 November 2023, the Group confirmed that they had purchased the entire share capital of LS Castleford Limited for a consideration of £47.0m. The fair value of assets acquired and liabilities assumed cannot be quantified, as no fair value exercise has been carried out by the date of this report. Due to the proximity of this acquisition to the date of issue of these condensed consolidated financial statements, it is impracticable for the pro forma revenue and profit to be disclosed and also immaterial to the results of the Group.

On 7 November 2023, the Group commenced share buyback programmes with the aggregate purchase price of all shares acquired under these programmes of no greater than £80m each and the maximum number of shares that may be purchased under the programmes of 10m ordinary shares each.

On 30 November 2023 the Group agreed an amendment and extension to its banking facilities. Total committed facilities on the Group' revolving credit facility now stand at £1,237.5m until 30 November 2025, dropping to £1,177.5m from 1 December 2025 to maturity on 30 November 2026.

13. CAPITAL COMMITMENTS

The Group had capital commitments of £56.5m as at 29 October 2023 (23 October 2022: £111.5m, 30 April 2023 £65.2m) relating to aircraft, other plant and machinery, and property purchases.

14. PURCHASE OF OWN SHARES

On 31 July 2023 and 21 September 2023, the Group commenced share buyback programmes with the aggregate purchase price of all shares acquired under these programmes of no greater than £80m each and the maximum number of shares that may be purchased under the programmes of 10m ordinary shares each. The purpose of the programmes was to reduce the share capital of the Company. 14,397,696 ordinary shares at an average price of 711p each for consideration of £102.3m were acquired through these programmes in the current period.

15. RELATED PARTY TRANSACTIONS

The Group has taken advantage of the exemptions contained within IAS 24 - "Related Party Disclosures" from the requirement to disclose transactions between Group companies as these have been eliminated on consolidation.

The Group entered into the following material transactions with related parties:

26 weeks ended 29 October 2023 (unaudited):

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

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

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

26 weeks ended 23 October 2022 (unaudited):

Related party	Relationship	Sales (£m)	Purchases (£m)	Trade and other receivables (£m)	Trade and other payables (£m)
Four (Holdings) Limited & subsidiaries[1]	Associate	0.1	36.3	23.0	-
Mash Holdings Limited	Parent company	-	-	0.2	-
Mike Ashley[2]	Majority shareholder	1.1	-	-	-
Rangers Retail Limited	Associate	-	-	-	0.1
Tymit Limited	Associate	-	-	3.6	-

(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.

53 weeks ended 30 April 2023 (audited):

Related party	Relationship	Sales (£m)	Purchases (£m)	Trade and other receivables (£m)	Trade and other payables (£m)
Four (Holdings) Limited & subsidiaries [1]	Associate	0.3	68.2	4.5	-
Mash Holdings Limited	Parent company	-	-	0.2	-
Mike Ashley [2]	Plc Director	2.6	-	-	-
Rangers Retail Limited	Associate	-	-	-	0.1
Tymit Ltd	Associate	-	2.1	-	-
Reath SW Limited	Connected persons	-	0.6	-	0.1

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

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

The trade and other receivables balance with Four (Holdings) Limited includes a loan balance of £30m (gross of amounts recognised in respect of loss allowance) which attracts interest at a rate of SONIA + 2.5% within current assets (HY23: £60.0m, FY23: £37.5m). This has been accounted for at amortised cost in accordance with IFRS 9. The carrying value has been determined by assessing the recoverability of the receivable balance, discounted at an appropriate market rate of interest. £nil was recognised in the period in respect of doubtful debts. The sales amounts in relation to Four (Holdings) Limited relates to the interest charge on the loan and the purchases relate to the purchase of clothing products.

At the period end the Group does not have significant influence over, but holds greater than 20% of the voting rights of Mulberry Group plc and AO World plc. The latest equity amounts and results are shown below:

	Mulberry Group plc	AO World plc
	6 month period ended 30 September 2023 (£m)	Period ended 30 September 2023 (£m)
Share Capital	3.0	1.4
Share Premium	12.2	108.5
Retained Earnings & other reserves	18.0	8.8
Total equity	33.2	118.7
Profit / (loss) for the period	(13.4)	9.4

The Group does not consider it has the power to participate in the financial and operating policy decisions of the entity and so management do not consider the Group to be able to exert significant influence over this entity as per IAS 28 Investments in Associates and Joint Ventures and IAS 24 Related Party Disclosures.

APPENDIX – CHANGES TO OPERATING SEGMENTS AND ACCOUTING POLICY FOR INVESTMENT PROPERTY

Operating segments

Following a review of the Group's operating segments at the start of the 2023/24 financial year, a decision was taken to change the Group's segmental reporting to more accurately reflect the impact of recent acquisitions and strategy changes on how management views the business, and to allow a more granular analysis of the Group's operating base.

Summary of changes

Historically the Group has presented four operating segments:

- UK Sports
  This segment included the Group's core sports retail store operations in the UK, plus all the Group's sports retail online business, Frasers Fitness, the Group's Shirebrook campus operations, freehold property owning companies excluding Premium Lifestyle fascia properties, GAME UK stores and online operations, Frasers Group Financial Services Limited, and retail store operations in Northern Ireland.

- Premium Lifestyle
  This segment included the results of the Group's premium and luxury retail businesses FLANNELS, Cruise, Van Mildert, Jack Wills, House of Fraser, Gieves and Hawkes, and Sofa.com along with the related websites, the Missguided and I Saw it First websites, and freehold property owning companies where trading was purely from Premium Lifestyle fascias.

- Wholesale & Licensing
  This segment included the results of the Group's portfolio of internationally recognised brands such as Everlast, Karrimor, and Slazenger.

- International
  This segment included all of the Group's sports retail stores, management and operating functions in Europe, Asia and the rest of the world, including the Group's European Distribution Centres in Belgium and Austria, European freehold property owning companies, GAME Spain stores and e-commerce offering, the Baltics & Asia e-commerce offerings, the MySale business in Australia, and the Group's US retail operations until they were disposed of in 2022.

Following the acquisition of Frasers Group Financial Services Limited (formerly known as Studio Retail Limited) and the launch of the Group's consumer credit offering, Frasers Plus, as well as recent acquisitions of investment property, the Group has decided that its financial services and property businesses should be disclosed as separate operating segments.

In addition, the Group's wholesale and licensing activities have become less of an area of focus in recent periods and therefore management judge the results from these activities no longer warrant separate presentation as an operating segment.

As a result, the Group will now present five operating segments, with the creation of new Property and Financial Services segments, and the Wholesale and Licensing Segment being absorbed into the UK Sports and International segments:

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

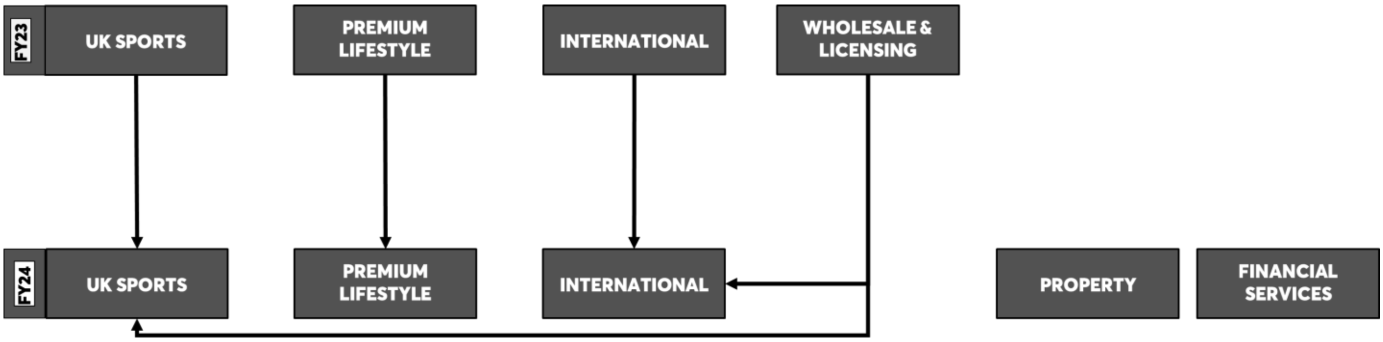
- Premium Lifestyle
  This segment includes the results of the Group's premium and luxury retail businesses FLANNELS, Cruise, Van Mildert, Jack Wills, House of Fraser, Gieves and Hawkes, and Sofa.com along with the related websites, the businesses acquired from JD Sports Fashion plc in FY23, as well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

- International
  This segment includes the results all of the Group's sports retail stores, management and operating functions in Europe, Asia and the rest of the world, including the Group's European Distribution Centres in Belgium and Austria, GAME Spain stores and e-commerce offering, the Baltics & Asia e-commerce offerings, the MySale business in Australia, the Group's US retail operations until they were disposed of in 2022, and all non-UK based wholesale and licensing activities (relating to brands such as Everlast, Karrimor, and Slazenger).

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

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

The changes to the Group's operating segments are summarised in the following diagram:



The operating performance of each segment will be assessed by reference to revenue, gross margin, and profit from trading activities after operating expenses. For the avoidance of doubt, operating costs in the Group's three retail operating segments include rents payable to third party landlords. Intra-group rent payments are eliminated on consolidation.

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

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

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

Net investment and finance income and costs are not split by segment as management consider that these items relate to the Group as a whole and any split would not be meaningful.

Change to classification of rental income
As a result of the changes above, management has concluded that is more appropriate to disclose rental income received from third parties within revenue from the property segment rather than in other operating income in various retail segments as was previously disclosed.

The impact of this change is to increase reported revenue in the 26-week period ended 23 October 2022 by £14.0m and in the 53-week period ended 30 April 2023 by £29.3m, in each case reducing the amounts reported in other operating income by an equivalent amount.

The changes to our segmental analysis and the reclassification of rental income have no impact on the Group's results overall.

Change in accounting policy in respect of investment properties

Following the creation of the Property operating segment, management conducted a review of the accounting treatment of investment properties (properties held to earn rentals or for capital appreciation or both, rather than for use in operations) and concluded that it would be more appropriate to adopt the fair value model set out in paragraphs 33-35 of IAS 40 *Investment Property* for remeasuring the value of these properties, rather than on the cost model set out in paragraph 56 of the standard, which was previously used. As result, in future, these assets will not be depreciated but held at fair value with changes in fair value being recorded in the income statement in the period in which they occur.

Management has considered this voluntary change in accounting policy in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and concluded that the fair value model results in the financial statements providing reliable and more relevant information. The changes have been applied retrospectively and as such prior period figures have been restated on an equivalent basis to allow for meaningful comparison.

The impact of this change in accounting policy is to increase the carrying value of the Group's investment properties held on 25 April 2022 by £6.3m, with a corresponding adjustment being made the Group's opening retained earnings at this date. The carrying value of these assets as at 24 April 2023 increased by £10.0m vs. the amount previously reported, resulting in an increase to profit before tax for the 53-week period ended 2023 of £3.7m and an increase in basic and diluted earnings per share of 0.8p.

The impact on APBT for the 53-week period ended 23 April 2023 is summarised as follows:

	FY23	**H1 FY23**
Reported APBT	£478.1m	£267.1m
Impact of change in accounting policy	£3.7m	£2.6m
Revised APBT	£481.8m	£269.7m

Management concluded that there was no material difference in the fair value of investment properties between 25 April 2022 and 23 October 2022. Consequently, the reported profit after tax for the 26-week period 23 October 2022 increased by £2.6m, reflecting the reversal of depreciation charged under the cost method previously applied. Basic and adjusted earnings per share tax for the 26-week period 23 October 2022 increased by 0.6p because of this change in accounting policy.

This change in accounting policy does not have a material impact on the reported tax charge in the comparative period, nor on the Group's consolidate cash flow statement.

Restated financial information
For comparative purposes, the results for the 53-week period ended 30 April 2023 and 26-week period ended 23 October 2022 have been presented below showing the new basis of presentation. These figures have also been adjusted to reflect the change in accounting policy in respect of the valuation on investment properties noted above.

53-week period ended 30 April 2023

	UK Sports	Premium lifestyle	International	Retail	Property	Financial Services	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Revenue	2,959.1	1,218.1	1,256.2	5,433.4	36.1	125.0	5,594.5
Cost of sales	(1,685.7)	(741.0)	(750.6)	(3,177.3)	(2.6)	(15.5)	(3,195.4)
Gross profit	1,273.4	477.1	505.6	2,256.1	33.5	109.5	2,399.1
Gross Margin %	43.0%	39.2%	40.2%	41.5%	92.8%	87.6%	42.9%
Operating costs	(830.7)	(343.1)	(348.8)	(1,522.6)	(13.1)	(43.7)	(1,579.4)
Fair value adjustments to investment properties	-	-	-	-	(6.5)	-	(6.5)
Gain on disposal of properties	-	-	-	-	95.4	-	95.4
Profit from trading	**442.7**	**134.0**	**156.8**	**733.5**	**109.3**	**65.8**	**908.6**
Depreciation & amortisation	(117.8)	(41.4)	(46.3)	(205.5)	(36.0)	(0.9)	(242.4)
Impairments/impairment reversals	(25.1)	(56.9)	(133.8)	(215.8)	(23.9)	-	(239.7)
Share-based payments	(19.3)			(19.3)			(19.3)
Foreign exchange realised	35.8	0.1	(4.7)	31.2			31.2
Exceptional items	-	55.2	16.9	72.1	-	25.0	97.1
Operating profit	**316.3**	**91.0**	**(11.1)**	**396.2**	**49.4**	**89.9**	**535.5**
Gain on sale of subsidiaries/discontinued operations							43.9
Net investment income							108.0
Net finance costs							(23.0)
Profit before tax							**664.4**
Exceptional items							(97.1)
Fair value adjustment to derivative financial instruments							(32.5)
Fair value gains and profit on disposal of equity derivatives							(41.1)
Realised FX gain							(31.2)
Share-based payments							19.3
Adjusted profit before tax ("APBT")							**481.8**

26-week period ended 23 October 2022

	UK Sports	Premium lifestyle	International	Retail	Property	Financial Services	Group Total
	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)	(£'m)
Revenue	1,473.1	533.5	570.3	2,576.9	14.0	61.1	2,652.0
Cost of sales	(890.5)	(310.3)	(333.3)	(1,534.1)	-	3.8	(1,530.3)
Gross profit	582.6	223.2	237.0	1,042.8	14.0	64.9	1,121.7
Gross Margin %	39.5%	41.8%	41.6%	40.5%	100.0%	106.2%	42.3%
Operating costs	(441.4)	(148.2)	(163.0)	(752.6)	(2.4)	(18.9)	(773.9)
Gain on disposal of properties	-	-	-	-	91.2	-	91.2
Profit from trading	**141.2**	**75.0**	**74.0**	**290.2**	**102.8**	**46.0**	**439.0**
Depreciation & amortisation	(52.7)	(6.7)	(26.8)	(86.2)	(26.1)	(0.5)	(112.8)
Impairments net of impairment reversals	(10.2)	(48.0)	(8.4)	(66.6)	(6.4)	(4.7)	(77.7)
Share-based payments	(4.9)	-	(1.8)	(6.7)	-	-	(6.7)
Foreign exchange realised	47.7	(0.1)	(3.8)	43.8	-	-	43.8
Operating profit	**121.1**	**20.2**	**33.2**	**174.5**	**70.3**	**40.8**	**285.6**
Gain on sale of subsidiaries/discontinued operations							26.3
Net investment income							(13.2)
Net finance costs							(11.5)
Profit before tax							287.2
Fair value adjustment to derivative financial instruments							(12.4)
Fair value gains and profit on disposal of equity derivatives							32.0
Realised FX gain							(43.8)
Share-based payments							6.7
Adjusted profit before tax ("APBT")							**269.7**

GLOSSARY

ALTERNATIVE PERFORMANCE MEASURES

Excluding acquisitions, disposals and currency neutral performance measure reconciliation:

	UK Retail	Premium Lifestyle	International Retail	Retail	Financial Services	Property	Group Total
				Revenue			
FY24 H1 Reported	1,485.0	550.1	645.8	2,680.9	57.3	31.4	2,769.6
Adjustments for acquisitions, disposals and currency neutral	-	(86.7)	(56.7)	(143.4)	-	(10.8)	(154.2)
FY24 H1 Excluding acquisitions, disposals and currency neutral	1,485.0	463.4	589.1	2,537.5	57.3	20.6	2,615.4
FY23 H1 Reported	1,473.1	533.5	570.3	2,576.9	61.1	14.0	2,652.0
Adjustments for acquisitions, disposals and currency neutral	-	(11.6)	(47.4)	(59.0)	-	-	(59.0)
FY23 H1 Excluding acquisitions, disposals and currency neutral	1,473.1	521.9	522.9	2,517.9	61.1	14.0	2,593.0
% Variance	0.8%	(11.2%)	12.7%	0.8%	(6.2%)	47.1%	0.9%
				Profit from trading			
FY24 H1 Reported	246.7	39.9	78.1	364.7	38.3	9.5	412.5
Adjustments for acquisitions, disposals and currency neutral	-	11.9	(0.3)	11.6	-	0.9	12.5
FY24 H1 Excluding acquisitions, disposals and currency neutral	246.7	51.8	77.8	376.3	38.3	10.4	425.0
FY23 H1 Reported	141.2	75.0	74.0	290.2	46.0	102.8	439.0
Adjustments for acquisitions, disposals and currency neutral	-	6.9	5.2	12.1	-	0.1	12.2
FY23 H1 Excluding acquisitions, disposals and currency neutral	141.2	81.9	79.2	302.3	46.0	102.9	451.2
% Variance	74.7%	(36.8%)	(1.8%)	24.5%	(16.7%)	(89.9%)	(5.8%)

(1) in the period, the reporting segments have been re-categorised see Note 1 for further details

Reconciliation of Adjusted PBT performance measure, 5-year record:

	26 weeks ended 29 October 2023	26 weeks ended 23 October 2022[1]	26 weeks ended 24 October 2021	26 weeks ended 25 October 2020	26 weeks ended 27 October 2019
	PBT (£'m)	PBT (£'m)	PBT (£'m)	PBT (£'m)	PBT (£'m)
REPORTED PBT	310.2	287.2	186.0	106.1	90.2
Exceptional items	-	-	-	(3.7)	3.3
Fair value adjustments to derivatives included within Finance (income) / costs	(15.7)	(12.4)	(10.7)	8.6	3.2
Fair value (gains) / losses and profit on disposal of equity derivatives	21.9	32.0	15.6	(2.9)	(3.0)
Realised foreign exchange (gain) / loss	(21.9)	(43.8)	(4.5)	7.4	(4.8)
Share scheme	9.3	6.7	6.0	-	-
ADJUSTED PBT	303.8	269.7	192.4	115.5	88.9

(1) Restated to reflect the change in accounting policy regarding the valuation of investment property. Please refer to note 1 of the condensed consolidated financial statements and the appendix above for details.

KEY PERFORMANCE INDICATORS

Performance Measure	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose
Group revenue	-	-	The Board considers that this measure is a key indicator of the Group's growth.
Reported PBT	-	-	Reported PBT shows both the Group's trading and operational efficiency, as well as the effects on the Group of external factors as shown in the fair value movements in Strategic investments and FX.
Adjusted PBT	Profit before taxation	Adjusting items (see Glossary reconciliation above). The adjusting items are those deemed by the Board to be volatile and therefore difficult to forecast.	Adjusted PBT shows how well the Group is managing its ongoing trading performance and controllable costs and therefore the overall performance of the Group.
Cash inflow from operating activities before working capital	-	-	Cash inflow from operating activities before working capital is considered an important indicator for the Business of the cash generated and available for investment in the Elevation strategy.
Net assets	-	-	The Board considers that this measurement is a key indicator of the Group's health.
Number of retail stores	-	-	The Board considers that this measure is an indicator of the Group's growth. The Group's Elevation strategy is replacing older stores and often this can result in the closure of two or three stores, to be replaced by one larger new generation store.
Workforce turnover	-	-	The Board considers that this measure is a key indicator of the contentment of our people.
Electricity consumption on like for like stores improvement vs FY20	-	-	This measure allows the Board to determine the effectiveness of ongoing projects in reducing the Group's energy consumption.
Employee Engagement Survey	-	-	The Board considers that this measurement is a key indicator of our impact and commitment to the best environmental practices.