REGISTERED NUMBER: 04730752

THE VERY GROUP LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the 39 weeks ended 30 March 2024

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INTERIM RESULTS STATEMENT

The Directors present their interim results statement of The Very Group Limited and its subsidiaries ("the Group") for the 39 week period ended 30 March 2024[1].

Review of the business

The Group has delivered a resilient performance in the year to date, despite market pressures. Group revenue declined slightly by 0.8% to £1,667.2m (Q3 FY23 YTD: £1,680.2m), outperforming the wider market, with growth in Very UK revenue of 1.0% to 1,440.6m (Q3 FY23 YTD: £1,426.7m). This top line performance supported the delivery of positive pre-exceptional EBITDA[2] of £197.4m, (Q3 FY23 YTD: £190.1m), an increase of 3.8% year on year. As a result of higher interest costs compared to the prior year, loss before tax for the period stood at £2.1m (Q3 FY23 YTD: profit before tax of £11.7m).

Total revenue

Total Group revenue decreased by 0.8% to £1,667.2m (Q3 FY23 YTD: £1,680.2m) compared with the prior year, as a result of the ongoing tough conditions in the market.

Within total revenue, our flagship brand Very UK represents 86% of sales (Q3 FY23 YTD: 85%) and saw an increase in revenue of 1.0% to £1,440.6m compared with the prior year (Q3 FY23 YTD: £1,426.7m). Littlewoods revenue declined 11.9% to £174.5m (Q3 FY23 YTD: £198.1m), which is in line with expectations as the managed decline strategy for this brand continues.

Retail sales

Retail sales performance was ahead of the wider market[3] which remains challenging, with Very UK retail sales falling slightly by 0.4% year on year compared with Q3 FY23 YTD. Group retail sales[4] decreased year on year by 1.8%, however this contributed to an increase in Group market share given the declining market.

Toys, Gifts & Beauty was an area of strategic focus in FY23 as we invested in stock and pricing. The benefit of this investment continued in FY24, with growth of 2.5% at a Group level, and 4.9% for Very UK. There were particularly strong sales in certain key categories, with growth of 20.4% for personal care, 9.1% for toys and 8.7% for fragrance, partially offset by a decline in sale of gifts (all figures for Very UK).

Group Electrical sales increased 0.1% year on year, and we saw an increase of 1.2% at a Very UK level, driven by gaming and computing sales. Electrical remains our largest category at 45.8% of Group retail sales.

Group Fashion & Sports retail sales declined by 5.7% year on year, with a decline of 4.9% at a Very UK level, representing a slowing of the decline seen in previous quarters. This decline was driven by a heavily promotional environment for Fashion. Premium fashion however performed well year on year, with growth of 19.4%.

Group Home retail sales declined 3.5%, with Very UK home sales falling by 1.7%, partly due to a decline in gardening sales as a result of unpredictable weather, however offsetting this was an increase in bed, nursery and home improvement sales.

1 Q3 FY24 YTD is the 39 weeks ended 30 March 2024. Q3 FY23 YTD is the 39 weeks ended 1 April 2023.

2 Pre-exceptional EBITDA is defined on page 4 of the Financial Statements.

3 Based on third-party market data for the total UK online non-food market.

4 Retail sales is on a management accounts basis excluding statutory adjustments, therefore differs to revenue from the sale of goods presented in the condensed consolidated income statement.

INTERIM RESULTS STATEMENT (continued)

Very Pay revenue

Very Pay revenue (rendering of services) for the Group increased by 3.2% to £329.9m compared with the prior year (Q3 FY23 YTD: £319.6m). This reflects growth in the Group's average debtor book of 2.8%, within which we saw growth of 5.1% for Very UK. Group interest income, which accounts for the majority of total Very Pay revenue, increased by 5.0%. Interest income as a percentage of the average debtor book increased by 0.4%pts to 17.2% (Q3 FY23 YTD: 16.8%), due to two increases in customer APR implemented at the end of FY23.The impact of the Very customer APR increases has been seen within interest income from November 2023.

Gross profit and costs

In Q3 FY24, we delivered £580.8m of gross profit (Q3 FY23 YTD: £583.8m), corresponding to a statutory gross margin rate of 34.8%, an increase of 0.1%pts from last year. This increase is despite annualising against a one-off £10.7m benefit through recovered VAT in FY23 and reflects the growing contribution of Very Pay. The margin is further supported by higher delivery income on the back of strategic changes in our delivery proposition.

Gross margin is also impacted by bad debt, which as a percentage of the average debtor book decreased by 0.4%pts year on year. Notably, our bad debt remains much lower than that seen pre-pandemic and remains an area of continued focus and risk management.

Our overall operating cost base (excluding depreciation, amortisation and exceptionals) has decreased 0.4%pts year on year as a percentage of revenue to 23.1% (Q3 FY23: 23.5%). Within this, distribution expenses decreased by £11.5m to £156.3m (Q3 FY23 YTD: £167.8m). This represents 9.4% as a percentage of revenue, a reduction of 0.6%pts compared with last year despite inflationary pressures. Administrative costs increased slightly by £1.5m to £229.0m (Q3 FY23 YTD: £227.5m), reflecting higher marketing and tech spend year on year.

Pre-exceptional EBITDA

Pre-exceptional EBITDA[2] increased 3.8% to £197.4m for Q3 FY24 YTD (Q3 FY23 YTD: £190.1m), despite the ongoing tough market conditions. The increase is also despite annualising against a £10.7m recovered VAT benefit in the prior year. As a percentage of Group sales, the pre-exceptional EBITDA margin[2] increased 0.5%pts to 11.8% (Q3 FY23 YTD: 11.3%).

Finance costs

Net finance costs (before exceptional items) increased to £149.3m (Q3 FY23 YTD: £112.1m) due to increased securitisation interest (owing to both higher SONIA rates as well as the larger debtor book).

Exceptional items

Exceptional costs in the year to date of £13.8m (Q3 FY23 YTD: £21.1m expenditure) include £10.7m spend on our tech acceleration programme, £1.2m of restructuring costs and £2.2m of professional fees, offset by historical provision releases.

Taxation

The tax charge on the loss before tax for the period is higher than the standard tax rate of 25% for the period largely as a result of transfer pricing adjustments which have not been offset with group relief. The tax charge in the income statement of £1.0m is based on management's best estimate of the weighted average annual income tax rate expected for the full financial year (Q3 FY23 YTD: £9.2m). For the 39 weeks ended 30 March 2024 the effective tax rate that has been applied is (47.6%) (1 April 2023: 79.0%). The tax charge includes a £3.4m credit in relation to exceptional items charged in the period (Q3 FY23 YTD: £4.0m credit).

2 Pre-exceptional EBITDA margin is defined on page 4 of the Financial Statements.

INTERIM RESULTS STATEMENT (continued)

Statement of cash flows

Cash and cash equivalents increased by £6.2m to £45.8m in the year to date, a reduced inflow compared to that seen last year (Q3 FY23 YTD: net cash and cash equivalents increased by £18.8m to £62.2m).

The cash outflow from operating activities of £151.9m (Q3 FY23 YTD: £94.4m) largely reflects higher interest payments of £147.8m (Q3 FY23 YTD: £107.5m) as well as the movements in working capital, notably through the movements in trade and other receivables and trade and other payables. Increases in trade receivables are partially matched by an increase in securitisation funding within the financing activities section of the cashflow, and support future cash generation through Very Pay.

The cash outflows in respect of investment activities, which comprise capital additions for the period of £35.7m, were slightly lower than prior year (Q3 FY23 YTD: £44.8m) and were across business-as-usual and strategic investments.

The cash inflow from financing activities of £193.8m (Q3 FY23 YTD: inflow of £158.0m) reflects £83.8m of drawings on the securitisation facility and increased drawings of the revolving credit facility of £80m, as well as an inflow of funding from the Group's partnership with investment firms Carlyle and IMI.

Financial position

The decrease in equity of £1.0m to £176.4m (1 July 2023: equity £177.4m, 1 April 2023: equity £190.2m) was driven by a total comprehensive loss for the period of £2.8m (1 July 2023: loss of £2.2m, 1 April 2023: profit of £3.1m). The remaining movement relates to dividends paid in the period and amounts transferred via capital contribution reserve.

Inventory held at 30 March 2024 increased against the 1 July 2023 position to £124.1m (1 July 2023: £105.7m, 1 April 2023: £131.2m), following usual seasonal movements. Trade and other receivables at 30 March 2024 increased against the 1 July 2023 position to £2,350.1m (1 July 2023: £2,197.0m, 1 April 2023: £2,280.6m). The increase compared to the Q3 FY23 position reflects the structural growth of the Very Pay debtor book. The growing debtor book is the result of a compelling retail offer that attracts new customers to our flexible payments business, providing future revenue and profitability through interest income. Trade and other payables at 30 March 2024 decreased to £525.0m (1 July 2023: £537.9m, 1 April 2023: £525.3m).

Total provisions at 30 March 2024 have decreased against the 1 April 2023 position to £6.0m (1 July 2023: £8.3m, 1 April 2023: £8.4m). The balance is made up of restructuring and regulatory provisions, of which £2.0m is expected to be utilised within 12 months. The remaining £4.0m is expected to be utilised after 12 months.

Total lease liabilities at 30 March 2024 decreased to £93.6m from the 1 July 2023 position (1 July 2023: £96.5m, 1 April 2023: £97.1m), as the liability has unwound.

Securitisation borrowings increased by 1.8% year on year to £1,575.6m[5] (1 July 2023: £1,491.8m, 1 April 2023: £1,547.8m), driven by the growth in the debtor book. The securitisation borrowings figure includes £21.9m (1 July 2023: £21.6m, 1 April 2023: £23.5m) relating to the balance sheet receivables of Shop Direct Ireland Limited. At 30 March 2024, the total UK securitisation facility size was £1,635.0m. The securitisation facility expires in January 2027 for 'AS' Notes (£1,134.2m), 'AJ' Notes (£159.5m), 'B' Notes (£105.0m), 'C1' Notes (£105.0m) and 'C2' Notes (£50.0m). The Ireland facility has a total maximum commitment of €35.0m which expires in July 2026.

A further £27.3m (1 July 2023: £34.4m, 1 April 2023: £35.2m) of loans are denominated in Euros and relate to the debt held by subsidiary Primevere Equipment Limited. The Group also has an external loan with a carrying value of £51.2m (1 July 2023: £nil, 1 April 2023: £nil) presented at amortised cost and is expected to be settled in full in 2026.

5 The borrowing facilities presented here are at their nominal values. The primary financial statements and the notes to the financial statements present the facilities at values determined in accordance with IFRS 9 and as such will differ from the values shown here.

INTERIM RESULTS STATEMENT (continued)

Principal risks and uncertainties

The principal risks and uncertainties are as disclosed in the Group's consolidated financial statements for the period ended 1 July 2023.

Going concern

In determining that the Group's accounts can be prepared on a going concern basis, the Directors considered the Group's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position, borrowing facilities, and the principal risks and uncertainties relating to its business activities.

Further detail on the going concern position of the Group is included in note 2 to the Financial Statements.

Alternative performance measures

The Group uses a number of measures to assess financial performance that are not defined within IFRS and are widely referred to as 'Alternative Performance Measures' ("APMs"). The Directors use these measures to review the performance of the Group, as evidenced by their inclusion in the monthly Group Performance Report which is presented to the Board.

Reconciliation of operating profit to pre-exceptional EBITDA

	39 weeks to 30 March 2024	39 weeks to 1 April 2023	52 weeks to 1 July 2023
	£'m	£'m	£'m
Operating profit	147.2	123.8	160.0
Exclusion of exceptional items	13.8	21.1	26.5
Operating profit before exceptional items	161.0	144.9	186.5
Exclusion of depreciation and amortisation	36.4	45.2	60.4
Pre-exceptional EBITDA	197.4	190.1	246.9

Reconciliation of pre-exceptional EBITDA to pre-exceptional EBITDA margin

	39 weeks to 30 March 2024	39 weeks to 1 April 2023	52 weeks to 1 July 2023
	£'m	£'m	£'m
Pre-exceptional EBITDA	197.4	190.1	246.9
Total revenue	1,667.2	1,680.2	2,147.0
Pre-exceptional EBITDA margin	11.8%	11.3%	11.5%

INTERIM RESULTS STATEMENT (continued)

Reconciliation of administrative expenses before amortisation, depreciation and exceptional items

	39 weeks to 30 March 2024	**39 weeks to 1 April 2023**	**52 weeks to 1 July 2023**
	£'m	**£'m**	**£'m**
Administrative expenses	275.3	290.2	383.1
Amortisation charged to administrative expenses	(25.3)	(33.5)	(45.2)
Depreciation charged to administrative expenses	(7.2)	(8.1)	(10.2)
Exceptional items	(13.8)	(21.1)	(26.5)
Administrative expenses before amortisation, depreciation and exceptional items	229.0	227.5	301.2

Reconciliation of distribution costs before amortisation, depreciation and exceptional items

	39 weeks to 30 March 2024	**39 weeks to 1 April 2023**	**52 weeks to 1 July 2023**
	£'m	**£'m**	**£'m**
Distribution costs	160.2	171.4	219.4
Depreciation charged to distribution costs	(3.9)	(3.6)	(5.0)
Distribution costs before amortisation, depreciation and exceptional items	156.3	167.8	214.4

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

		39 weeks to 30 March 2024 (unaudited)			39 weeks to 1 April 2023 (unaudited)			52 weeks to 1 July 2023 (audited)		
	Notes	Pre-exceptional items £'m	Exceptional items (Note 4) £'m	Total £'m	Pre-exceptional items £'m	Exceptional items (Note 4) £'m	Total £'m	Pre-exceptional items £'m	Exceptional items (Note 4) £'m	Total £'m
Sale of goods		1,337.3	-	1,337.3	1,360.6	-	1,360.6	1,724.9	-	1,724.9
Rendering of services		329.9	-	329.9	319.6	-	319.6	422.1	-	422.1
Total revenue	3	1,667.2	-	1,667.2	1,680.2	-	1,680.2	2,147.0	-	2,147.0
Cost of sales		(1,086.4)	-	(1,086.4)	(1,096.4)	-	(1,096.4)	(1,386.7)	-	(1,386.7)
Gross profit		580.8	-	580.8	583.8	-	583.8	760.3	-	760.3
Distribution costs		(160.2)	-	(160.2)	(171.4)	-	(171.4)	(219.4)	-	(219.4)
Administrative costs		(261.5)	(13.8)	(275.3)	(269.1)	(21.1)	(290.2)	(356.6)	(26.5)	(383.1)
Other operating income		1.9	-	1.9	1.6	-	1.6	2.2	-	2.2
Operating profit	3	161.0	(13.8)	147.2	144.9	(21.1)	123.8	186.5	(26.5)	160.0
Finance income		2.2	-	2.2	0.1	-	0.1	1.4	-	1.4
Finance costs		(151.5)	-	(151.5)	(112.2)	-	(112.2)	(156.8)	-	(156.8)
(Loss)/profit before tax		11.7	(13.8)	(2.1)	32.8	(21.1)	11.7	31.1	(26.5)	4.6
Tax (charge)/credit	7	(4.4)	3.4	(1.0)	(13.2)	4.0	(9.2)	(15.1)	6.6	(8.5)
(Loss)/profit for the period		7.3	(10.4)	(3.1)	19.6	(17.1)	2.5	16.0	(19.9)	(3.9)

The above results were derived from continuing operations.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	39 weeks to 30 March 2024 (unaudited) £'m	39 weeks to 1 April 2023 (unaudited) £'m	52 weeks to 1 July 2023 (audited) £'m
(Loss)/profit for the period		(3.1)	2.5	(3.9)
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement on retirement benefit obligations before tax		-	-	2.0
Income tax effect	7	-	-	-
Other comprehensive income for the period for items that will not be reclassified subsequently to profit or loss		-	-	2.0
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation gain/(loss)		0.3	0.6	(0.3)
Other comprehensive income for the period		0.3	0.6	1.7
Total comprehensive (loss)/income attributable to:				
Equity holders of the company		(2.8)	3.1	(2.2)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 March 2024 (unaudited) £'m	1 April 2023 (unaudited) £'m	1 July 2023 (audited) £'m
Assets				
Non-current assets				
Goodwill		202.5	202.5	202.5
Intangible assets		198.0	181.6	189.2
Property, plant and equipment		65.0	72.4	69.8
Right-of-use assets		76.2	82.9	81.2
Deferred tax assets		176.5	185.2	183.6
Trade and other receivables	6	518.6	507.5	508.8
		1,236.8	1,232.1	1,235.1
Current assets				
Inventories		124.1	131.2	105.7
Trade and other receivables	6	1,831.5	1,773.1	1,688.2
Income tax asset		8.0	-	1.2
Cash at bank	10	45.8	62.2	39.6
Derivative financial instruments	5	-	-	-
		2,009.4	1,966.5	1,834.7
Total assets		3,246.2	3,198.6	3,069.8

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Notes	30 March 2024 (unaudited) £'m	1 April 2023 (unaudited) £'m	1 July 2023 (audited) £'m
Equity				
Share capital	11	(200.0)	(200.0)	(200.0)
Merger reserve		(3.5)	(3.5)	(3.5)
Capital contribution reserve	13	(5.3)	-	-
Accumulated deficit		32.4	13.3	26.1
Equity attributable to owners of the company		(176.4)	(190.2)	(177.4)
Non-current liabilities				
Trade and other payables		(19.7)	-	-
Loans and borrowings	9	(655.3)	(607.7)	(617.6)
Securitisation facility[6]	9	(1,575.6)	(1,497.8)	(1,441.8)
Retirement benefit obligations		(1.2)	(1.3)	(1.2)
Deferred income		(22.7)	(24.7)	(23.4)
Lease liabilities		(87.7)	(92.4)	(91.0)
Provisions	8	(4.0)	(4.4)	(4.3)
		(2,366.2)	(2,228.3)	(2,179.3)
Current liabilities				
Trade and other payables		(505.3)	(525.3)	(537.9)
Loans and borrowings	9	(156.1)	(155.9)	(75.8)
Securitisation facility[6]	9	-	(50.0)	(50.0)
Lease liabilities		(5.9)	(4.7)	(5.5)
Income tax liability		-	(1.6)	-
Deferred income		(34.3)	(37.0)	(36.4)
Provisions	8	(2.0)	(4.0)	(4.0)
Derivative financial instruments	5	-	(1.6)	(3.5)
		(703.6)	(780.1)	(713.1)
Total liabilities		(3,069.8)	(3,008.4)	(2,892.4)
Total equity and liabilities		(3,246.2)	(3,198.6)	(3,069.8)

6 Post FY23 year end, the securitisation facility classed within current liabilities was extended. This balance is no longer due to be repaid within the next 12 months and is classified within non-current liabilities.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Accumulated profit /(deficit)	Merger reserve	Capital contribution reserve	Total
	£'m	£'m	£'m	£'m	£'m
Changes in equity for the 39 weeks to 30 March 2024 (unaudited)					
Balance as at 2 July 2023	200.0	(26.1)	3.5	-	177.4
Loss for the period	-	(3.1)	-	-	(3.1)
Other comprehensive income	-	0.3	-	-	0.3
Total comprehensive income	-	(2.8)	-	-	(2.8)
Dividend paid to parent company	-	(3.8)	-		(3.8)
Movement in capital contribution reserve	-	0.3	-	5.3	5.6
Balance as at 30 March 2024	200.0	(32.4)	3.5	5.3	176.4
Changes in equity for the 39 weeks to 1 April 2023 (unaudited)					
Balance at 3 July 2022	200.0	(8.9)	3.5	-	194.6
Profit for the period	-	2.5	-	-	2.5
Other comprehensive income	-	0.6	-	-	0.6
Total comprehensive income	-	3.1	-	-	3.1
Dividend paid to parent company	-	(7.5)	-	-	(7.5)
Balance as at 1 April 2023	200.0	(13.3)	3.5	-	190.2
Changes in equity for the 52 weeks to 1 July 2023 (audited)					
Balance as at 3 July 2022	200.0	(8.9)	3.5	-	194.6
Loss for the period	-	(3.9)	-	-	(3.9)
Other comprehensive income	-	1.7	-	-	1.7
Total comprehensive loss	-	(2.2)	-	-	(2.2)
Dividend to parent company	-	(15.0)	-	-	(15.0)
Balance as at 1 July 2023	200.0	(26.1)	3.5		177.4

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	39 weeks to 30 March 2024 (unaudited) £'m	39 weeks to 1 April 2023 (unaudited) £'m	52 weeks to 1 July 2023 (audited) £'m
Cash flows from operating activities			
(Loss)/profit for the period	(3.1)	2.5	(3.9)
Adjustments for:			
Depreciation	11.1	11.7	15.2
Amortisation	25.3	33.5	45.2
Financial instrument net (gains)/losses through profit and loss	(3.5)	6.7	8.6
Finance income	(2.2)	(0.1)	(1.4)
Finance costs	151.5	112.2	156.8
Income tax charge	1.0	9.2	8.5
Decrease in provisions	(2.3)	(2.0)	(2.1)
Adjustments for pensions	-	-	1.8
Operating cash flows before movements in working capital	177.8	173.7	228.7
(Increase)/decrease in inventories	(18.4)	(19.1)	6.4
(Increase)/decrease in trade and other receivables	(148.0)	(139.6)	(53.8)
Increase/(decrease) in trade and other payables	(14.7)	(1.3)	3.2
Cash generated/(utilised) by operations	(3.3)	13.7	184.5
Income taxes paid	(0.8)	(0.6)	(0.8)
Interest paid	(147.8)	(107.5)	(138.9)
Net cash (outflows)/inflows from operating activities	**(151.9)**	**(94.4)**	**44.8**

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

	39 weeks to 30 March 2024 (unaudited) £'m	39 weeks to 1 April 2023 (unaudited) £'m	52 weeks to 1 July 2023 (audited) £'m
Net cash (outflows)/inflows from operating activities	(151.9)	(94.4)	44.8
Cash flows from investing activities			
Acquisitions of property plant and equipment	(0.4)	(3.9)	(1.8)
Acquisitions of intangible assets	(35.3)	(40.9)	(58.3)
Consideration paid from investing activities	-	-	-
Net cash outflows from investing activities	(35.7)	(44.8)	(60.1)
Cash flows from financing activities			
Payments of lease liabilities	(9.3)	(8.5)	(11.5)
Proceeds from securitisation facility	83.8	106.1	50.1
Proceeds from/(repayments) of secured revolving credit facility	80.0	75.0	(5.0)
Proceeds from/(repayments) of loans	43.1	(7.1)	(7.1)
Dividends to parent company	(3.8)	(7.5)	(15.0)
Net cash inflows from financing activities	193.8	158.0	11.5
Net decrease/(increase) in cash and cash equivalents	6.2	18.8	(3.8)
Opening cash and cash equivalents (Note 10)	39.6	43.4	43.4
Closing cash and cash equivalents (Note 10)	45.8	62.2	39.6

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The Very Group Limited is a private company limited by share capital, incorporated and domiciled in England and Wales under the Companies Act. The address of its registered office is First Floor, Skyways House, Speke Road, Speke, Liverpool L70 1AB.

The Very Group Limited is the UK's largest integrated pureplay digital retailer and financial services provider, providing a multi-category range of famous brands, market-leading e-commerce and technology capabilities, and unique financial services products offering flexible ways to pay.

These consolidated interim financial statements were approved for issue on 17th May 2024.

2. Summary of accounting policies

Basis of preparation

This condensed set of financial statements for the 39 weeks ended 30 March 2024 should be read in conjunction with the annual financial statements for the 52 week period ended 1 July 2023, which have been prepared in accordance with United Kingdom Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The interim financial information has been prepared on a going concern basis using accounting policies consistent with United Kingdom Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and in accordance with IAS 34 'Interim Financial Reporting'. The same accounting policies, presentation and methods of computation are followed in the interim financial information as applied in the Group's annual financial statements for the 52 week period ended 1 July 2023.

The financial information included in this set of condensed accounts for the 39 week period ended 30 March 2024 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of those accounts, prepared under United Kingdom Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006, has been delivered to the Registrar of Companies for the 52 week period ended 1 July 2023. The audit report on those accounts was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

The annual financial statements of the Group for the 52 weeks ending 29 June 2024 will be prepared in accordance with United Kingdom Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

This condensed set of financial statements has been prepared applying the accounting policies and presentation that will be applied in the preparation of the Group's consolidated financial statements for the 52 weeks ending 29 June 2024.

The financial statements are drawn up to Saturday 30 March 2024 for the current 39 week period. The financial information for the comparative periods relates to the 39 week period ended Saturday 1 April 2023 and the 52 week period ended Saturday 1 July 2023.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Summary of accounting policies (continued)

New standards, interpretations and amendments not yet effective

A number of new standards and interpretations have been issued but are not yet effective for the Group. These standards are either not expected to have a material effect on the Consolidated Financial Statements or they are not currently relevant for the Group.

Critical accounting judgements and key sources of estimation uncertainty

Full details of the Group's critical accounting judgements and key sources of estimation uncertainty are included in the Group's consolidated financial statements for the 52 week period ended 1 July 2023. There have been no significant changes to the Group's critical accounting judgements and key sources of estimation uncertainty in the 39 weeks ended 30 March 2024.

In assessing the recoverability of the amount owing at the balance sheet date of these interim accounts, the Directors have based their judgement on the understanding that repayment of the loan would be facilitated by the raising of sufficient funds by a sale of equity in TVG by its ultimate parent. Accordingly, they have considered:

- The potential value of TVG that could be raised in the event of an equity sale;
- The seniority of the debt in The Very Group Funding Plc, TVG and in the wider SDHL Group; and
- The potential impact of the wider financing of the shareholder group.

The Directors have also considered the new external loan entered into during the quarter, as disclosed in note 9, and the impact this may have on the above factors.

Having considered the potential value of TVG, the seniority of the debt, and the wider financing of the shareholder group at the balance sheet date, the Directors believe the range of values for the TVG business in an orderly sale process would be sufficient to meet the prior claims of debtholders, and for the Company to recover the amounts owed to TVG in full. The Directors consider the possibility of risk of security enforcement to be remote.

Going concern

In determining whether the Group's accounts can be prepared on a going concern basis, the Directors considered TVGL's cash headroom forecasts, its business activities together with factors likely to affect its future development, performance and financial position including cash flows, liquidity and borrowing facilities and the principal risks and uncertainties relating to its business activities.

In forming their assessment, the directors have considered:

a) The potential impact of the recent media speculation around the financing of the broader shareholder group of which The Very Group ("TVG") is part and the impact thereof on TVGL (Financing of the Shareholder Group)
b) The Group's cash flows and banking covenants for the 18 months from the reporting date of these financial statements (Financial Forecast)

Financial Forecasts
The Directors have carefully considered the cash flows and banking covenants of TVGL for the 18 months from the reporting date of these financial statements. These forecasts have been based on the latest trading expectations and a full risk analysis exercise has been carried out against the current financial plans of TVGL. As such, realistic assumptions have been used to determine the level of financial resources available to TVGL and to assess liquidity risk and banking covenants.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Summary of accounting policies (continued)

Going concern (continued)

Financial Forecasts (continued)
The TVGL directors have also applied reasonable downside sensitivity analysis to the current financial plans, reflecting the key risks to the business namely the impact that a deterioration in the economic climate and customer confidence would have on a reduction in revenues and, a reduction in payment rates, an increase in debtor default or a further increase in interest rates. A composite scenario has also been stress tested.

Financing of the Shareholder Group
In assessing TVG's going concern conclusions the directors have considered the funding arrangements of the wider Shareholder Group of which TVG is part, and have received representations from, and held discussions with, the owners of TVG, from legal and financial advisors, and from the relevant providers of finance to the Shop Direct Holdings Limited ("SDHL") group.

Conclusion
Following the work undertaken, the Directors are confident in TVGL's ability to continue as a going concern and have adequate resources to continue in operation. Accordingly, they continue to adopt the going concern basis in the preparation of the financial statements.

3. Segmental analysis

Information reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the business segmental analysis set out below, showing the principal brands which represent the Group's reportable segments under IFRS 8. Pre-exceptional EBITDA represents the pre-exceptional EBITDA earned by each segment without allocation of central administration costs including finance costs and income tax expense.

This is the measure reported to the Group's Chief Executive, who is the Group's chief operating decision maker, for the purpose of resource allocation and assessment of segment performance.

In common with many retailers, retail sales and therefore, to an extent, pre-exceptional EBITDA are subject to seasonal fluctuations and retail sales are weighted towards the first half of the financial year which includes the key Christmas period. This also results in seasonal variations in key balance sheet accounts including inventories, receivables and payables.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Segmental analysis (continued)

By business segment

Analysis of revenue:	**39 weeks to 30 March 2024 £'m**	**39 weeks to 1 April 2023 £'m**	**52 weeks to 1 July 2023 £'m**
Very UK	1,440.6	1,426.7	1,824.1
Littlewoods UK	174.5	198.1	253.8
Very Ireland	52.1	55.4	69.1
	1,667.2	1,680.2	2,147.0
Gross profit	580.8	583.8	760.3
Distribution costs excluding depreciation and exceptionals	(156.3)	(167.8)	(214.4)
Administrative costs excluding depreciation, amortisation and exceptionals	(229.0)	(227.5)	(301.2)
Other operating income	1.9	1.6	2.2
Pre-exceptional EBITDA*	197.4	190.1	246.9
Exceptional items	(13.8)	(21.1)	(26.5)
Depreciation	(11.1)	(11.7)	(15.2)
Amortisation	(25.3)	(33.5)	(45.2)
Operating profit	147.2	123.8	160.0
Finance income	2.2	0.1	1.4
Finance costs	(151.5)	(112.2)	(156.8)
(Loss)/profit before taxation	(2.1)	11.7	4.6

* Pre-exceptional EBITDA is defined as operating profit from continuing operations before amortisation of intangible assets, depreciation and exceptional items.

The analysis above is in respect of continuing operations.

By geographical location of destination

	39 weeks to 30 March 2024 £'m	**39 weeks to 1 April 2023 £'m**	**52 weeks to 1 July 2023 £'m**
Revenue:			
United Kingdom	1,615.1	1,624.8	2,077.9
Republic of Ireland	52.1	55.4	69.1
	1,667.2	1,680.2	2,147.0

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Segmental analysis (continued)

	39 weeks to 30 March 2024 £'m	39 weeks to 1 April 2023 £'m	52 weeks to 1 July 2023 £'m
Operating profit:			
United Kingdom	143.4	119.8	153.9
Republic of Ireland	3.8	4.0	6.1
	147.2	123.8	160.0

The analysis above is in respect of continuing operations.

Turnover by origin is not materially different from turnover by destination.

4. Exceptional items before tax

	39 weeks to 30 March 2024 £'m	39 weeks to 1 April 2023 £'m	52 weeks to 1 July 2023 £'m
Technical transformation spend	10.7	19.4	21.3
Restructuring costs	1.2	3.8	4.2
Property strategy costs	(0.1)	0.5	0.8
Impairment reversal of right of use assets	-	(1.8)	(1.8)
Release of site closure provisions	(0.2)	(0.8)	(0.8)
Professional fees for corporate projects	2.2	-	2.8
Total exceptional costs	13.8	21.1	26.5

Progress continues on our multi-year technical transformation program, which involves moving a significant portion of the Group's current on-premises technology to the cloud by December 2025. This has resulted in elevated levels of spend on cloud-based services and related implementation costs which are not considered to be representative of the Group's normal level of activity. As such, £10.7m of costs have been classified as exceptional in relation to spend incurred on this program during the current period (39 week period ended 1 April 2023: £19.4m, 52 week period ended 1 July 2023: £21.3m).

The restructuring costs of £1.2m in the current period (39 week period ended 1 April 2023: £3.8m, 52 week period ended 1 July 2023 £4.2m) reflect expenditure on the rationalisation of processes and functions within The Very Group.

Professional fees of £2.2m in the current period (39 week period ended 1 April 2023: £nil, 52 week period ended 1 July 2023: £2.8m) relate to costs incurred in relation to corporate projects.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Exceptional items before tax (continued)

Release of a site closure provision of £0.2m in the current period relates to a dilapidation provision held for the closure of Littlewoods Clearance stores exited in previous years, the provision is no longer required. In the 39 week period ended 1 April 2023 the release of a site closure provision of £0.8m related to the Group's Aintree site. The provision was no longer required following the site re-opening.

Property strategy costs of £0.1m were released in the current period relating to a provision previously held for property changes made by the Group. Such changes include the closure of the Group's Lightbox site, the re-opening of Aintree and the re-location of operations across the property portfolio. In the 39 week period ended 1 April 2023, property strategy costs of £0.5m were incurred (52 week period ended 1 July 2023: £0.8m).

In the 39 week period ended 1 April 2023 there was an impairment reversal of £1.8m relating to the re-opening of the Group's Aintree site (52 week period ended 1 July 2023: £1.8m). The site was previously closed as a result of the shift to homeworking during the Coronavirus pandemic. The site has now been re-opened to accommodate the re-location of Home and Living colleagues following a series of property changes, referred to as the 'property strategy'.

5. Derivative financial instruments

The Group uses fair values to measure its financial instruments using the following classifications:

- Level 1 – quoted prices for similar instruments
- Level 2 – directly observable market inputs other than Level 1 inputs
- Level 3 – inputs not based on observable market data

At the balance sheet date details of outstanding forward exchange contracts that the Group has committed to are as follows:

	30 March 2024 £'m	**1 April 2023 £'m**	**1 July 2023 £'m**
Notional amount – Sterling contract value	84.9	117.9	160.2
Fair value of asset/(liability) recognised	-	(1.6)	(3.5)

Changes in the fair value of derivative financial instruments amounted to a gain of £3.5m in the period (period to 1 April 2023: loss of £6.7m, period to 1 July 2023: loss of £8.6m), which is included in administrative expenses and finance costs.

The fair value of foreign currency derivative contracts is their market value at the balance sheet date. Market values are based on the duration of the derivative instrument together with the quoted market data including interest rates, foreign exchange rates and market volatility at the balance sheet date.

The financial instruments that are measured subsequent to initial recognition at fair value are all grouped into Level 2 – directly observable market inputs other than Level 1 inputs. There were no transfers between Level 1 – quoted prices for similar instruments and Level 2 during the year.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Trade and other receivables

Non-current:	**30 March 2024 £'m**	**1 April 2023 £'m**	**1 July 2023 £'m**
Amounts owed by group undertakings (note 12)	518.6	507.5	508.8

Current:	**30 March 2024 £'m**	**1 April 2023 £'m**	**1 July 2023 £'m**
Trade receivables	1,522.0	1,487.1	1,450.6
Amounts owed by group undertakings (note 12)	-	3.6	3.1
Prepayments	208.8	201.1	173.2
Other receivables	100.7	81.3	61.3
	1,831.5	1,773.1	1,688.2
Total trade and other receivables	2,350.1	2,280.6	2,197.0

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

	30 March 2024 £'m	**Restated[7] 1 April 2023 £'m**	**1 July 2023 £'m**
Gross trade receivables	1,768.1	1,749.3	1,706.7
Allowance for bad debts	(211.2)	(226.8)	(216.6)
Net customer receivables	1,556.9	1,522.5	1,667.2
Refund liabilities	(34.9)	(35.4)	(39.5)
Net trade receivables	1,522.0	1,487.1	1,450.6

7 The prior year comparative has been restated to reflect revised presentation, with refund liabilities now presented as a separate line within the disclosure. The net trade receivables balances remains unchanged.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Income tax

Income tax expense is recognised based on management's best estimate of the full year effective tax rate based on estimated full year profits. For the 39 week period ended 30 March 2024 the effective tax rate that has been applied is (47.6%) (1 April 2023: 79.0%).

The tax charge on the loss before tax for the period is higher than the standard tax rate of 25% for the period largely as a result of transfer pricing adjustments which have not been offset with group relief.

In December 2021, the OECD released a framework for Pillar Two Model Rules which will introduce a global minimum corporate tax rate of 15% applicable to multinational enterprise groups with global revenue over €750m. The legislation implementing the rules in the UK was substantively enacted on 20 June 2023 and will apply to the Group from the financial year ending 30 June 2025 onwards. The Group is reviewing this legislation and also monitoring the status of implementation of the model rules outside of the UK to understand the potential impact on the Group.

8. Provisions

	Restructuring £'m	Regulatory £'m	Total £'m
At 2 July 2023	3.9	4.4	8.3
Increase in provisions	0.7	-	0.7
Provisions released	(0.5)	-	(0.5)
Provisions utilised	(1.4)	(1.1)	(2.5)
At 30 March 2024	2.7	3.3	6.0
Non-current	1.0	3.0	4.0
Current	1.7	0.3	2.0
	2.7	3.3	6.0

£1.7m of the restructuring provision is expected to be utilised within 12 months. The remaining £1.0m is expected to be held until 2025 at which point previous contractual commitments will no longer be in place.

The regulatory provision reflects the estimated cost of all historical shopping insurance claims and associated processing costs. £0.3m of this provision is expected to be utilised within 12 months from the balance sheet date whilst the remaining provision of £3.0m is expected to be fully utilised after 12 months.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Provisions (continued)

	Restructuring £'m	Regulatory £'m	Total £'m
At 3 July 2022	6.7	3.7	10.4
Increase in provisions	2.2	-	2.2
Provisions released	(1.3)	-	(1.3)
Provisions utilised	(2.6)	(0.3)	(2.9)
At 1 April 2023	5.0	3.4	8.4
Non-current	1.4	3.0	4.4
Current	3.6	0.4	4.0
	5.0	3.4	8.4

	Restructuring £'m	Regulatory £'m	Total £'m
At 3 July 2022	6.7	3.7	10.4
Increase in provisions	3.2	2.9	6.1
Provisions released	(1.4)	-	(1.4)
Provisions utilised	(4.6)	(2.2)	(6.8)
At 1 July 2023	3.9	4.4	8.3
Non-current	1.3	3.0	4.3
Current	2.6	1.4	4.0
	3.9	4.4	8.3

9. Loans and borrowings

	30 March 2024 £'m	1 April 2023 £'m	1 July 2023 £'m
Secured non-current loans and borrowings at amortised cost			
Securitisation facility	1,575.6	1,497.8	1,441.8
Senior secured notes	583.7	579.6	590.1
External loans	71.6	28.1	27.5
	2,230.9	2,105.5	2,059.4

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Loans and borrowings (continued)

	30 March 2024 £'m	1 April 2023 £'m	1 July 2023 £'m
Current loans and borrowings at amortised cost			
Securitisation facility	-	50.0	50.0
Secured revolving credit facility	149.2	148.8	68.9
External loans	6.9	7.1	6.9
	156.1	205.9	125.8

Within the securitisation facility £21.9m (1 April 2023: £23.5m, 1 July 2023: £21.6m) is denominated in Euros and within bank loans £27.3m (1 April 2023: £35.2m, 1 July 2023: £34.4m) is denominated in Euros. The underlying currency of all the other borrowings and overdrafts is Sterling.

The borrowings are repayable as follows:

	30 March 2024 £'m	1 April 2023 £'m	1 July 2023 £'m
Within one year	156.1	205.9	125.8
In the second year	58.1	240.6	238.4
In the third to fifth year	2,172.8	1,864.9	1,821.0
Over five years	-	-	-
Amount due for settlement after one year	2,230.9	2,105.5	2,059.4

The principal features of the Group's borrowings are as follows:

(a) The Group has drawn £1,553.7m (1 April 2023: £1,524.3m, 1 July 2023 £1,470.2m) on its UK securitisation facility. This is secured by a charge over certain eligible trade debtors of the Group and is without recourse to any of the other Group assets. The securitisation facility expires in January 2027 for 'AS' Notes (£1,134.2m), 'AJ' Notes (£159.5m), 'B' Notes (£105.0m), 'C1' Notes (£105.0m) and 'C2' Notes (£50.0m). The total facility size at 30 March 2024 was £1,635.0m.

(b) The Group has senior secured notes with a nominal value of £575.0m, at 6.5%, due August 2026 with a secured revolving credit facility with a nominal value of £150.0m which was fully drawn down at 30 March 2024 (1 April 2023: £150.0m facility fully drawn down, 1 July 2023: £150.0m facility of which £70.0m was drawn down). The senior secured notes are presented at amortised cost.

(c) The Group has an Irish securitisation facility against which it has drawn down £21.9m (1 April 2023: £23.5m, 1 July 2023: £21.6m), secured by a charge over certain eligible trade debtors of the Group. The facility was extended in the prior year and has a total maximum commitment of €35.0m which expires in July 2026.

(d) The Group subsidiary Primevere Equipment Limited holds a bank loan denominated in euros, which had a carrying value of £27.3m (1 April 2023: £35.2m, 1 July 2023: £34.4m). Regular payments are made against this loan which is expected to be fully settled in February 2028.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Loans and borrowings (continued)

(e) The Group has an external loan with a carrying value of £51.2m presented at amortised cost which expires in 2026. The loan is secured by a floating charge over present and future assets of Shop Direct Home Shopping Limited and Shop Direct Finance Company Limited, and a security interest in the shares of the Group.

10. Reconciliation of net cash and cash equivalents

	30 March 2024 £'m	1 April 2023 £'m	1 July 2023 £'m
Cash at bank	22.9	17.9	14.1
Cash equivalents	22.9	44.3	25.5
Net cash and cash equivalents in statement of cash flows	45.8	62.2	39.6

Cash and cash equivalents comprise cash net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to fair value.

11. Share Capital

Allotted, called up and fully paid shares

	30 March 2024		1 April 2023		1 July 2023	
	No. m	£'m	No. m	£'m	No. m	£'m
Ordinary shares of £1 each	200	200	200	200	200	200

12. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and have not been disclosed. Transactions between the Group and its fellow group companies are disclosed below. During the year, Group companies entered into the following transactions with fellow group companies and related parties who are not members of The Very Group Limited Group:

Recharged costs

	39 weeks to 30 March 2024 £'m	39 weeks to 1 April 2023 £'m	52 weeks to 1 July 2023 £'m
Yodel Delivery Network Limited[8]	-	0.2	0.2
	-	0.2	0.2

8 Yodel Delivery Network Limited is no longer classified as a related party at the reporting date. Recharged costs and purchase of services have been presented up until the date that Yodel is no longer part of the Group.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Related party transactions (continued)

Purchase of services

	39 weeks to 30 March 2024 £'m	39 weeks to 1 April 2023 £'m	52 weeks to 1 July 2023 £'m
Yodel Delivery Network Limited[8]	(44.2)	(66.3)	(83.6)
Arrow XL Limited	(27.6)	(29.5)	(38.6)
Trenport Property Holdings Limited	(0.1)	(0.5)	(0.6)
Shop Direct Holdings Limited	(5.6)	(5.6)	(10.3)
	(77.5)	(101.9)	(133.1)

The Group had the following balances outstanding with its fellow group companies:

Amounts due from fellow Group undertakings

	30 March 2024 £'m	1 April 2023 £'m	1 July 2023 £'m
Shop Direct Holdings Limited	507.0	499.2	500.5
Yodel Delivery Network Limited[8]	-	3.6	3.1
Primevere Limited	-	8.3	-
Trenport Property Holdings Limited	8.3	-	8.3
Logistics Group Holdings Limited	3.3	-	-
	518.6	511.1	511.9

Amounts due to fellow Group undertakings

	30 March 2024 £'m	1 April 2023 £'m	1 July 2023 £'m
Arrow XL Limited	-	(3.9)	(0.1)
VGL FinCo Limited	(19.7)	-	-
	(19.7)	(3.9)	(0.1)

The amounts due to VGL FinCo Limited are unsecured at 0% and repayable in more than one year. The remaining amounts outstanding are unsecured and repayable on demand. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

8 Yodel Delivery Network Limited is no longer classified as a related party at the reporting date. Recharged costs and purchase of services have been presented up until the date that Yodel is no longer part of the Group.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Related party transactions (continued)

Amounts recognised directly in equity

	30 March 2024 £'m	1 April 2023 £'m	1 July 2023 £'m
VGL FinCo Limited	(5.3)	-	-
	(5.3)	-	-

The amounts recognised directly in equity relate to a capital contribution from VGL FinCo Limited as a result of the loan from VGL FinCo being interest free.