



The
Very
Group



Helping families get more out of life

Annual Report and Group
Financial Statements 2024/2025

We deliver customer experiences built around ease, choice and understanding

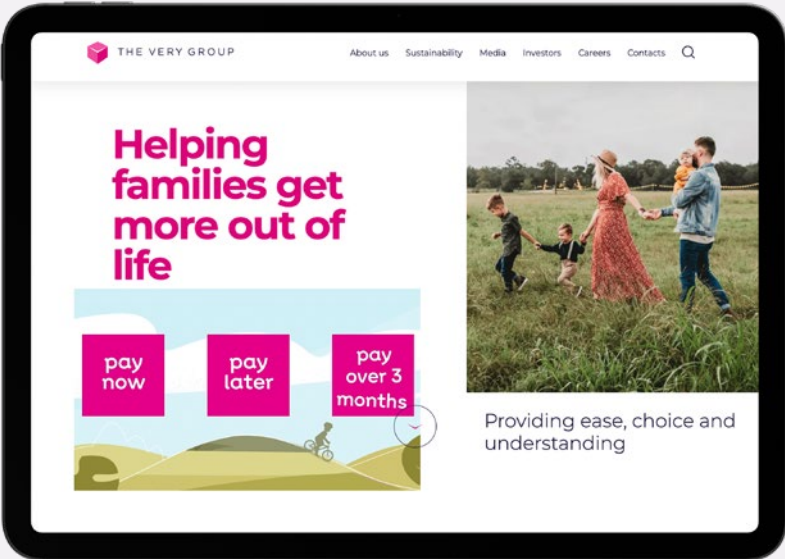
This is how we live our purpose of helping families get more out of life.

WITH ANNUAL REVENUE OF £2.1BN, THE VERY GROUP IS ONE OF THE UK’S LARGEST ONLINE RETAILERS AND FLEXIBLE PAYMENT PROVIDERS.

We’re here for the millions of online shoppers in the UK and Ireland – and especially for families. We combine almost 2,000 famous brands across electrical, home, fashion and more, with a simple online experience and flexible ways to pay provided via our Very Pay platform.

We receive 1.4m daily website and app visits from our 4.2m Group-wide active customers across the UK and Ireland, delivering over 43m items to our customers annually.

> **Find out more**
theverygroup.com.



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FY25 financial and operating highlights



ADJUSTED EBITDA^{1,2}

£307.1m

(+15.9% YoY) – cost control and improved gross margin performance drives record earnings performance

FY21	£300.5m
FY22	£291.4m
FY23	£260.7m
FY24	£264.9m
FY25	£307.1m

GROUP REVENUE

£2,087.4m

(-1.8% YoY) – resilient top line performance, ahead of a declining market

FY21	£2,317.1m
FY22	£2,148.3m
FY23	£2,147.0m
FY24	£2,125.3m
FY25	£2,087.4m

ADJUSTED EBITDA MARGIN^{1,2}

14.7%

(+2.2%pts YoY)

FY23	12.1%
FY24	12.5%
FY25	14.7%

OPERATING COSTS AS % OF REVENUE

22.3%

(-0.9%pts YoY)

FY23	23.0%
FY24	23.2%
FY25	22.3%

3.6m

Very UK total active customers

£433.6m

Group Very Finance revenue

2,000

Brands across fashion, home, electrical and more

42.3

Our best ever Group Net Promoter Score (NPS)

19 minutes

Fastest order processed at Skygate distribution centre

43.4m

Items delivered to customers

4/5

Glassdoor rating³

1 See note 2 for prior period restatement.
2 The definition of adjusted EBITDA no longer includes adjustments for changes in the 'software as a service' accounting policy first adopted in FY22, given that this now forms part of BAU reporting and is included in comparative results as standard. The prior year result has therefore been adjusted accordingly.
3 Glassdoor provides an external rating of employee satisfaction.

Our business at a glance



Representing 88% of Group revenue (FY24: 86%), Very UK is our flagship brand serving millions of families. Through our website and dedicated app, customers can find products for almost all areas of life.

VERY UK NPS

43.0
(+2.0)

VERY UK REVENUE

£1,832.5m
(-0.2%)

VERY UK RETAIL SALES¹

£1,395.3m
(-0.6%)

FY21	£1,535.6m
FY22	£1,417.3m
FY23	£1,416.7m
FY24	£1,403.5m
FY25	£1,395.3m

VERY UK TOTAL ACTIVE CUSTOMERS

3.62m
(-1.5%)



Littlewoods.com



The Group also operates legacy brand Littlewoods UK and Very Ireland.

Established in 1923, Littlewoods is a family-focused digital store that continues to serve a loyal customer base. Very Ireland is one of Ireland’s largest pureplay digital retailers and has traded in the country for over 40 years.

COMBINED REVENUE²

£254.9m
(-11.6%)

COMBINED RETAIL SALES^{1,2}

£229.8m
(-11.2%)

FY21	£404.2m
FY22	£327.0m
FY23	£285.6m
FY24	£258.9m
FY25	£229.8m

1 Retail sales is on a management accounts basis and therefore excludes certain other adjustments. As such, it differs from the sale of goods as presented in note 4 of the accounts.

2 Combined figures comprise those for Littlewoods UK and Very Ireland.

Chair's review

FY25 has been a year of progress and resilience for The Very Group, against a backdrop of shifting consumer behaviours, cost inflation and a highly competitive retail landscape.

INNOVATION DRIVEN EARNINGS GROWTH

We have remained focused on delivering a brilliant digital shopping experience for our customers, ultimately acting on our purpose of helping families get more out of life.

In my review of FY24, I wrote about how changes made to the Group's executive team were helping to set the business up for its next stage of evolution and growth. The results presented in this year's report are testament to this, including a record EBITDA margin driven by structural improvements in gross margin and a significant reduction in operating costs, and our highest ever net promoter score (NPS), the Group's internal measure of customer satisfaction.

At the heart of our progress lies our commitment to innovation, operational excellence, and a customer-centric approach. Over the past year, we have made meaningful strides in enhancing our digital capabilities, further expanding our product offering and introducing even more personalisation within our flexible payment options.

In particular, we've made significant progress on our biggest tech transformation project to date, re-platforming our website to a cloud-based system to enhance the digital customer experience.

Elsewhere, we've introduced digital returns to offer customers even more ease and have continued to develop our flexible payments products to further support customers in managing their budget during a time of economic uncertainty.

These achievements, along with many more, are underpinned by the hard work and expertise of our talented teams, whose contributions I would like to acknowledge and sincerely thank.

LEADERSHIP UPDATE

In recent months, we have seen the continued evolution of our leadership team with the departure of Ben Fletcher, Group Finance and Transformation Officer after almost six years with the business, as he pursues his long-standing interest in politics. Our Group Finance Director Ed Fry has therefore assumed the role of Interim Chief Financial Officer and is well placed to lead our Finance team through FY26 as we prepare for our next peak season.

I would like to thank Ben for everything he has contributed to the business and wish him the best of luck for the future. From navigating the pandemic and Brexit, to being a passionate advocate of our charity partnerships with Coram Beanstalk and the National Literacy Trust, Ben has played an integral role supporting the Group in delivering its purpose.

OUTLOOK

The Very Group's broad history demonstrates how resilient the business is, adapting to meet customer demand and evolving with the ever-changing retail industry. This sets us up well for navigating uncertainty, and as we continue to focus on strengthening the fundamentals of our business, we look to FY26 with optimism.

- > **CEO Report**
Read more on pages 5 to 6.
- > **Financial review**
Read more on pages 15 to 17.
- > **Our approach to governance**
Read more on pages 42 to 43.

Nadhim Zahawi
Chairman



CEO's review of the year

It has been a significant year of investment and innovation for The Very Group and our unique proposition, combining multi-category digital retail with flexible ways to pay proves as important as ever to our customers.

As we continue to navigate a period of economic uncertainty, with household budgets remaining stretched, we know our families are being more careful than ever about how and where they spend their money.

Our purpose is to help families get more out of life and this wouldn't be possible without the hard work of our brilliant colleagues. I'd like to take this opportunity to thank them for their ongoing commitment as we continue to transform our business and deliver record-breaking earnings growth across the Group.

As ever, we continue to keep our customers, colleagues and communities at the heart of everything we do. During the year we have made further investments in our digital customer experience, improved the flexibility of our payment methods, re-launched our retail media proposition and rolled out an in-house creative agency, all to ensure we offer and showcase the best range of products to our customers.

Overall, it has been a great year for the business, and our financial results show that our ongoing focus on investing in the right areas is paying off. The experience gained through our 100+ year history has helped us build a robust and agile business, and I look to FY26 with optimism as we continue to focus on our fundamentals and delivering on our purpose.

"FY25 is certainly a year that my Very colleagues and I can be proud of, and we look forward to the next stage of growth and innovation for the business as we move into the new financial year."

+15.9%
Growth in adjusted EBITDA¹

42.3
Record net promoter score

¹ Adjusted EBITDA is defined within the Financial Review on pages 15 to 17.



CEO's review of the year continued

DEMONSTRATED PROFITABILITY AND EARNINGS GROWTH

The Group's financial results for the 52 weeks ended 28 June 2025 include one of the best earnings results the Group has ever achieved.

Despite the challenging economic environment putting pressure on top line performance, we have accomplished significant gross margin improvement and operating cost reduction, contributing to the Group's best ever adjusted EBITDA margin¹.

Our aim for FY25 was to focus on the structural economics of our business, rather than chasing sales volumes in a declining market.

Our main brand Very UK reported stable revenue of £1,832.5m (FY24: £1,836.9m), a slight decline of 0.2% year on year and within this we saw growth in our home and toys categories, as well as significant growth in our sports category absent the impact of Nike's move to a direct to consumer model.

We saw a slight drop in Very Finance revenue of 0.3% to £433.6m (2024: £435.0m) due to a contracting Group debtor book, which decreased by 2.2% year on year to £1,714.1m (FY24: £1,753.1m) as a result of retail sales trends.

As mentioned, we achieved a considerable improvement in our gross margin rate, which increased 1.0% to 36.6% (FY24: 35.6%) reflecting both changes to the retail sales mix, notably the increase in Home sales which contribute a higher margin than other categories, and a further improved bad debt position.

At the start of the year, we committed to achieving £20m to £30m of net operating costs savings, and I am delighted that we exceeded this target in FY25. As a result of diligent cost management across the business, operating costs as a percentage of revenue reduced 0.9% to 22.3%, which is the lowest rate of costs the Group has ever achieved.

The margin and cost performance supported a strong increase in adjusted EBITDA¹ of 15.9% to £307.1m (FY24: £264.9m), representing an improvement in EBITDA margin¹ of 2.2%pts, to a record rate of 14.7% despite inflationary pressures.

This fantastic result has been achieved whilst still delivering on our strategy and investing in our digital customer experience. In FY25 we achieved a record net promoter score of 42.3, demonstrating that our families are responding well to the investments we are making in our proposition.

Looking ahead, we will continue to focus on investment-led growth, effective working capital management, and considered cost control.

> **Financial review**
Read more on pages 15 to 17.

CUSTOMER FOCUSED STRATEGY

At The Very Group, our continued ambition is to build an efficient one stop shop where customers can access our wide-ranging assortment covering almost all areas of life, with the convenience of flexible ways to pay.

Our deep understanding of our customers helps shape our business strategy, which is based upon three pillars – ease, choice and understanding.

INVESTING IN OUR PROPOSITION

EASE: CREATING A BRILLIANT CUSTOMER EXPERIENCE

Our multi-year technology transformation project nears completion, as we move the business onto our new ecommerce platform. This means more flexibility and scalability in introducing new innovations and being able to make customer experience changes faster and more frequently than ever before.

During the year we also introduced digital returns, bringing a new level of ease and convenience to our customers within their shopping experience.

Through Very Pay, our financial services offering, we have introduced dynamic credit limits to our check-out process. This has allowed us to provide certain customer groups with personalised payment options, giving them greater flexibility in managing their spending.

CHOICE: BRINGING THE BEST BRANDS TO OUR CUSTOMERS

This year we have added even more new brands to our retail offering. Across our categories we've introduced names such as New Balance, Sweaty Betty, Le Creuset and Cath Kidston.

Within Very Finance, we continue to use our data and customer insight to better understand how the people we serve use our flexible ways to pay. This in turn has allowed us to offer more bespoke, flexible payment products which give customers more time to pay.

What's more, we have transformed our home proposition, including the launch of our new own brand range Very Home, modernising and elevating our own brand assortment. This includes 50 new home brands, with 40% more new items in the category compared to FY24.

UNDERSTANDING: TURNING DATA INTO INSIGHTS AND ACTION

At the beginning of the year, we introduced Very Media Group – the repositioning of our retail media network.

The proposition combines our immense customer data insight with our in-house creative capabilities, to offer brands bespoke and highly targeted media campaigns.

In FY25 we also launched HelloStudio, a multi-channel creative service which leverages the power of the Group's data-led creative capabilities to offer external brands omnichannel creative campaigns.

Data science, machine learning and AI continue to be vital tools used across the business, from managing stock levels for optimum product availability at key moments, to making sure we deliver the right promotions and pricing at the right time.

> **Our strategy**
Read more on pages 8 to 9.

SUMMARY

FY25 is certainly a year that my Very colleagues and I can be proud of, and we look forward to the next stage of growth and innovation for the business as we move into the new financial year.

The market in which we operate remains unpredictable, and whilst we continue to closely monitor the landscape around us as we move into FY26, the investments made in our technology and systems allow us to respond quickly and effectively to changes that impact our business and our customers. Most importantly, we will continue making strategic decisions that support our purpose of helping families get more out of life.

Robbie Feather
Group CEO

¹ The definition of adjusted EBITDA no longer includes adjustments for changes in the 'software as a service' accounting policy first adopted in FY22, given that this now forms part of BAU reporting and is included in comparative results as standard. The prior year result has therefore been adjusted accordingly.

Our business model

WHAT WE DO

Our purpose is to help families get more out of life.

Our resilient business model combines our retail offering and flexible ways to pay to create a valuable proposition for our customers, building strong relationships.

OUR RETAIL BRANDS



Littlewoods.com

HOW WE DO IT

INCREASINGLY PERSONALISED MARKETING EXPERIENCE

Serving up timely, relevant marketing messages to customers, increasingly enabled by data, machine learning, and AI.

THE VERY PAY PLATFORM

Our FCA-regulated flexible ways to pay – which are supported by advanced credit decisioning – allow customers to buy now, pay in three, buy now pay later, or pay monthly.

SEAMLESS DELIVERY AND RETURNS EXPERIENCE

Our highly automated fulfilment centre supports 10pm cut off next day delivery, nominated delivery, and standard delivery services, as well as click-and-collect options.

OUR INTEGRATED CUSTOMER JOURNEY

USER CENTRIC ECOMMERCE PLATFORM

Supported by the ongoing migration of our website and app to our new digital platform Skyscape, underpinned by enhancements like AI-powered product discovery.

CURATED MULTI-CATEGORY OFFERING

Almost 2,000 famous brands across Electrical, Home, Fashion & Sports, and Toys, Gifts & Beauty, as well as our own labels.

ONGOING ENGAGEMENT TO DRIVE HIGHER RETENTION

Using data and predictive models to deliver compelling, helpful content to encourage repeat purchases and retain customers.

CREATING VALUE

FOR CUSTOMERS

Group net promoter score in FY25

42.3 (FY24: 40.1)

> **Read more** in our Strategy section on pages 8 to 9.

FOR OUR PEOPLE

Glassdoor rating

4/5 (FY24: 4/5)

> **Read more** in the People and culture section on pages 12 to 13.

FOR OUR COMMUNITIES

Workers supported in our supply chain via training and education projects in FY25

14,154 (FY24: 10,223)

> **Read more** in the Sustainability section on pages 24 to 33.

FOR THE ENVIRONMENT

Reduction in Scope 1 emissions in FY25 compared with FY21 baseline

-66% (FY24: -67%)

> **Read more** in the Sustainability section on pages 24 to 33.

FOR OUR FINANCIAL STAKEHOLDERS

Adjusted EBITDA¹ in FY25

£307.1m (FY24 restated²: £264.9m)

> **Read more** in the Financial review on pages 15 to 17.

¹ The definition of adjusted EBITDA no longer includes adjustments for changes in the 'software as a service' accounting policy first adopted in FY22, given that this now forms part of BAU reporting and is included in comparative results as standard. The prior year result has therefore been adjusted accordingly.

² See note 2 for prior period restatement.

Our strategy

For over 100 years, we have been there for families. And as the way our families shop has changed, so have we. From catalogues, to bricks, to clicks, to mobile. We have consistently transformed to meet their needs.

As technology has advanced and the retail landscape evolved, customers have more choice than ever as to where to spend their money. That means to fulfil our purpose, we need to work harder to stand out.

We believe we can do this by bringing to our families a brilliant customer experience, a curated range of products with market leading flexible payment options, and a proposition that shows we truly understand and value them.

We already serve millions of customers in the UK, but there are still plenty of families in our core segment we can support by strengthening our proposition. We will continue to improve what we do by focusing on ease, choice and understanding.

All of this will be underpinned and delivered by our passionate colleagues, who are closer than ever to the customers we serve.

Our strategy doesn't just benefit the customer. We believe that an outstanding purpose delivering better service to customers also promises a more fulfilling experience for our people, and better growth and returns for suppliers and shareholders.

This is underpinned by the transformation of our technology, as well as our commitment to ESG, which will help us deliver on our purpose for years to come.

- > Read more about **how we support our colleagues** on pages 12 to 13.
- > Read more about our **ESG strategy** on pages 24 to 33.
- > Read **how we put our strategy in action** on pages 10 to 11.



OUR PURPOSE

HELP FAMILIES GET MORE OUT OF LIFE

FOR FAMILIES

The most flexible ways to pay for all the brands, products, and services they want and need within a seamless digital experience.

FOR BRANDS

Be the smartest way to access families.

OUR STRATEGY

TO ACHIEVE OUR AMBITION, WE ARE FOCUSED ON THREE THINGS

EASE

Brilliant **customer experience** – from shopping on our app to receiving our products.

CHOICE

Best **assortment** of products and services **curated** for families, with **market leading payment options**.

UNDERSTANDING

Showing we **understand our customers** better than anyone else.

Our strategy continued



ACHIEVEMENTS IN FY25

EASE	CHOICE	UNDERSTANDING
Migration to Skyscape We have continued to migrate our systems onto our new e-commerce platform Skyscape, giving more flexibility and scalability when introducing new innovations. This ultimately enables us to make customer experience changes faster and more frequently than ever before. Migration is largely complete and will conclude by the end of 2025.	Ever-growing retail assortment We continued to expand our retail assortment so customers have more choice than ever, adding new brands across our entire range including beauty, fashion and sports.	Very Media Group This year, we launched Very Media Group, a re-imagining of our retail media network which leverages the Group's deep consumer insight to brand partners, helping them connect to the distinct Very audience at scale.
Digital returns During the year, we introduced digital returns on our websites, helping to deliver a new level of ease to this part of the digital customer shopping experience.	Overhauling Home We have transformed our end to end home proposition, launching our new range Very Home, modernising our own brand assortment. We also launched 50 new home brands including Le Creuset and Cath Kidston, expanding our homewares offer alongside wider living and dining furniture ranges.	Hello Studio We also enhanced our in-house creative studio through the launch of HelloStudio, a multi-channel creative service leveraging the power of our data-led creative capabilities to external brands.
Dynamic Credit Limits We have introduced dynamic credit limit increases to the check-out process, giving customers greater flexibility in managing their spending.	Very Plans We continue to use our data and customer insight to better understand how the people we serve use our flexible ways to pay. This in turn has allowed us to offer more bespoke flexible payments products to different customer cohorts.	Very Pay elevation We have listened to feedback from customers on our messaging around Very Pay, introducing the tagline "more ways to pay with Very Pay". This has been integrated in to our new Masterbrand advertising which highlights our integrated retail and credit offering.

AMBITIONS FOR FY26

EASE	CHOICE	UNDERSTANDING
We will continue to enhance our digital journey, with new features being introduced throughout FY26, with the aim of giving our customers a more seamless shopping experience. We will formally launch Sigma.iQ, a further personalisation our financial services offering. This will include tailored offers on the website for each customer, as well as the ability to browse for products based on their monthly cost and further flexible payment offerings on selected product bundles.	Launched in September 2025, our new fashion offering The Very Collection is now available with improved quality and an elevated aesthetic. Across FY26 we also aim to expand the range across some of our other categories. We will also further expand our delivery and returns options, introducing later cut-off times and the ability to use returns lockers, further improving the convenience of our online shopping journey.	Alongside the continued focus on our brand marketing platform, 'Let's make it sparkle', including our Haus of Flamingo fashion platform, we hope to expand our influencer network to create compelling content and support multi-category shopping. In tandem, we will also spotlight our Very Pay offering across all of our marketing channels, and throughout the customer journey, highlighting our flexible ways to pay to our target audience.

Data in action

Insights and data are at the heart of our business and we use this to help shape our strategy and better understand our customers.

ENHANCING THE CUSTOMER EXPERIENCE

Our continued purpose is to help families get more out of life, and to do that we need a thorough understanding of our customers, including their wants and needs. Our business offers both a retail experience and flexible ways to pay, meaning we have unique access to personal, shopping and financial data across our 4.2 million active customers.

We use this data to gain a deeper understanding of individual shopping behaviours, which we then use to enhance the customer journey and our brand partnerships.

DATA-DRIVEN DECISION MAKING

The way in which we understand our customers is vital in driving decision making across the business, from determining the most appropriate product ranges to stock and the number of items needed from suppliers, to personalising the product discovery functionality on our website and creating targeted marketing campaigns – our customer data is at the heart of everything we do.

As well as quantitative data, we also use qualitative research to further enhance our understanding. From customer panels to regular surveys, this type of data provides further insight into the minds of the families we serve – whether that's what they're looking forward to in the future, which life milestones they're planning to celebrate, or which external factors are causing them the most stress. This combined with the shopping and financial data underpins our strategy.

THE POWER OF UNDERSTANDING

Connecting with the people we serve goes beyond simply addressing pain points and enhancing the digital shopping experience. Placing the customer at the core of our strategy and operations is fundamental to our success as a business, with customer insights shaping every aspect of what we do.

The Very Group has a rich history of over 100 years, and through that we have gained significant experience in responsibly and ethically collecting a vast amount of data and using it to inform how we can improve the customer experience.

However, we recognised the need to quickly evolve our approach to data knowledge and literacy. This was essential to transform abstract information into valuable insights.

To achieve this, we partnered with the data intelligence platform Alation to implement a leading data catalogue, enabling us to search, understand, and utilise data to guide decisions that enhance the customer journey.

Additionally, our robust cloud-based data storage solution integrates seamlessly across all areas of the business to support informed decision making.

Using Microsoft's PowerBI, we also provide colleagues across the organisation with accessible dashboards that present data in an easy-to-understand format, empowering them to make data-driven decisions within their roles.

Data in action continued

PERSONALISING OUR PROPOSITION

By analysing browsing and purchase history, search queries and engagement data, we can now tailor product suggestions to individual preferences through techniques like collaborative and content-based filtering. Our implementation of Constructor, our enhanced search functionality, has been a step change in how our customers shop with us. Constructor integrates artificial intelligence into our product discovery features, enhancing functions such as search, auto-suggest, and sort order by leveraging insights from consumer behaviours to display the most relevant results first. Crucially, it continuously learns and evolves as it processes more data, delivering increasingly personalised experiences for our customers over time. We've also introduced Sigma.iQ to Very Pay, gaining the ability to offer customers personalised, flexible payment offers and plans through our FCA regulated payment solution. We use our customer data to understand what our families are looking for and serve them personalised offers and content at the right moment in their journey. What's more, Sigma.iQ gives families the opportunity to browse and buy products based on how much they will cost monthly through Very Pay, helping to make sure customers are fully informed of the costs before they buy.

REIMAGINING RETAIL MEDIA

FY25 has been an exciting year for innovation within our retail media proposition, which was re-imagined as Very Media Group in September. The retail media network aims to bring the power of our deep consumer insight to our trusted brand partners, helping them connect to the distinct Very audience at scale. Thanks to the Group's vast range of data, brands have been able to optimise their marketing strategies in a test and learn environment which, combined with our highly effective creative capabilities, has helped deliver further success for some of the biggest household brands which we know our customers know and love.

SPREADING THE WINGS OF OUR CREATIVE CAPABILITIES

It's not just our retail media offering which has been re-imagined this year. For over 70 years, our internal creative team has been a huge source of pride for us. We started creating illustrations to describe products to customers back in the 1950s, before moving to use photography across thousands of pages within our catalogues. This year, we launched HelloStudio, which utilises our wealth of customer data throughout the ideation process to collaborate with brand partners on new concepts. Plus, the unique combination of personal, shopping and financial data helps support HelloStudio in curating omnichannel campaign assets that truly resonate with how customers shop.

CONTINUING TO DEEPEN OUR UNDERSTANDING

Customer-centricity will continue to sit firmly at the heart of our strategy and all of our operations. We have a deep understanding of our customers, but in the dynamic and competitive environment we operate in, standing still is not an option. To keep achieving our purpose as a business, we must consistently differentiate ourselves from our competitors by providing an outstanding customer experience. Looking ahead, we will continue to seek new and innovative ways to further our insight and connections to the people we serve.



People and culture

The dedication and enthusiasm of our people is what allows us to serve our customers and fulfil our purpose of helping families get more out of life.

LIVING BY OUR VALUES

By embedding our values in all that we do, we aim to deliver the best experiences for both our people and our customers. To be truly effective, we actively listen to our colleagues and adapt to the evolving environment, ensuring we foster a workplace that inspires passion and pride in our people.

AT THE VERY GROUP,
EVERYTHING WE DO IS LED
BY OUR FIVE CORE VALUES:

PROUD

TRUSTED

TOGETHER

INNOVATIVE

AMBITIOUS

LISTENING TO COLLEAGUES

Twice a year, we ask our colleagues from across the business to share their views on a range of themes – including career progression, wellbeing and recognition. This is done via our colleague engagement programme, Voice.

The last survey was completed by the majority of colleagues (87%), and our engagement score for the year was 7.6/10 which is classified as good by Peakon, our colleague engagement platform.

This indicates that, overall, people find Very a positive place to work and our efforts to create a workplace where colleagues feel empowered and supported are working.

Another key element of our colleague engagement agenda is our People Labs, which are colleague-led groups within functions across the business. The 18 labs, each of which have 10-15 members, host listening sessions with colleagues to get a more detailed view on the opinions shared in the Voice survey, ultimately helping us to make changes and create an even better working environment.

87% (FY24: 86%)

Completion rate of the latest
colleague Voice survey



People and culture continued

EVOLVING OUR COMMITMENTS

We are dedicated to ensuring every colleague, customer and member of our community feels welcomed, represented and valued. We've been working towards five diversity and inclusion (D&I) commitments to help us become an even more inclusive workplace.

Over the past year, our commitment to D&I has remained strong. We've naturally evolved to focus on the broader elements of inclusion, ensuring that all of our colleagues feel supported and engaged.

Our diversity and inclusion efforts are reflected in our Glassdoor D&I rating, which outperformed the industry average standing at 4.3 out of 5, and this ongoing commitment has been recognised within the industry.

The Very Group was awarded a Silver accreditation by Diversity in Retail through its Inclusion Maturity Curve Assessment – an industry-recognised framework that evaluates progress in building diverse and inclusive workplaces across the retail sector.

Our nine colleague-led networks have continued to be at the heart of our diversity and inclusion efforts. Through a variety of initiatives and events, such as monthly walk and talks through our MIND (Mental Health at Very) committee, and race equality week events hosted by RAVE (Race at Very), these networks have played a key role in shaping a more inclusive workplace.

This year, we introduced SAVE (Sustainability at Very), a new network representing a group of passionate colleagues working to put sustainability at the heart of everything we do.

> Read more about **sustainability at Very** on pages 24 to 33.

As part of our commitment to building an inclusive culture, we partnered with NeuroBridge – an organisation that supports businesses in embedding neuroinclusion throughout the colleague journey. This partnership enhances the support we offer to neurodivergent colleagues by providing access to tailored resources, awareness events, and practical tools for both individuals and managers.

OUR 2025 D&I COMMITMENTS

We strive to make Very a more inclusive workplace – with all colleagues feeling welcomed, represented and valued

We'll have more females in our senior management roles at Very

Our Very colleagues will represent the ethnic diversity of our nation and our local communities

We'll have created employment opportunities at Very for under-represented groups in our local communities

Very will have actively contributed to shaping diversity and inclusion in the industries we operate in

> Read about our commitments and progress in **our latest D&I report**



As we approach the end of the initial D&I commitment deadline, which is at the end of 2025, we're working to evolve our ambitions and set the course for an even more inclusive future. Together, we're continuing to drive the change needed to ensure everyone can thrive at Very.

UNBOXING POTENTIAL

We are dedicated to creating a workplace that empowers individuals to thrive and reach their full potential. This involves not only fostering an environment where everyone feels valued and included but also equipping our colleagues with the resources they need to grow and succeed.

As part of this, in the spring of 2025 we launched 'Unbox your career' – a brand-new range of personalised learning and career development opportunities. This aims to help colleagues recognise opportunities for growth while empowering them to take ownership of their development and progression. We understand that progression and professional growth looks different to everyone, and the new unbox offering aims to inspire bespoke development opportunities for each of our colleagues.

What's more, over the past year, our most senior leaders have also participated in a values-led leadership programme, ensuring that our values are role-modelled and led from the top.

HEALTH, SAFETY AND WELLBEING

The health, safety and wellbeing of our people is of paramount importance. Our H&S management system, comprising 34 policies, is endorsed by our Executive Committee and audited by the British Standards Institute to ISO 45001 standard.

To ensure our colleagues feel their best, we provide resources to support their physical, mental, and financial wellbeing. Additionally, people from across the business can access wellbeing support through our partnership with the Retail Trust.

We continue to encourage open conversations and support mental health in the workplace. After successfully introducing mental health first aiders into our customer care centres in the last financial year, we have now rolled the programme out throughout the business. Across all our sites, we now have 40 colleagues who have completed comprehensive mental health training and can now provide confidential support and guidance to colleagues.

Our people, workplace, and culture reflect the values of our business. Over the next 12 months, we will continue to drive progress by enhancing our D&I strategies, supporting our colleague networks, and addressing areas needing improvement.

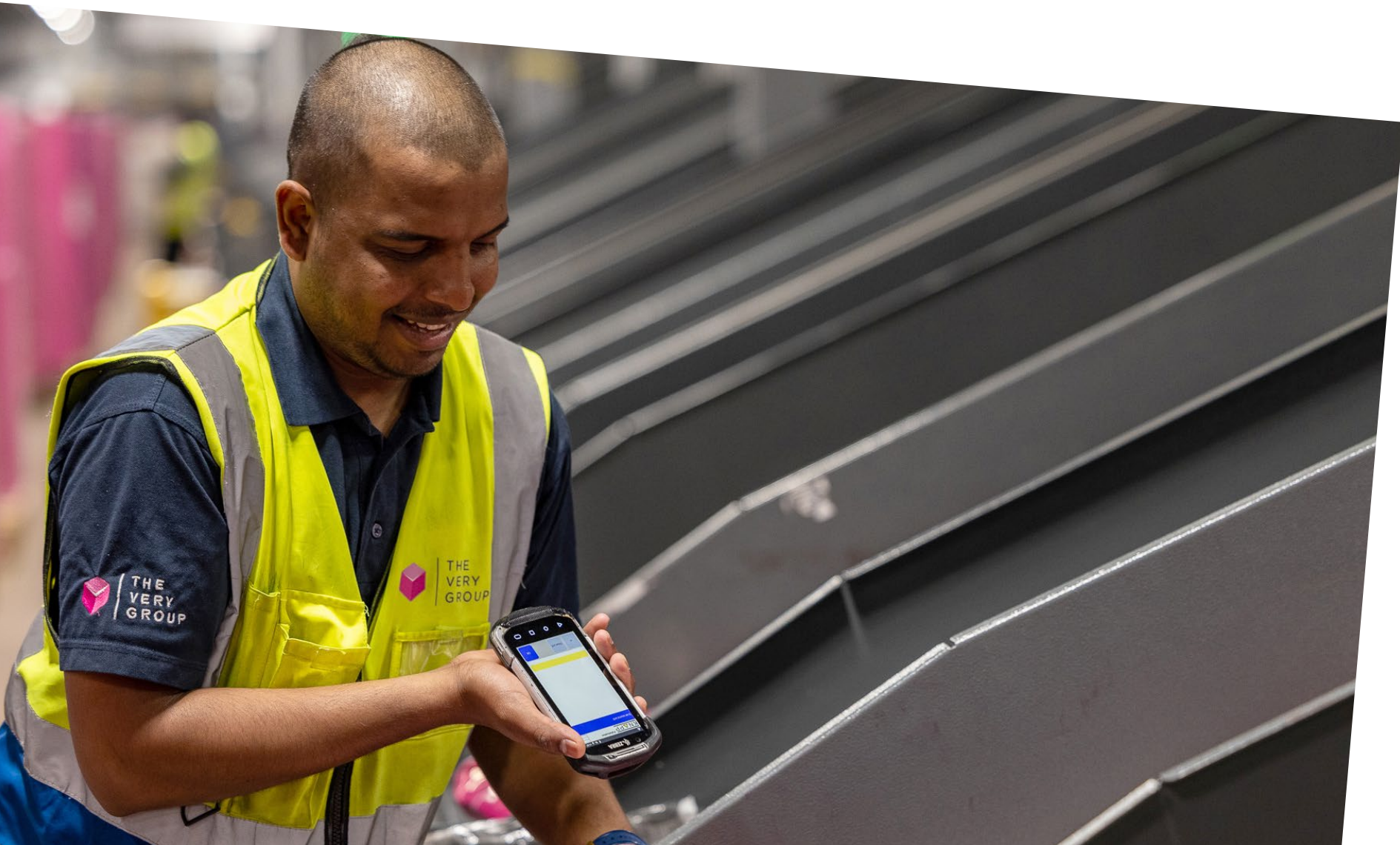
Together, we will build an even more inclusive environment, ensuring our initiatives have a lasting positive impact on our colleagues, customers, and the communities we serve.

4.3/5

Glassdoor D&I rating

40

Number of colleagues who are now qualified mental health first aiders



Key performance indicators

The Board uses a range of key performance indicators (KPIs) to measure the progress against our economic value model and wider business strategy.

These include both financial and non-financial targets, which are aligned to our purpose and the pillars of our strategy. Among our KPIs, we use alternative performance measures (APMs). APMs are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable to other companies' APMs. These are reconciled to equivalent statutory balances in the Financial review (pages 15 to 17).

1 See note 2 for prior period restatement.
2 The definition of adjusted EBITDA no longer includes adjustments for changes in the 'software as a service' accounting policy first adopted in FY22, given that this now forms part of BAU reporting and is included in comparative results as standard. The prior year result has therefore been adjusted accordingly.

NON-FINANCIAL							
NET PROMOTER SCORE		GROUP ACTIVE CUSTOMERS		AVERAGE ORDER FREQUENCY		AVERAGE ORDER VALUE	
42.3 (+2.2)		4.2m (-2.3%)		4.3x (-2.3%)		£157.3 (+0.1%)	
FY23	35.9	FY23	4.4m	FY23	4.5x	FY23	£151.0
FY24	40.1	FY24	4.3m	FY24	4.4x	FY24	£157.2
FY25	42.3	FY25	4.2m	FY25	4.3x	FY25	£157.3
FINANCIAL							
GROUP REVENUE		ADJUSTED FREE CASHFLOW (PRE-FUNDING)		VERY UK AVERAGE DEBTOR BOOK		LOSS BEFORE TAX ¹	
£2,087.4m (-1.8%)		£147.6m (+2,042.1%)		£1,490.4m (-0.7%)		£(505.4)m (-3,000%)	
VERY FINANCE REVENUE		FY23	£128.4m	FY23	£1,436.2m	FY23	£4.6m
£433.6m (-0.3%)		FY24	£(7.6)m	FY24	£1,500.5m	FY24	£(16.3)m
		FY25	£147.6m	FY25	£1,490.4m	FY25	£(505.4)m
VERY UK REVENUE		COSTS AS A % OF REVENUE		GROUP BAD DEBT AS A % OF DEBTORS		ADJUSTED EBITDA ^{1,2}	
£1,832.5m (-0.2%)		22.3% (-0.9%pts)		4.0% (-0.8%pts)		£307.1m (+15.9%)	
GROUP GROSS MARGIN		FY23	23.0%	FY23	5.9%	FY23	£260.7m
36.6% (+1.0%)		FY24	23.2%	FY24	4.8%	FY24	£264.9m
		FY25	22.3%	FY25	4.0%	FY25	£307.1m

Financial review

During FY25, we remained focused on improving the fundamentals of our business through enhancing our retail proposition, continued credit risk excellence, cost reduction, and investing for the future.

This was done as ever with our customers in mind, who remained cautious in their spending given current levels of economic uncertainty.

I am delighted to say that our strategy to improve our structural economics is working, and in FY25 we have delivered one of our strongest earnings performances in absolute terms, and our best ever adjusted EBITDA¹ margin¹ of 14.7% (2024: 12.5%).

Our customer net promoter score (NPS) also increased across the year to 42.3 (2024: 40.1), demonstrating that the families we serve are positively responding to the updates we have made to their shopping experience.

As always, we have kept a consistent focus on the drivers of earnings, earnings quality and liquidity, and we monitor our performance through five key metrics.

These are long-term revenue growth for Very UK, increasing the Very debtor book, improving return on assets and gross margin, and executing diligent cost control, which form part of the overall KPIs outlined on page 14.

As a result of the continued strategic investment in our proposition, improvements made to our operating model, and a diligent focus on cost control, we have seen a significant improvement in our earnings as expected. Our gross margin rate increased 1.0% to 36.6% (2024: 35.6%) and our adjusted EBITDA¹ improved by 15.9% to £307.1m (2024: £264.9m).

We also saw continued improvement in bad debt, which is evidence of the robust credit risk management we have continued to display over many years.

The improved operating performance of the business was the primary driver of the significant increase in profit before tax and exceptional items to £43.4m (Restated² 2024: £13.0m), which has in turn contributed to positive cashflow movements.

CUSTOMERS

We are led by our purpose, and our customers are at the heart of everything we do at The Very Group. FY25 was another year of uncertainty for our customers, as they continued to navigate ongoing economic uncertainty.

Our decision to invest in our customer proposition to ensure they have access to the brands they love at a price that is right for them, coupled with the flexibility offered by our payment options, meant our business continued to prove attractive to families.

During FY25 we served 4.2m active customers across the Group, which is testament to the strength of our customer proposition.

SALES

Given our focus on improving the structural economics of our business in FY25, we did not intend to chase sales volumes in a declining market, and this year we achieved Group sales of £2,087.4m, a drop of 1.8% compared with the prior year (2024: £2,125.3m).

Within this, Very UK revenue remained stable, declining slightly by 0.2% year on year to £1,832.5m (2024: £1,836.9m), with the retail sales trajectory improving in the second half of the year.

Group revenue also reflects Very Ireland, which saw a decline of 3.4% to £63.4m (2024: £65.6m) and Littlewoods, which declined 14.0% to £191.5m (2024: £222.8m).

RETAIL

In what continues to be a challenging market, we have seen improvements in our retail sales trends. Whilst Very UK retail sales declined slightly by 0.6% to £1.4bn, absent the impact of Nike's decision to move to a direct-to-consumer model, Very UK revenue grew 1.2% year on year.

At a Very UK category level, Electricals saw a decline of 2.0%, driven by significant gaming releases in the prior year that have not been repeated in FY25.

¹ The definition of adjusted EBITDA no longer includes adjustments for changes in the 'software as a service' accounting policy first adopted in FY22, given that this now forms part of BAU reporting and is included in comparative results as standard. The prior year result has therefore been adjusted accordingly.

² See note 2 for prior period restatement.



Financial review continued

GROUP REVENUE				
	FY25 £m	FY24 £m	Variance £m	Variance %
Fashion & Sports	471.4	496.6	(25.2)	(5.1)%
Electrical	718.5	745.4	(26.9)	(3.6)%
Home	237.9	222.8	15.1	6.8%
Toys, Gifts & Beauty	197.3	197.6	(0.3)	(0.2)%
Total retail sales	1,625.1	1,662.4	(37.3)	(2.2)%
Statutory and other adjustments	28.7	27.9	0.8	2.9%
Total retail revenue	1,653.8	1,690.3	(36.5)	(2.2)%
Very Finance revenue	433.6	435.0	(1.4)	(0.3)%
Total Group revenue	2,087.4	2,125.3	(37.9)	(1.8)%

INCOME STATEMENT				
	FY25 £m	FY24 ¹ £m	Variance £m	Variance %
Very UK	1,832.5	1,836.9	(4.4)	(0.2)%
Very Ireland	63.4	65.6	(2.2)	(3.4)%
Littlewoods	191.5	222.8	(31.3)	(14.0)%
Group Revenue	2,087.4	2,125.3	(37.9)	(1.8)%
Gross profit	764.3	757.4	6.9	0.9%
% margin	36.6%	35.6%		+1.0%pts
Distribution expenses	(164.8)	(202.4)	37.6	(18.6)%
Administrative expenses	(300.0)	(290.1)	(9.9)	3.4%
Depreciation and amortisation	(55.6)	(49.1)	(6.5)	13.2%
Other operating income	2.3	2.7	(0.4)	(14.8)%
Operating profit before exceptional items	246.2	218.5	27.7	12.7%
Net finance costs	(202.8)	(205.5)	2.7	(1.3)%
Profit before tax and exceptional items	43.4	13.0	30.4	233.8%
Exceptional items	(548.8)	(29.3)	(519.5)	(1773.0)%
Loss before tax	(505.4)	(16.3)	(489.1)	(3,000.6)%

VERY UK RETAIL SALES ³				
	FY25 £m	FY24 £m	Variance £m	Variance %
Fashion & Sports	385.4	400.0	(14.6)	(3.7)%
Electrical	646.7	659.9	(13.2)	(2.0)%
Home	190.7	173.6	17.1	9.9%
Toys, Gifts & Beauty	172.5	170.0	2.5	1.5%
Very UK	1,395.3	1,403.5	(8.2)	(0.6)%

- 1

See note 2 for prior period restatement.
- 2

The definition of adjusted EBITDA no longer includes adjustments for changes in the ‘software as a service’ accounting policy first adopted in FY22, given that this now forms part of BAU reporting and is included in comparative results as standard. The prior year result has therefore been adjusted accordingly.
- 3

Retail sales is on a management accounts basis and therefore excludes certain other adjustments. As such, it differs from the sale of goods as presented in note 4 of the accounts.

We saw growth of 1.5% in our Toys, Gifts & Beauty category, and within this we saw strong performances in Toys and Beauty, which grew 4.3% and 5.2% respectively, reflecting the impact of new brand additions and optimised pricing within these categories. Our Home division has been a particular focus for the business. In FY25 we have seen growth of 9.9%, underpinned by sales of bedroom furniture, home accessories, textiles and garden furniture. Over the last year we have completely overhauled our home category, bringing in over 10,000 new lines, and it is clear that these updates are proving popular with our customers.

Fashion & Sports declined 3.7% year on year in a contracting market.

It is important however to look at the underlying performance within this category, and upon adjusting for the exit of Nike, we saw 2.1% underlying growth in Fashion & Sports, with 27.8% growth within Sports individually.

This is a strong competitor beating result in the context of the wider sports market, driven by our expanding range of brands.

VERY FINANCE

We have seen an increase in interest income as a percentage of the debtor book of 0.4%pts to 23.1% (2024: 22.7%) due to an increased yield on the debtor book.

At a Very UK level, the average debtor book decreased 0.7% to £1,490.4m (2024: £1,500.5m) owing to lower retail sales.

The performance of the debtor book is a key element of our economic value model, both supporting revenue in the period and creating future value through cautious management of credit risk and bad debt.

As a result of the debtor book performance, Very Finance revenue therefore fell slightly by 0.3% to £433.6m (FY24: £435.0m), with our flexible ways to pay continuing to help our customers in challenging times.

Despite the economic conditions, we continued to see no signs of distress in the debtor book in any of the leading indicators we use to monitor our credit risk.

Given the importance bad debt and Very Finance plays in our economic value model and earnings quality, the ongoing effort to improve and manage our credit risk will remain paramount as we continue to face headwinds in the market.

COSTS AND EARNINGS

In FY25, we delivered Group gross profit of £764.3m (2024: £757.4m), which represents an improvement of 1.0% in gross margin rate to 36.6% (2024: 35.6%).

Driving this is the improvements made to our structural profitability, and the growth in key higher margin categories such as Home, Sports, Toys and Beauty.

Effective cost-control is a long established competency of the Group and is a key aspect of our economic value model. At the start of the year, we communicated our aim to achieve £20m to £30m worth of net cost savings across FY25 and I am delighted to report that we exceeded this target across the year.

Despite the inflationary environment and as a result of cost saving initiatives across the business, we reduced operating costs as a percentage of revenue by 0.9% to 22.3%, which is the lowest level of costs relative to revenue the Group has ever achieved.

Breaking this down, our distribution costs (excluding depreciation) decreased by 18.6% to £164.8m (2024: £202.4m), and as a percentage of revenue decreased by 1.6%pts. This reflects the work done to optimise our logistics and fulfilment operations, including the re-negotiation of key logistics contracts.

Administrative costs (excluding depreciation and amortisation) remained broadly consistent at £300m (2024: £290.1m) despite the impacts of inflation across the year and adverse fair value adjustments.

The impact of our improved gross margin and operating cost base means that both pre-exceptional and adjusted EBITDA have increased year on year, meaning we have delivered significant growth in spite of a softer topline. We delivered adjusted EBITDA² of £307.1m in FY25, a 15.9% increase on the prior year (2024: £264.9m), which is the highest adjusted EBITDA margin² the Group has ever achieved at 14.7% (2024: £12.5%).

This earnings result contributed to profit before tax and exceptional items of £43.4m (Restated¹ 2024: £13.0m), an improvement of £30.4m year on year.

EXCEPTIONAL ITEMS

The majority of exceptional items relates to an impairment provision.

As previously disclosed, on 9 May 2024 the directors of Shop Direct Holdings Limited (“SDHL”), the ultimate UK parent company of The Very Group Limited (“TVGL”, the “Company”), entered into a tripartite agreement with the SDHL Group’s lenders at LW Holdings Limited (the “LWH Lenders”) and VGL Midco Limited (the “Midco Lenders”) (together “the Lenders”, “SDHL Group facilities”) to provide facilities through to 1 November 2025. The parties have an agreed framework to work together to either refinance or repay all applicable SDHL Group facilities via a sale or partial sale of the Company.

More broadly, the directors note that should a change of control event occur, it has been designed to be conducted in an orderly manner and ensure the Company is not exposed to the debt arrangements higher up in the SDHL Group structure.

Furthermore, the tripartite agreement includes specific arrangements on how certain receivables owed by related parties within the wider SDHL and Shareholder Group are satisfied, including the plan to effect a distribution in specie process which will commence following the publication of this report.

Financial review continued

RECONCILIATION TO ADJUSTED EBITDA				
	FY25 £m	FY24 ¹ £m	Variance £m	Variance %
Operating profit	215.9	189.2	26.7	14.1%
Adjusted for exceptional items	30.3	29.3	1.0	3.4%
Operating profit before exceptional items	246.2	218.5	27.7	12.7%
Adjusted for pre-depreciation and amortisation	55.6	49.1	6.5	13.2%
Pre-exceptional EBITDA	301.8	267.6	34.2	12.8%
Adjusted for:				
Fair value adjustments to financial instruments	5.9	(2.7)	8.6	318.5%
Foreign exchange translation movements	(1.2)	(1.2)	–	–
IAS 19 pension adjustments	0.6	1.2	(0.6)	(50.0)%
Adjusted EBITDA ²	307.1	264.9	42.2	15.9%

The directors note that under the relevant accounting standard, the receivable balances must be assessed for recoverability across a range of different scenarios, including previously disclosed potential changes to the Group's ownership structure.

In order to take account of the necessary accounting standard and the intended distribution in specie process, a decision has therefore been taken to recognise a non-cash one-off impairment provision of £524.8m at the balance sheet date, prior to the effecting of this distribution to VGL Finco Limited, the immediate parent of the Company. Please see note 34 for more information.

We note that these impairments are a non-cash, one off adjustment and that they have not impacted on the positive going concern assessment within these accounts. The adjustment does not relate to the Group's core trading activity, is not expected to recur, and pertain solely to historic relationships with the wider SDHL and Shareholder Group.

TAX

The loss after tax of £521.5m (Restated¹ 2024: loss of £24.8m) includes a tax charge of £16.1m, reflecting current tax of £0.9m and deferred tax of £15.2m. Tax of £1.0m was paid in the year.

FINANCIAL POSITION

Net liabilities were £368.0m (Restated¹ 2024: net assets of £153.9m), capturing the loss after tax and other key movements as below.

Our closing inventory increased compared to last year by £21.8m to £126.8m (2024: £105.0m) as we made the decision to build stock levels in advance of expected demand across the first half of FY26, increasing product availability for our customers. Trade and other payables have increased by 12.9% to £540.0m (2024³: £478.3m), in part due to the inventory build and timing of payments to suppliers.

As a result of the softer retail performance as mentioned, advances to customers declined slightly by 1.3% to £1,476.8m (2024³: £1,458.1m).

Accompanying this, securitisation borrowings have also decreased to £1,485.0m (2024: £1,504.7m), given its direct connection to the size of the debtor book.

The securitisation borrowings figure includes £20.3m (2024: £20.5m) relating to the balance sheet receivables of Shop Direct Ireland Limited.

During the period, the expiry date of all note classes within the Group's UK securitisation facility were extended to January 2028.

Additionally, the senior elements of the facility ('AS' and 'AJ' notes) were increased by £135.0m to £1.51bn, increasing the total facility size to £1.77bn.

The Ireland facility has a total maximum commitment of €35.0m and was extended post year end, now expiring in July 2028.

In April 2025 we were pleased to announce a successful refinancing of the Group's senior secured notes and RCF, confirming the issuance of £598.0m privately placed senior secured notes due August 2027. Extending the Group's financial maturities out until 2027 demonstrates the continued confidence of our partners in the Group, backed further by the resilient results reported across FY25.

We also continue to utilise our strategic partnership with Carlyle and IMI, which included access to £125m of funding as at the FY25 year-end.

The partnership is ongoing and will allow us to deliver against our future business objectives.

PENSIONS

The Group operates a defined contribution pension scheme for all employees, the Shop Direct Group Personal Pension Plan. The pension cost charge for the period represents contributions payable in the period by the Group to the scheme and amounted to £7.8m (2024: £8.1m), with £0.6m (2024: £0.6m) outstanding at the end of the period.

CASH FLOW

This year we saw an adjusted free cash inflow of £147.6m (2024: £7.6m outflow), which leads to free cash flow post-funding of £187.6m (2024: £67.4m). This has generated net cash and cash equivalents of £40.3m (2024: £53.3m).

On a statutory cash flow basis, we have seen an outflow of £13.0m (FY24: £13.7m inflow), in part due to the paying down of part of the Group's RCF, offset by working capital movements and improved profitability.

A reconciliation to underlying cash flow is shown in the table to the right.

RECONCILIATION TO ADJUSTED FREE CASHFLOW		
	FY25 £m	FY24 ¹ £m
Adjusted EBITDA ²	307.1	264.9
Securitisation interest and management fee	(109.6)	(114.7)
Adjusted EBITDA post securitisation interest	197.5	150.2
Net working capital movement:		
Movement in inventories	(21.8)	0.7
Movement in advances to customers	(18.7)	(15.2)
Movement in trade and other receivables	16.3	(45.6)
Movement in trade and other payables	39.6	(64.3)
Movement in securitisation facility	(19.7)	12.9
Net working capital movement (post securitisation funding)	(4.3)	(111.5)
Fair value adjustments to financial instruments	–	(0.9)
Capital expenditure	(45.6)	(45.4)
Adjusted free cash flow	147.6	(7.6)
Proceeds from new debt facility	40.0	75.0
Free cash flow (post refinancing)	187.6	67.4
Interest paid (excluding securitisation interest)	(84.0)	(64.6)
Dividend paid	–	(3.8)
Income taxes paid	(1.0)	(0.9)
Cash impact of exceptional items	(33.3)	(28.4)
Management fees	(7.5)	(7.5)
Cash paid to Parent Company	(4.0)	(8.6)
Repayments of finance leases	(14.0)	(12.9)
Repayments of bank loans	(6.8)	(7.0)
Movement in revolving credit facility (RCF)	(50.0)	80.0
Net (decrease)/increase in cash and cash equivalents	(13.0)	13.7

- 1 See note 2 for prior period restatement.
- 2 The definition of adjusted EBITDA no longer includes adjustments for changes in the 'software as a service' accounting policy first adopted in FY22, given that this now forms part of BAU reporting and is included in comparative results as standard. The prior year result has therefore been adjusted accordingly.
- 3 Refer to note 2 for changes to comparative period information.

CAPITAL INVESTMENT

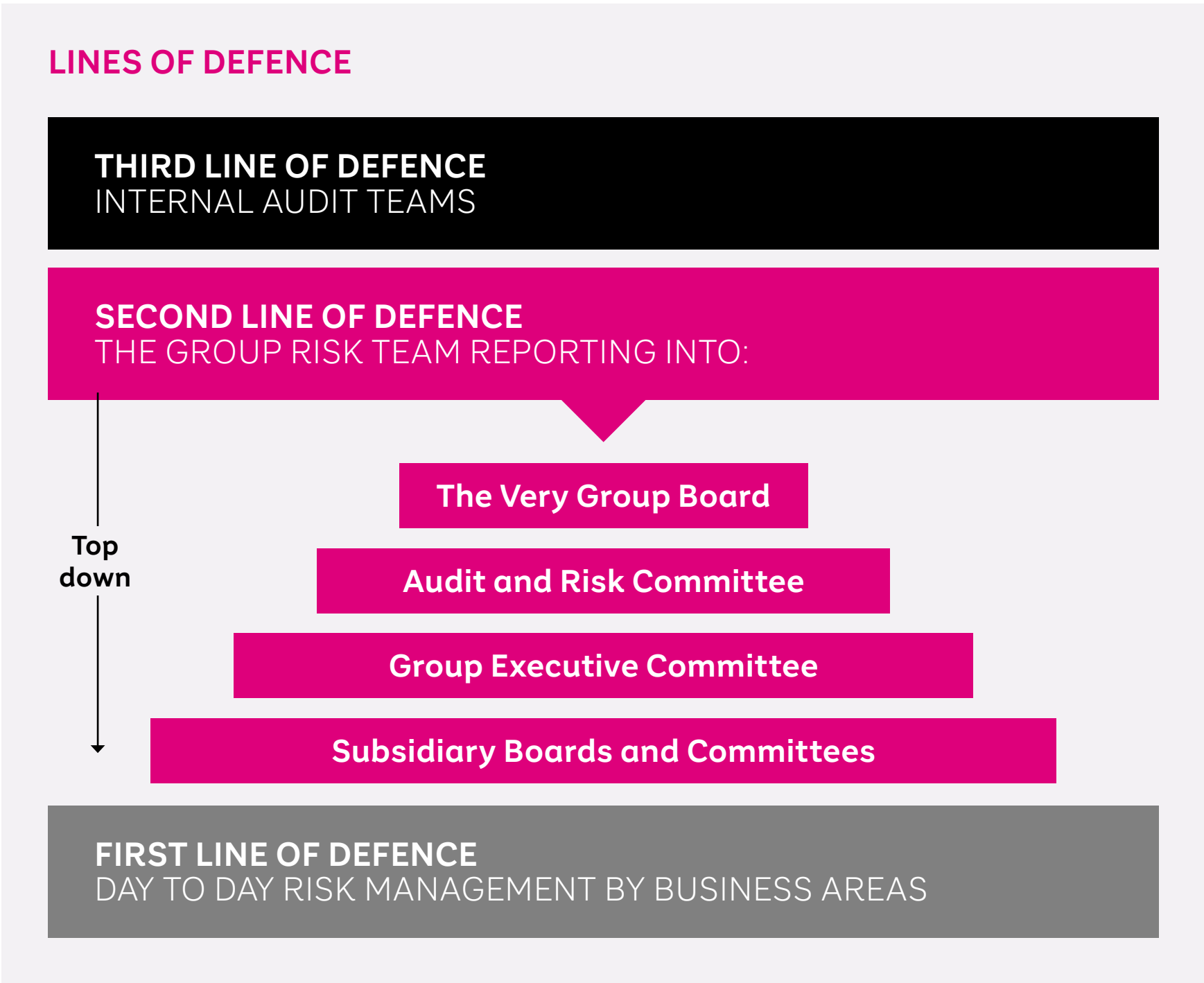
Fixed asset additions for the year totalled £45.6m (2024: £45.4m) across a number of business-as-usual and strategic investments.

As we near completion of our biggest ever tech transformation project which began in FY22, we invested a further £20.0m into our new Skyscape platform in FY25.

This investment has allowed us to further enhance our digital customer experience on our website and app.

Risk management and principal risks

The Very Group’s Enterprise Risk Management (ERM) Framework has remained imperative to the Board in ensuring we are able to adapt to the challenges of a changing world.



The Group continues to see the benefit of its ERM approach. In FY25, the programme continued to help us to identify and monitor emerging risks, support effective decision making and maintain business resilience.

RISK GOVERNANCE

The Group’s Board has ultimate responsibility for risk management. Responsibility for the identification, prioritisation, and appropriate assessment and mitigation of risks, as well as the ERM framework, is delegated to the Audit and Risk Committee. Accountability for the risk management of the entities authorised by the FCA remains within those entities.

The Group manages risk consistently across all business areas through the ERM programme. This forms the first line of its ‘three lines of defence’ model, which is underpinned with an integrated approach to assurance.

The model is owned by the Risk and Compliance Director and driven by the Group Risk Team, who form the second line of defence and challenge the business in respect of risk management activity, whilst providing insight and assurance to the Board and its committees. Moreover, specific areas of risk are owned by Executive team members, who are supported in turn by the Risk and Compliance Director and the Group Risk Team.

The third line consists of internal audit activity, which provides independent assurance over risk management activities. For more information on audit activities, read our audit report on pages 49 to 52.

RISK STRATEGY AND CULTURE

We have a forward-looking strategy for how we manage risk. This strategy is a core component of our ERM framework.

Our strategy for risk management is to:

- Ensure that the risk philosophy and culture of the Group are understood and embedded at all levels.
- Proactively monitor the level of inherent/ gross and residual/net risk against our stated appetite and business objectives.
- Continually develop the ERM framework so that it remains valid for the Group’s current and anticipated future state.
- Capture all new risks as they evolve, whether through new business initiatives, or changing market or regulatory conditions, and ensure that they are adequately measured and appropriately mitigated by the Group’s policies and procedures.
- Ensure that growth and change are managed through a clearly defined expansion and integration plan.
- Support in ensuring compliance with relevant legislation.

To deliver our strategy we have set the following business-wide risk objectives:

- Maintain a risk profile which supports the delivery of planned revenue and quality earnings growth while limiting earnings volatility.
- Ensure that as we grow the business, we maintain our strong control infrastructure.
- Ensure that we have the resources and skills to deliver the business plan.
- Ensure that our reputation is that of a trusted brand, market participant and business partner.
- Enhance our relationship with regulators through an embedded, effective risk and compliance culture throughout the business.

Risk management and principal risks continued

Risk management is designed to prevent threats which could impact strategic objectives whilst maximising how we leverage opportunities, thereby maximising shareholder value. A framework of hierarchical committees is in place to ensure appropriate oversight of all risk management activity, ensuring responsible individuals are able to agree and implement actions to manage risk within appetite limits agreed by the Board.

Supporting and overseeing the business and, in particular, Executive team members, in the adoption of risk strategy and the meeting of risk objectives are core functions of the Group Risk Team. A dedicated suite of key risk indicators (KRIs), underpinned by a portfolio of metrics, facilitate effective monitoring.

The Risk Team supports each business area to define and implement appropriate risk governance activities as part of ongoing change and initiative implementation.

PRINCIPAL RISK CATEGORIES

Principal risks are the key risk categories applicable to the business and its ability to deliver on its strategy. The Group articulates its appetite in the context of the principal risks, and all lower-level risk activity feeds up into these top-level risks.

The Group has defined eight principal risk categories as follows:

- **Credit risk:** The risk of loss caused by the failure of a customer to meet their contractual obligations and repay their borrowings.
- **Financial and liquidity:** The risk we are unable to meet our obligations as they fall due or are adversely hit by market rate or price movements.
- **Legal, regulatory and compliance:** The risk that our culture, behaviour or actions lead to a failure to comply with legislation, regulators, or cause detriment to customers or the markets.

- **Operational risk:** Losses or disruption resulting from inadequate or failed processes, people and systems or from external events.
- **Technology risk:** The potential for a technology failure to disrupt the business.
- **People risk:** The risk that the business is not able to attract and retain the appropriate resource to deliver strategic objectives and/or meet regulatory expectations.
- **Strategy risk:** The threat to the Group's and its subsidiaries' ability to perform and execute its strategy resulting from decisions or internal or external events.
- **Environmental, social and governance (ESG):** An environmental, social, or governance event, or condition that, if it occurs, could cause a negative impact on the value of the business.

CHANGES TO OUR RISK PROFILE SINCE LAST YEAR

The inflationary environment and its impacts on our customers and our business have continued to create market uncertainty. However, the Group's business model has shown resilience throughout these and historic periods of market and economic stress, and as such our risk profile remains largely in line with FY24.

The external risk of cybersecurity attacks continues to be prevalent and a number of major retailers in the UK have recently become targets for serious organised crime hacking groups.

Should we suffer any such cybersecurity attack or other information or security systems failure, this could have a material and adverse effect on our business, financial condition and results of operations. As such, the ongoing resilience and security of our technology environment is a significant focus area for the Group.



Risk management and principal risks continued

KEY:  Increased  No change  Decreased

Beneath the principal risk categories, key risks have been identified, along with potential risk scenarios which could give rise to the risks materialising. The top ten key risks are tracked and reported against in the Group Audit & Risk Committee.

KEY RISKS	EXEC OWNER	RISK SCENARIOS	COMMENTARY	RISK RATING
PRINCIPAL RISK CATEGORY: FINANCIAL AND LIQUIDITY				
LIQUIDITY The risk of difficulty in meeting short-term financial obligations due to a lack of cash or the inability to convert assets into cash without substantial loss	Ed Fry, Interim Chief Financial Officer	1. Withdrawal of credit facilities 2. Counterparty failure 3. Failure in cash management 4. Other unexpected cash shock	Overview The Group continues to evidence a resilient year on year financial position in a challenging retail market, driven by careful management of our debtor book and credit losses. Following the successful completion of a refinancing process in FY25, our long-term focus remains on earnings, earnings quality, and liquidity. The financial and liquidity risk has remained unchanged from FY24. The Group has taken on additional financing in FY25 and the cost of funding for the Group has remained high, particularly in relation to the securitisation facility, which is linked to the Sterling Overnight Index Average rate (SONIA). However, the higher cost of funding continues to be offset by effective working capital management and considered cost reduction. Furthermore, most analysts are projecting further reductions in SONIA rates by the end of 2025. Mitigants Liquidity is carefully controlled by the Treasury function and reviewed at Executive Committee level via our Treasury Committee, which meets monthly. We undertake regular and robust testing of liquidity and reporting of key metrics to ensure sufficient levels are available to meet all financial obligations as they fall due. Liquidity is assessed weekly with detailed short term cash flow forecasts produced and shared with the Executive Team and Board members and a detailed quarterly review is performed to ensure an 18-month forward looking view is maintained. This includes the undertaking and analysis of key stress and reverse stress testing. Our Treasury Committee also monitors covenants. We have continued our disciplined approach to managing cost and the impact on working capital, with a key focus on making the most prudent decisions concerning capital investment. We maintain strong relationships with our securitisation banks and have a rolling three-year funding programme. In January 2025, the Group concluded the extension of the long-standing UK securitisation programme out to January 2028.	
LOSS OF MARGIN The risk of retail margin falling below the level required to deliver the EBITDA forecasted within the financial year	Sam Wright, Chief Commercial Officer	1. Competition forcing the lowering of prices and diminishing margin 2. Higher than expected utilisation of discounting 3. Ineffective inventory management resulting in lost sales or high levels of markdown 4. Supply chain disruption resulting in higher procurement costs 5. Continued input inflation driving significant increase in operational cost	Overview We operate in a highly competitive retail market, competing for customers against a variety of other UK retailers as well as international operators. The economic environment and ongoing inflationary pressures within the UK have meant that we have continued to face into a challenging retail market in FY25. Consumer confidence and overall behaviours continued to be impacted, with consumers increasingly seeking value and flexibility when purchasing. Despite this, overall margin performance has been strong in FY25. This reflects both changes to the retail sales mix into higher margin categories, and also the shift in the split of total revenue between retail and financial services income. The risk of increased costs as a result of supply chain disruptions caused by geo-political issues such as the issue in the Red Sea continues to be an area of focus. Mitigants Effective controls are in place to manage the risks through robust monitoring and reporting to drive actions, but the primary causation factors remain outside of our control, with macroeconomic and retail market headwinds continuing to impact margin in a number of key areas. Active cost and stock management processes are in place to mitigate the impact of supply chain disruption.	

Risk management and principal risks continued

KEY:  Increased  No change  Decreased

KEY RISKS	EXEC OWNER	RISK SCENARIOS	COMMENTARY	RISK RATING
INTEREST RATE RISK The risk of interest rates exceeding those assumed within financial forecasting leading to increased repayment obligations, impacting free cash flow and PBT	Ed Fry, Interim Chief Financial Officer	- SONIA rate increases above forecast/budget as a result of geopolitical events creating inflationary pressure - Cost of borrowing impacts Group liquidity position leading to reduction in liquidity and resulting in a downgrading of Group credit rating leading to higher effective rates and reduction/loss of credit insurance - Increases in central bank interest rates may lead to a reduction in liquidity in the bond market, as such a higher coupon rate would be required to attract investors for any future refinancing requirements	Overview The ability to mitigate interest rate risk is limited by its nature. Analyst expectations suggest that rates will reduce through the next financial year. However, this is predicated on the wider assumption that monetary policy has successfully placed inflation on a continued downward trajectory. The performance of our debtor portfolio has remained stable despite the current economic climate. However, we remain cautious in this regard. Whilst our debtor book has performed well, we consider the risk to remain at the same level due to the challenging macroeconomic environment, including fluctuating interest rates and ongoing inflationary pressures. Mitigants We continue to monitor key macroeconomic indicators and geopolitical uncertainties to ensure appropriate sensitivities are used for forecasting and risk management purposes. Any increases in interest will continue to be offset by effective working capital management and considered cost reduction. We have continued to ensure appropriate measures are taken in relation to our debtor portfolio to monitor the impact to our customer base.	
PRINCIPAL RISK CATEGORY: TECHNOLOGY				
CYBER SECURITY The risk of unauthorised access resulting in a loss of service or data	Sean Hallows, Chief Operating Officer	- Malware/ransomware attack resulting in data loss or disruption to commercial operations - Phishing attempts that deceive employees into disclosing sensitive information - Disturbed denial of service (DDOS) attack that results in an inaccessible system - Vulnerabilities exploited within the legacy estate resulting in a successful attack	Overview During the current year we have seen a number of key retail players be significantly impacted by cyber incidents and we remain vigilant given this heightened risk of exposure. Cyber security is at the heart of a technological arms race whereby constant review and enhancement of the control environment is required. Attempted attacks are a constant and present threat, therefore without control, risk materialisation is almost certain. Mitigants The business continues to operate industry-leading tools to mitigate threats whilst ensuring guidance from the National Cyber Security Centre is reviewed and actioned where necessary. Security key performance indicator (SKPI) data demonstrates effectiveness of control, and this confidence has been shared by our insurers resulting in a reduction in our cyber premium. AI remains a key emerging threat, however the consideration of security and governance is incorporated within the Group-wide AI Policy, which has been established to ensure a joined-up view of controls, opportunities and threats.	

Risk management and principal risks continued

KEY:  Increased  No change  Decreased

KEY RISKS	EXEC OWNER	RISK SCENARIOS	COMMENTARY	RISK RATING
PRINCIPAL RISK CATEGORY: OPERATIONAL				
THIRD PARTY Loss of material outsourcer or strategic partner	Sean Hallows, Chief Operating Officer	1. Major cyber-attack leading to material loss of service 2. Disruption in service due to insolvency/business failure 3. Imposition of sanctions impacting business due to ownership/location	Overview Major Tech Companies have become targets for serious organised crime (SOC) gangs and state-sponsored hacking groups. The Group’s strategic use of tech partners to supply and maintain critical services creates inherent exposure. Mitigants We use due diligence and supplier monitoring to reduce risk exposure.	
DISRUPTION Loss of key site due to force majeure	Sean Hallows, Chief Operating Officer	1. Fire and failure of suppressants at distribution centres resulting in loss of site	Mitigants We have robust business continuity plans in place, and these along with ongoing readiness testing are supported by a firm of external advisors and appropriate levels of insurance. We continue to build resilience within our business and test this through scenario and stress testing conducted on a risk-based approach. We maintain and test the resilience and security of our infrastructure, including through the supply chain and any activities which are undertaken by third parties. We have managed and mitigated this risk by forward-looking intelligence and ensuring appropriate impact mitigation plans have been put in place.	
PRINCIPAL RISK CATEGORY: STRATEGY				
STRATEGIC PORTFOLIO CHANGE The risk of change fatigue resulting in a negative impact on individuals and the business	Robbie Feather, Chief Executive	1. Loss of key individuals/business knowledge due to uncertainty in change programme 2. Resource stretch leading to material failings in change implementation 3. Increased apathy/resistance to change due to frequent reprioritisations	Overview Following a period of significant change, including Executive leadership changes, new processes have been introduced within the Group to support key investment decisions, manage change effectively and prioritise focus on the key strategic change areas. Mitigants Changes across the Executive team and wider Group Leadership Team (GLT) are now embedded, and the new processes implemented are driving consistency of approach to change and a focus on key business objectives. ‘Voice’ survey results continue to demonstrate strong colleague engagement scores.	
RETAIL PROPOSITION The risk of brand loss resulting in a reduction in the Group’s offering and consequentially sales	Sam Wright, Chief Commercial Officer	1. Key brand moves to D2C/limited supplier strategy 2. Breakdown in supplier relationships resulting in brand withdrawal 3. Acquisition of key brand by rival retail group resulting in restricted access to product	Overview Our scale in the market and supplier strategy (including D2C) are factors outside of our control. Mitigants Our supplier strategy and how we represent brands are key factors in maintaining and building relationships.	

Risk management and principal risks continued

KEY:  Increased  No change  Decreased

KEY RISKS	EXEC OWNER	RISK SCENARIOS	COMMENTARY	RISK RATING
FINANCIAL SERVICES PROPOSITION The risk of lost market penetration of the FS proposition due to a failure to maintain a competitive offering or the emergence of market disruptors	Nick McBrien, CEO of Very Finance	- Increased competition from new/existing provider leading to a loss of market share - Tech disruption due to a lack of investment in platform driving customers to move to tech savvy providers - Poor marketing making it difficult to attract and retain customers	Overview Competition within the retail flexible payments sector further intensified during the year with various financial services firms and traditional retail businesses focusing on providing consumers with increased payment options. A key emerging marketplace risk is the anticipated entry of major technology firms into the Buy Now Pay Later (BNPL) sector, intensifying competitive pressures. Competitors, particularly those in the BNPL sector, have taken increasing market share of the non-secured lending market. However, the news that firms operating in the currently unregulated BNPL sector will soon be brought within the perimeter of FCA regulation, in line with our own BNPL credit offering, is welcome and will bring about a levelling of the playing field. The retail business relies upon the customer pull and diversification of income streams provided by the FS business. Therefore, any erosion of the proposition's attractiveness will impact EBITDA, and an integrated marketing strategy will increasingly incorporate our credit offering into our retail marketing. Mitigants The business continues to analyse the external environment, with a suite of forward-looking indicators in place to identify potential threats to the delivery of strategy. In parallel, a number of strategic initiatives are underway to enhance our Very Pay platform and provide a competitive advantage.	
PRINCIPAL RISK CATEGORY: CREDIT				
CREDIT RISK The risk of loss caused by the failure of a customer to meet their contractual obligations and repay their borrowings	Nick McBrien, CEO of Very Finance	- Sustained non-repayment of balances - Failure to price product appropriately - Inability to predict asset behaviour	Overview The performance of the Group debtor portfolio has improved within the current economic climate, generating an increased yield. Whilst the Group debtor book has performed well, we continue to monitor the risks associated with the current macroeconomic environment, including interest rate fluctuations and ongoing economic uncertainty. We have continued to ensure appropriate measures are taken to monitor the impact to our customer base of the current levels of inflation. Mitigants We consistently monitor our models and the associated sensitivities in the underlying stress tests to ensure we are able to adapt to a changing macroeconomic environment. Through an enhanced-outcome, data-led monitoring programme we are able to make risk-informed decisions. Taking an outcome-driven approach, we ensure that credit is not granted to customers who are unable to afford repayments and those who represent too high of a credit risk, with evidence of ability to repay mandatory for new and existing customers	
PRINCIPAL RISK CATEGORY: PEOPLE				
KEY PERSONNEL Failure to retain key staff	Sarah Willett, Chief People Officer	- Failure in remuneration strategy leading to gap between The Very Group's remuneration and the market - Lack of opportunities for progression due to strategic changes	Overview The recruitment market remains competitive, but staff retention has been strong during FY25. The geographical location of our Skygate fulfilment centre provides a price sensitive labour market but pay reviews have been positively received. Mitigants Succession planning and building and maintaining the people development pipeline is key in respect of senior and technical roles. Remuneration strategy, industrial relations and external benchmarking against role groups including periodic market reviews, are key controls, particularly with regards to key sites. During FY25, we have also undertaken a strategic review of outsourcing arrangements within our Group Technology function, providing increased flexibility of tech resource and realising significant cost of employment savings.	

Sustainability

INTRODUCTION

We want to help families get more out of life for generations to come, and we aim to do this by being a retailer that acknowledges its role in supporting a sustainable future.

Our strategy recognises the importance of action in the run up to 2030, as described by the Intergovernmental Panel on Climate Change (IPCC) and in line with the UN's Sustainable Development Goals (SDGs)¹. These 2030 objectives will provide us with the footing to achieve longer term goals such as being net zero.

The nature of our business means our biggest opportunities for impact arise through our product journey, from the sourcing of materials used, through to the people involved in manufacturing as well as the processes employed in bringing items to our customers. Our 2030 ESG strategy focuses on understanding our supply chain and identifying the opportunities to improve from both an environmental and social standpoint.

The strategy and initiatives detailed in this report are just the beginning of our ambition to make good choices for the future of the planet. As we develop our ESG framework and infrastructure, and engage our stakeholders, we believe we will play an increasingly important role in making the lives of customers, and those who help us serve them, safer and more sustainable.

OUR ESG COMMITTEE AND GOVERNANCE

Our ESG Committee is a formal committee of the Board and ensures sustainability is at the heart of business decisions. For more information about the ESG Committee and ESG governance, please refer to page 25 for our Task Force on Climate-related Financial Disclosures (TCFD) report, and page 42 for our corporate governance report.

ESG RISK

We have undertaken a full materiality assessment of the business to help identify key ESG risks. These risks are reflected in our 2030 strategy and support the decisions of the ESG Committee. They also underpin the recognition of ESG as a principal risk within the enterprise risk management process. More details can be found on page 25.

As part of these assessments, we monitor movements of risks into the top priority segment as well as monitoring material movements elsewhere. Our materiality assessment in October 2024 highlighted the following top priority issues for the business:

- Climate change risks & management
- Human rights
- Transparency (including supply chain)
- Greenhouse gas (GHG) emissions
- Employee diversity & inclusion
- Customer privacy & data security
- Customer practices
- Energy management
- Physical & socio-political risks
- Water & wastewater management

Our understanding of the impact of climate change on the business has been furthered through our ongoing work to support our TCFDs this year.

¹ The UN SDGs are 17 objectives that aim to address key sustainability-related challenges facing the planet. The relevant SDGs are signposted in each section of this report and a summary of our progress against them can be found on page 33.

OUR SUSTAINABILITY STRATEGY



- 'Making it happen in the right way' with strong policy, controls and due diligence underpinning our strategy.
- We report transparently and make disclosures that reflect our reality and are compliant to regulation.
- We have an ESG Committee supported by business wide defence model architecture to ensure standards, policies and commitments are met.
- Read more about our **ESG Committee** on page 55.

Environment

GOAL:

Play our role in mitigating climate change and protect the world's natural resources

RELEVANT UN SDGS:



TARGETS	TARGET DATE	PROGRESS SO FAR
Science based targets (SBT) Scope 1 and 2 – Reduce absolute Scope 1 and 2 GHG emissions by 42%	2030	Scope 1 and 2 has reduced by 66% since FY21
SBT Scope 3 – Reduce absolute Scope 3 GHG emissions from purchased goods and services, use of sold product, and logistics by 25%	2030	Scope 3 has reduced by 22% since FY21
Be net zero ¹	2040	This year we partnered with climate technology platform Watershed in order to continue to improve our carbon accounting and identify focus areas for decarbonisation across our business
Reduce our textile water footprint by 30%	2030	Through the UK textiles pact, run by WRAP, we estimate a reduction of 12% versus FY20 baseline ² , driven through the purchase of Better Cotton ³ and reduced volumes

1 Defined as a 90% reduction in emissions versus the FY21 baseline, as per the SBTi standard.
2 As calculated with UK textiles pact impact calculator.
3 The Very Group's Better Cotton is sourced via a chain of custody model called mass balance. This means that Better Cotton is not physically traceable to end products.

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

Our goal of helping mitigate climate change and protecting the world's natural resources acknowledges the risk climate change presents to our business and the people we serve.

Our UK climate-related financial disclosures report, which we have again aligned to TCFD, outlines our exposure to these climate change risks as well as our available mitigants across FY25.

Our disclosures comply with the UK-mandated climate-related financial disclosure provisions under sections 414C, 414CA and 414CB of the Companies Act 2006. However, we have voluntarily aligned our disclosures to the structure envisioned under the TCFD regime, allowing for better comparability to many other businesses already reporting under this framework.

Please see the Non-financial and sustainability information statement on pages 39 to 40 for more details on how the disclosures align.

GOVERNANCE

Our ESG Committee was established in FY23 and continues to serve its function of raising awareness of sustainability and its place in key business decisions. This has been enabled by its status as a committee of the Board, providing it with the rigor, support, and alignment it needs to be effective.

The ESG Committee, which meets quarterly, is chaired by Sarah Willet, Chief People Officer and has ultimate responsibility for ESG matters, including risks and opportunities related to climate change.

The Chief People Officer is accountable for the delivery of the Group's ESG strategy and to support the delivery of our strategic goals. Responsibility for specific ESG matters is delegated to appropriate leaders who work alongside the ESG team to drive delivery.

➤ Read more about our **ESG Committee** on page 55.



Sustainability continued

STRATEGY

Working with external consultants back in FY23 and in conjunction with our risk management processes (see page 18), we have performed a review of our value chain to identify the key risks and opportunities relating to climate change, as well as opportunities to strengthen our resilience. This process included undertaking scenario analysis of our risks and opportunities to better understand how our business may be most materially impacted by climate change under different circumstances. We are now in the process of embedding our findings across our operations. As noted in the ESG Committee Report, Group Leadership Team members apply their understanding of ESG to empower colleagues to identify their role in meeting our ongoing commitments. Progress against these targets and commitments is monitored throughout the year, including in weekly Executive committee meetings.

Additionally, the business now includes a measurable ESG goal as part of its overall strategic objectives. Accordingly, progress against this target will also help inform broader strategic decisions. Our scenario analysis uses the Network for Greening the Financial System (NGFS) framework, which is TCFD-recommended. This analysis was initially undertaken through the second half of FY23 but was reviewed in FY25 as part of the embedding process and broader ESG progress assessment. We intend to review the scenarios and assessment in this manner each year and will undertake a full scenario analysis exercise every three years unless our annual reviews identify a need to do this sooner.



THE SCENARIOS CONSIDERED ARE:

NET ZERO 2050

1.5°C

aligned to representative concentration pathway (RCP) 2.6, this envisages sharp changes towards decarbonising all aspects of the economy from today, and therefore is expected to exacerbate transitional risks and mitigate physical risks.

DELAYED TRANSITION

2°C

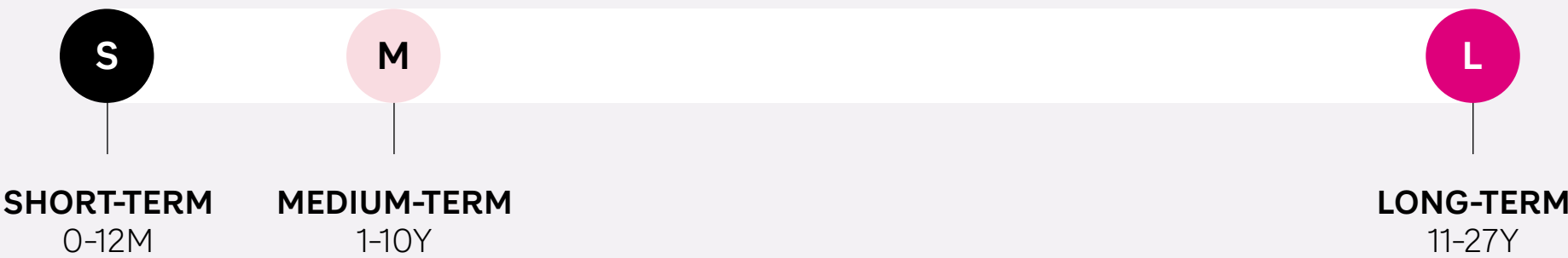
aligned to RCP 4.5, this envisages change towards decarbonisation from 2030 onwards, meaning heightened physical risks and transitional risks owing to the more aggressive nature of changes.

CURRENT POLICIES

3°C

aligned to RCP 8.5, this envisages a scenario wherein only current policies continue to apply and there is reduced support to mitigate the effects of climate change. This heightens the impact of physical risks whilst minimising the impact of transitional risks.

For our scenario analysis, we have used timeframes and materiality definitions that align to those used in our wider risk management and ESG initiatives, allowing for better integration of the CFD findings into our broader strategy. The principal risks included are those that are considered to have a potential material impact on the Group's strategy and the mitigation strategies outlined are all currently in place. Our timeframes used are:



In considering materiality, stakeholders from the relevant business area for each risk considered the potential impact in the context of the below thresholds, again being those from the wider risk management framework:

- NEGLIGIBLE (<£1m)
- MINOR (£1m–4m)
- MODERATE (£4m–7m)
- SIGNIFICANT (£7m–10m)
- MAJOR (>£10m)

KEY:

S

SHORT-TERM

M

MEDIUM-TERM

L

LONG-TERM

•

NEGLECTIBLE (<£1m)

••

MINOR (£1m–4m)

•••

MODERATE (£4m–7m)

••••

SIGNIFICANT (£7m–10m)

•••••

MAJOR (>£10m)

RISKS DESCRIPTION	SCENARIO IMPACT	MITIGATION STRATEGIES	TIMEFRAME AND MATERIALITY
TRANSITIONAL RISKS – OUR PRINCIPAL RISKS RELATING TO THE TRANSITION TO A LOW CARBON ECONOMY			
Increased carbon pricing and policy could create additional direct costs for The Very Group, as well as indirectly through additional costs passed on by suppliers.	The risk would be heightened in scenarios with enhanced policy and intervention, namely the net zero 2050 and delayed transition scenarios. The majority of the business' carbon usage is through third parties (Scope 3). Being policy driven, the impact may vary in different countries and therefore the impact could vary across suppliers and non-UK operations.	Improving energy efficiency across sites, reducing emissions through our work to reach Net Zero 2040. Working with suppliers to understand energy usage and decarbonisation initiatives in the supply chain. Conducting workshops/gaining consultancy advice on how any upcoming policies may impact the Group.	S M •• •••
New and more robust reporting requirements would increase costs through increased data management and processing needs, as well as increased time and resources to ensure compliance, including relating to suppliers.	The risk would be heightened in scenarios with enhanced policy in the UK where reporting operations are undertaken, but particularly a delayed transition scenario due to an accelerated timetable for implementation of policy.	Updating data management systems if required. Horizon scanning for incoming regulations. Seeking external advice from existing partners where necessary.	M L •• •••
Volatile energy prices and reduced security in energy supply could increase operational costs.	The risk can manifest under all scenarios, albeit over different timescales. Head office and supply chain costs would be impacted, with the latter being the more material exposure and potentially varying across countries depending on how local regulations are implemented and passed onto the Group.	Hedging against commodity price changes. Shifting towards green energy across operations. Improving energy efficiency across sites. Working with suppliers to understand energy usage and decarbonisation initiatives in the supply chain. SBTI to reduce Scope 1 and 2 emissions by 2030.	S M (net zero 2050 / delayed transition) L (current policies) •• •••
Increased cost of raw materials impacts business profitability if absorbed and reduces competitiveness if passed on to customers.	Most likely to manifest through regulation and restrictions on carbon-heavy materials in the supply chain, under a net zero 2050 or delayed transition scenario.	Increase recycled content in products. Develop circularity programmes. Cost impacts shared with internal teams when setting budgets to raise awareness.	S L (net zero 2050) M L (delayed transition) •• •••
Reputational impact from failing to demonstrate adherence to climate-related commitments, potentially reducing sales.	A net zero 2050 or delayed transition scenario would exacerbate this risk due to increased policy and regulation on climate-related matters. The impact would arise in the primary markets of the Group, being the UK and Ireland.	Enhanced governance over ESG matters. Transparent reporting publishing detail of ESG process and any challenges faced. Horizon scanning for incoming regulations. Stakeholder engagement to reiterate our commitments, progress and challenges.	M L •• •••

KEY:

S

SHORT-TERM

M

MEDIUM-TERM

L

LONG-TERM

•

NEGLECTIBLE (<£1m)

••

MINOR (£1m–4m)

•••

MODERATE (£4m–7m)

••••

SIGNIFICANT (£7m–10m)

•••••

MAJOR (>£10m)

RISKS DESCRIPTION	SCENARIO IMPACT	MITIGATION STRATEGIES	TIMEFRAME AND MATERIALITY
PHYSICAL RISKS – OUR PRINCIPAL RISKS RELATING TO THE PHYSICAL IMPACTS OF CLIMATE CHANGE			
Extreme weather events, such as flooding, storms and wildfires, could cause physical asset damage, disrupting operations and creating additional costs. This is most likely to occur in the supply chain owing to the location of The Very Group’s own operations.	The impact of the risk is expected to grow with the changing climate and therefore is most pronounced in a current policies scenario over time. The impact is expected to be more relevant in the Group’s non-UK operations, particularly India and China owing to their heightened risk rating for warming, flooding, cyclones and drought.	Consider dual sources of supply to enable quick response. Consider country of origin of suppliers and potential climate impact within sourcing strategy. Regular supplier review to ensure capabilities across the supply chain.	M L ••• ••••
Droughts and changing weather patterns may lead to increased costs of raw materials, which would reduce profitability if absorbed, or reduce competitiveness if passed on to customers.	The impact of the risk is expected to grow with the changing climate and therefore is most pronounced in a current policies scenario over time. Sourcing locations in South East Asia are of particular note owing to the region’s susceptibility to extreme weather events.	Tracking raw material cost trends by region. Find alternative operations for sourcing raw materials. Alternative supply routes where necessary.	M L ••• ••••
OPPORTUNITY	SCENARIO IMPACT	MANAGEMENT STRATEGIES	TIME FRAME AND MATERIALITY
Transitioning to renewable energy sources can reduce emissions and costs.	The opportunity would be more pronounced in the Delayed Transition and Net Zero 2050 scenarios owing to the rising carbon prices envisaged in these cases.	Shifting towards green energy across operations. Improving energy efficiency across sites. Working with suppliers to understand energy usage and decarbonisation initiatives in the supply chain.	M L •• ••••
Increased cross sector collaboration leading to new business opportunities.	Increasing pressures on change in the delayed transition and net zero 2050 scenarios would lead to greater needs for the business to collaborate, with the impact growing over time.	Participating in wider initiatives such as those delivered by the British Retail Consortium (BRC) to promote cross-business collaboration.	M L ••• ••••
Building increased understanding and transparency of the supply chain, allowing the business to identify at-risk areas and build supply chain resilience.	Resilience in the supply chain would be particularly valuable in the current policies scenario, owing to heightened physical impacts of climate change causing disruption in the supply chain. Supply chain disruption has already been seen in the industry, and will become more likely and more impactful over time.	Ambition to map key raw materials in supply chain to tier 5 by 2030. Commitment to the Transparency Pledge and partnership with Open Apparel Registry.	S L ••• ••••

RISK MANAGEMENT

The nature of our business means we are particularly exposed to transition risks, although exposure to physical risks does exist, most notably in non-UK supply chain-related operations. However, as noted in the risks and opportunities table, we have several mitigants available to provide resilience against such exposures.

Meanwhile, the key opportunities for our business are also transitional in nature. Our industry has already begun addressing these short-term, policy-driven risks, but to effectively mitigate our risks we need a strategy that positions us to quickly respond to future policy and regulatory developments. Whilst our strategy focuses on readying the business for these emerging risks, we will continue to monitor the landscape.

As noted, ESG is recognised as a principal risk within the enterprise risk management process, reflecting the importance of climate change (alongside broader ESG risks) to The Very Group. More details can be found on page 18.

Climate related risks are identified by considering the outputs of our materiality assessment conducted in conjunction with Datamaran (see page 26), as well as through work undertaken with external consultants Accenture. This work leveraged insight from senior subject matter experts across the business, allowing us to assess risks in all aspects of the value chain. These will be monitored on an ongoing basis for relevance, with the outputs reflected in our strategy accordingly.

Climate related risks, as with all ESG risks, are the ultimate responsibility of the Board, supported by the ESG Committee and delegated to specific executives across the business where relevant, allowing for specialised focus.

METRICS AND TARGETS

We use several metrics to monitor progress in developing our climate strategy and our broader ESG strategy, and managing the risks and opportunities faced by our business. Focusing on climate change, our ambition is to be net zero by 2040, with the aim to have reduced Scope 1, 2 and 3 emissions by 2030. Such ambitions particularly address the risks we have identified that are associated with carbon pricing and regulation. Our targets and progress in this area are discussed in this environment subsection.

Our wider targets, focusing on supply chain transparency and product impact, can be found further in the report. Progress against these targets as part of our overall ESG strategy will help mitigate our exposure to risks associated with the supply chain, including raw material costs and physical disruption to non-UK operations.

OUR FOOTPRINT

Being a pureplay digital retailer means over 99% of our emissions are from Scope 3, with the majority associated with purchased goods and services. Our total Scope 3 footprint includes own brand and third-party products sold across our platforms.

SCOPE DEFINITION:

Scope 1: Direct greenhouse gas (GHG) emissions from sources that are owned or controlled by the company, such as those from combustion in owned or controlled boilers, furnaces, vehicles, etc.

Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam.

Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by The Very Group, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

CARBON EMISSIONS AND SCIENCE BASED TARGETS

Our net zero journey

The SBTi requirement for the net zero standard is at least a 90% reduction of emissions with any residual emissions being offset. To support our aim of doing this by 2040, we have established a science-backed, clearly defined pathway to reducing our emissions.

This year we onboarded a leading carbon footprint platform which has streamlined our measurements and allows us to further enhance the accuracy of our footprint through the ability to utilise a comprehensive library of emission factors. Using this new methodology has meant that we needed to revisit our FY21 baseline to replicate the enhanced methodology, which is stated in the table to the right. Our science-based targets remain unchanged with this improved baseline.

Scope 1 and 2

Our combined Scope 1 and 2 (market-based) emissions reduced 66% (1,776 tonnes CO₂e) against our FY21 baseline. A significant milestone for us has been the successful transition of all Scope 1 and 2 sites to renewable electricity, which was completed in FY24. This achievement has resulted in 0 Scope 2 market-based emissions and a 100% reduction in market-based electricity emissions since FY21.

To further progress decarbonisation, reducing fuel and energy consumption across our sites is a key focus over the next year. We have identified key areas of energy consumption and are already progressing with switching out our LPG material handling equipment at our Wrexham warehouse and replacing with an EV fleet. We anticipate this to be completed in FY26. We continued to enhance energy efficiency at our Wrexham warehouse by upgrading to LED lighting, which is now 85% complete.

GREENHOUSE GAS (GHG) EMISSIONS

	FY2024 tonnes CO ₂ e	FY2021 tonnes CO ₂ e (Baseline)
Scope 1	930	1,721
Scope 2 (market-based data ¹)	–	985
Scope 3	1,551,138	1,994,643
Total carbon	1,552,068	1,997,349

1 Market-based Scope 2 emissions are those calculated based on a specific purchase contract or agreement for energy.

Scope 3

Our material categories remain Purchased Goods and Services, Use of Sold Product, and Logistics. As our branded footprint makes up 80% of our PG&S category, we have streamlined and improved our data quality whereby now 20% of branded footprint comes from supplier own emission factors utilising their externally reported emissions data, which is more accurate than spend-based emission factors.

Our progress against FY21 remains positive at -33% due to a combination of background decarbonisation, reduced units, and data improvements.

We recognise the importance of colleague training in fostering environmentally conscious behaviours and identifying opportunities to minimise our environmental impact. This year we launched ESG training for all relevant colleagues and provided more detailed net zero training focusing on CO₂e hotspots for the highest emitting areas of our business.

WATER

We are continuing to further our understanding of our impact on water whilst simultaneously reducing our usage.

As signatories to the UK Textiles Pact, coordinated by WRAP (Waste Reduction and Prevention), we are aiming to reduce our textile water footprint by 30% by 2030. Driven by our partnership with Better Cotton and a reduction in volumes, we have calculated our FY23 textile product water footprint to be 12% lower than our FY20 baseline.



Product

GOAL:

Ensure our products have less negative impact on people and the environment

RELEVANT UN SDGS:



TARGETS	TARGET DATE	PROGRESS SO FAR
Reduce our textile carbon footprint by 50%	2030	Through the UK textiles pact, run by WRAP, we estimate a reduction of 9% versus the FY20 baseline ¹
80% of our textile raw materials to be lower impact ²	2027	Estimated 37% of textile raw materials to be lower impact as at FY24 ³
Top 50% of third-party brands will set science-based targets	2030	By spend, 38% of our top brands have near-term targets, and 10% of brands have long-term net zero 2040 targets. The work to engage our branded partners is ongoing
Work to develop and implement a circular business model such as resale, repair or rental into our retail offer	2030	We continue to monitor circular business model solutions and their appropriateness for our proposition
100% of timber to be FSC or PEFC	2027	Approximately 87% FSC in our furniture

1 Calculated through Very's impact report from WRAP. The improvement is entirely based on raw material usage reduction in overall weight placed on the market.
2 Lower impact product is manufactured with materials and/or raw material production and/or processes that have a reduced negative environmental impact compared to conventional alternatives.
3 Calculated via WRAP's methodology using weight data.



Sustainability continued

LOWER IMPACT PRODUCT

Our biggest impact on the environment and people is from the products we sell. We are committed to reducing our own brand product footprint and as signatories to the UK Textiles Pact, coordinated by WRAP, we are committed to reduce our water footprint by 30%, and our carbon footprint from our own brand textiles by 50% by 2030.

LOWER IMPACT COTTON

We have been a member of the Better Cotton Initiative¹ (BCI) since 2019 and aim to use 100% more sustainable cotton by 2025. Better Cotton trains farmers in more efficient water usage and gives guidance on how to avoid pesticide use, as well as benefitting them through driving additional profit¹. In 2024 we sourced 94% of our cotton as BCI cotton under the mass balance approach¹ and will report on 2025 next year. The estimated impact of our BCI usage is outlined below:

- In 2024, an estimated -89,839m³ of water were saved thanks to our sourcing of Better Cotton.
- In 2024, there was a contribution to an estimated avoidance of 124 kg of pesticide active ingredient by sourcing Better Cotton.
- In 2024, BCI Farmers benefitted from an estimated 146,724 dollars additional profit² thanks to our sourcing of Better Cotton.

CIRCULARITY

Understanding how The Very Group can embrace circular practices will provide a step change in how we can deliver our sustainable goals. Working with WRAP, we have identified three key areas to consider on this journey:

- Circular development – considering design and materials
- Circular production – considering processes and systems
- Circular lifecycle – considering repair, reuse and recycling

CIRCULAR DEVELOPMENT

Through industry collaboration with WRAP and Leeds Institute of Textiles, we have contributed to advising on enhanced durability testing standards for textiles, advising how to extend product lifespans which in turn will reduce the amount of clothing going into landfill. Having completed Phase 2 of this industry-wide project, we will now be exploring ways to integrate these learnings and opportunities into our own brand range.

CIRCULAR PRODUCTION

Reverse Resources is software that enables textiles waste to be directed to recyclers in a transparent and measurable way. In FY25 we supported four factories across India and Bangladesh to recycle their textiles waste, and onboarded a new factory in Pakistan where they are supporting Reverse Resources in developing the textile waste industry. This has allowed our suppliers to collect 27 tonnes of cotton textile waste, mechanically recycling 99% of it back into future textiles.

CIRCULAR LIFECYCLE

In January FY24 we relaunched our customer take-back services for second hand clothing, textiles and accessories with the aim to reduce fashion items being sent to landfill. In FY25, through this partnership with Traid, our customers donated 208 parcels helping to divert 728 kgs of unwanted clothes and shoes from landfill.

This complements our partnership with take-back charity Emmaus and with Arrow XL, which provides a similar service for furniture and electricals respectively. Through Arrow XL across FY25 we collected 4,962 bed and mattress units and 41,117 waste electrical and electronic equipment, all of which were sent for recycling.

DEFORESTATION

This year we made great progress in our zero-deforestation ambition. At year end, we have achieved 87% of our suppliers selling us FSC certified timber materials in our own brand furniture accounting for 72% of the sales. Challenges surrounding the final 13% include certification availability. We will therefore utilise PEFC to support us in achieving 100% of timber to be FSC or PEFC by 2027. This aligns with the target year for our overriding low impact materials ambition.

This year we also conducted training to our hub and retail colleagues to progress our responsible sourcing of forest based packaging and man made cellulosic fibres as part of our canopy policy.

1 At Very, Better Cotton is sourced via a chain of custody model called mass balance. This means that our Better Cotton is not physically traceable to end products, however, Better Cotton Farmers benefit from the demand for Better Cotton in equivalent volumes to those we 'source'.

2 BCI Farmers experience profit increases for a variety of reasons, most commonly due to increased yields and/or optimised use of inputs (such as irrigation water, pesticides or synthetic fertiliser).



Social

GOAL:

Protect the human rights of people throughout our business and supply chain

RELEVANT UN SDGS:



Respecting the rights of people at all stages of our value chain is a priority for The Very Group. At tier 1, 2 and 3 of our supply chain we have mapped around 1,662 factories across 26 countries. We therefore ensure our approach to respecting human rights is aligned to internationally recognised standards, including the UN Guiding Principles for Business and Human Rights, the International Labour Organisation Fundamental Principles and Rights at Work, and the Ethical Trading Initiative Base code. This year, we have utilised the findings from our human rights saliency assessment to begin building the framework for a more targeted strategy to ensure we protect and respect human rights. This will be achieved by focusing on the most salient issues across our supply chain, by territory and commodity. Through ongoing due diligence, we aim to prevent and, where necessary, remediate any identified human rights abuses. The saliency assessment enabled us to better understand our greatest risks, forming the foundation of our strategic approach. Over the coming year, we will continue evolving this strategy to deepen its reach and effectiveness.

SUPPLY CHAIN
TRANSPARENCY TARGETS

	TARGET DATE	PROGRESS SO FAR
Map tiers 1 – 3	2025	Tier 1 is fully mapped Tier 2 is 97% mapped Tier 3 is 90% mapped
Map to tier 5 of our supply in key materials	2030	Tier 4 and 5 mapping in progress

TRANSPARENCY

The complexity of supply chains means it can be difficult to be certain as to how and where products are made, but we are committed to building full transparency from tiers 1 to 5 in key materials. We currently publish our factory list on the Open Supply Hub, which, up until FY25, included our tier 1 and 2 suppliers. In FY25, we set out to achieve full transparency across tiers 1 to 3 and successfully reached 96% coverage. This progress lays a strong foundation for our broader ambition to fully map our supply chain through tiers 1 to 5 by 2030.

FACTORY AUDITS

We have been focusing on applying our audit strategy to tier 1 and priority tier 2 factories – extending our commitment to safeguarding workers across critical areas of the value chain. Audits are conducted on a semi or unannounced basis, either by our in-house ethical auditing team or third parties, with procedures in place to manage adherence.

TARGET DATE	PROGRESS SO FAR
2025	Tier 1 is fully mapped Tier 2 is 97% mapped Tier 3 is 90% mapped
2030	Tier 4 and 5 mapping in progress

Where audit reports are not immediately available or require additional time to arrange, we utilise Self-Assessment Questionnaires to proactively assess risk beyond tier 1. In parallel, we are continuing to develop and implement remediation plans for any issues detected.

TRAINING, EDUCATION
AND ACCESS TO WORK

Supporting workers goes beyond protecting their rights at work. As noted in our People and Culture section on pages 12 to 13, we believe strongly in the importance of quality training and education. Across four communities spanning China, India, Bangladesh and Turkey, we have delivered training to almost 1,800 individuals within our direct supply chain, including a cohort of trainers who will further extend this impact both directly and indirectly to our workforce and their families. We remain steadfast in our commitment to supporting workers in India through the South India Textile and Garment Supply Chain (SITGSC) Project. Now in its fifth phase, the SITGSC programme continues to make meaningful progress in improving the lives

of garment and textile workers across five districts in South India. The training has been focusing on workers’ pre-departure awareness, financial literacy, gender based violence training and many more that have already reached thousands of workers, delivering vital resources and support. It focused on health awareness training, with two of our factories participating in the programme. Workers benefited from attending medical camps which focused on cancer screening (breast and cervical), particularly as the majority of the factory workers are women.

It also addressed pulmonary conditions (such as asthma and tuberculosis), diabetes, and blood pressure, which are common health concerns among garment and textile workers. To equip our suppliers with practical tools for meeting our standards, we conducted nine dedicated training sessions covering onboarding procedures, compliance requirements, and lower-tier mapping disclosures. These sessions were delivered in Bangla, Chinese, English, Polish, and Turkish – ensuring accessibility and clarity across key supplier regions.

We hosted the Unseen Modern Slavery training for our UK suppliers to strengthen their understanding of supply chain transparency and its direct impact on workers’ lives. The session highlighted how visibility into lower tiers can protect vulnerable individuals from exploitation and abuse. Suppliers learned how to spot common signs of modern slavery and gained practical tools to assess whether their subcontractors may be placing workers at risk. Improved early detection and response mechanisms have equipped suppliers with the capability to identify and address risks of modern slavery, supporting the protection of workers’ dignity, safety, and rights across the value chain.

MODERN SLAVERY STATEMENT

At The Very Group, we are fully committed to taking action to combat modern slavery and human trafficking within our business and our supply chains.

Our modern slavery and human trafficking policy is available to download at our **corporate website**

CASE STUDY

THE INNO PROJECT, PART OF
THE “DANDELION WOMEN
WORKERS EMPOWERMENT
PROJECT”, CHINA

Aimed at enhancing the wellbeing, skills, and workplace experiences of female workers in our supply chain, the project trained over 600 workers in our direct supply chain. Recognising the critical role women play in the workforce, the project focuses on empowering them with practical skills, fostering a supportive work environment, and addressing key challenges such as communication barriers, stress management, and workplace harassment. By investing in the personal and professional development of these workers, the project not only improves their quality of life but also contributes to the long-term sustainability and ethical practices of our supply chain operations.

Sustainability continued

OUR CONTRIBUTION TO THE UN SDGS

As noted within each area of our sustainability report, our goals and ambitions also align with a number of UN SDGs. Below is a summary of our contributions:



ENSURE HEALTHY LIVES AND PROMOTE WELLBEING

- Our South India Textile and Garment Supply Chain (SITGSC) project trains and raises awareness of reproductive and nutritional health for young women.
- Our programme, Worker Empowerment and Livelihood Improvement Training (WELIT) in Bangladesh focuses on health awareness through one of the training modules.
- Through our partnership with Jeanologia, we are removing harmful chemicals from our denim production process, which has a positive impact on worker health.
- We have partnered with IETP, ESCP Ethical Toy Programme, for the Happy Summer Holiday programme at one of our garment factories in China. The programme aims to provide employer-funded childcare for all employees, supporting parents by helping the children to develop new skills and creates better connections between the parents and their children.



ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

- Our training programme SITGSC continues to have a positive impact, providing women with essential skills to empower them and improve their work life by helping to address common challenges that they face.
- In FY25 we continued our Women in Leadership Programme in partnership with Raise the Bar. We also supported delegates of the 2025 Diversity in Retail UK Women leaders, with sponsorship and mentoring provided by some of our senior staff.
- Our Women at Very (WAVE) network lead a women's mentoring programme, with exec members Sarah Willett and Jessica Myers assisting in these sessions.
- In FY25 we have collaborated with Yanındayız in Turkey, an organisation that raised awareness to the entire factory on workplace gender-based harassment, violence and discrimination.
- Through INNO project in China we are empowering women by providing training on effective communication, problem solving and decision making, time and stress management.
- Two of TVG factories participated in an ETI pilot on gender disaggregated data project that aims to a better understanding of the supply chains from a gender perspective and improvements in working conditions for both women and men workers.



PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

- The development of our ethical audit programme will further support the identification and remediation of issues within factories.
- Our work with initiatives and partnerships in locations such as India, China and Bangladesh help workers develop employment skills and support better conditions and empowerment in the workplace.
- Initiated a workstream on Responsible Purchasing Practices, beginning with internal engagement and feedback gathering on current purchasing activities, which will be benchmarked against the ETI RPP framework.



REDUCE INEQUALITIES

- In India, our SITGSC project aims to improve labour conditions for migrant textile workers –providing access to rights awareness training, health support, and grievance mechanisms across spinning mills.
- In Malaysia, we advocated for the implementation of the Supplier Pay Principle, promoting employer-paid recruitment practices to protect migrant workers from debt bondage and unfair fees.
- In the UK we have partnered with the National Literacy Trust to connect 4,000 early years children with the literacy skills they need to succeed.



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

- We have committed to be net zero and have established science-based targets.
- We are part of the UK Textiles Pact, run by WRAP, and are committed to reducing the impact of our textile products.
- Through our partnership with Jeanologia, we are reducing water consumption within the production of own brand denim.
- Through our partnership with Reverse Resources we have made solid progress in engaging with key stakeholders in India, Bangladesh and Pakistan and setting up the groundwork for long-term, traceable textile waste management.



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

- We have committed to be net zero and establish science based targets.
- Decarbonisation initiatives underway across Scope 1 and 2.
- Our internal Sustainability Hub provides employees at The Very Group with the latest updates on ESG, as well as featuring a Learning Zone where employees can further their knowledge.
- We also have a colleague network SAVE (Sustainability at Very) that provides our employees more opportunities to drive change.

Stakeholder engagement

CUSTOMERS

Why they matter to us

Our customers are at the heart of our business. We have been serving families for over 100 years, and today we help 4.2m customers get more out of life.

What matters to them

- A simple and convenient online shopping experience.
- A comprehensive assortment of well-priced products, with strong availability.
- Flexible ways to pay that put customers in control of their budgets.
- Seamless delivery and returns processes.
- Confidence that Very acts responsibly in all matters.

How members of the Board have engaged

- Through a wide range of research and analysis, our customer team ensured that the Board and Executive Committee remained close to our customers. Our net promoter score was reported to the Board monthly.
- The Board and Executive Committee has continued to be kept apprised of, and made key investment and cost decisions relating to, our tech acceleration programme, which will improve the digital customer experience for customers.
- The Board and Executive Committee spent considerable time developing the company's strategy, as well as its operating model, which will have a notable customer experience impact in the medium to long-term.
- The Board reviews the risk management of the debtor book and invests accordingly.
- The Board and Executive Committee reviewed and approved the introduction of digital returns, offering greater convenience to our customers.

COLLEAGUES

Why they matter to us

The Board recognises the importance of the Group's employees, their abilities, and dedication to the long-term success of the business.

What matters to them

- Feeling valued and well rewarded.
- Being part of a diverse and inclusive workplace that allows them to develop and thrive.
- Being able to freely share their views.
- Having a safe and engaging working environment.
- Understanding the Group's strategic direction and their place within it.

How members of the Board have engaged

- The Executive Directors kept colleagues updated on corporate and individual business objectives, trading performance, and market conditions through a variety of communications media, including regular site visits and head office 'balcony briefings', which include the opportunity for live Q&A.
- During FY25, colleague engagement was measured through our Voice survey, with the results reviewed at every level of the organisation and included in reporting to the Executive Committee and Board. More information can be found in the People and Culture section on pages 12 to 13.
- Our Executive Committee meets with, and is engaged in, our colleague-led networks, highlighting the strategic importance of diversity and inclusion at senior levels in our organisation. Our Chief People Officer and FS CEO are joint D&I sponsors and were involved in a number of events and initiatives.

Stakeholder engagement continued

 COMMUNITIES AND THE ENVIRONMENT

Why they matter to us

We aim to have a positive impact in our communities, promoting responsible, sustainable growth, supporting inclusion, and developing opportunities.

What matters to them

- Creation of employment and career opportunities in the communities where we are based.
- Focus on sustainability and ethical business.
- Management of climate change risks and impact.
- Diverse and inclusive approach that mirrors the local community.
- Delivering a meaningful social impact.

How members of the Board have engaged

- Our sustainability strategy addresses our impact on society and the environment, and is allied with the United Nations’ Sustainable Development Goals.
- Our ESG Committee, a formal committee of the Board is responsible for ensuring the Group sets and delivers a strategy to navigate its environmental and social impacts.
- Members of the Board and the Executive Committee reviewed and approved updated policies on a number of ESG areas.
- The Board and Executive committee agreed a three-year charity partnership with the National Literacy Trust, a colleague led fundraising campaign.

 SUPPLIERS

Why they matter to us

Our ongoing success depends on suppliers being able to operate efficiently and effectively. Supplier relationship management is a key discipline across the business to ensure the best mutual outcomes.

What matters to them

- A long-term and collaborative relationship with The Very Group.
- Transparency and communication.
- Working together to provide great products to our customers and achieve shared strategic goals.
- Working collectively to minimise the environmental impact of production and transportation.

How members of the Board have engaged

- The Board and Executive Committee understand the importance of the Group’s suppliers in achieving the Group’s long-term plans. Our Executive Committee, finance and retail teams engage with suppliers on a regular basis and key matters are shared with the Executive Committee and the Board.
- Members of the Executive Committee and the Board regularly meet with suppliers to maintain dialogue and relationships, while suppliers receive regular email updates on the Group’s financial performance from our Interim Chief Financial Officer.
- During FY25, members of the Board and Executive Committee were kept apprised of our programme of joint marketing initiatives with a range of suppliers, while we also enhanced data sharing with our suppliers.
- Investments made in price, digital customer experience and delivery proposition in FY25 benefit customers, growth and, therefore, suppliers.

Stakeholder engagement continued

INVESTORS AND LENDERS

Why they matter to us

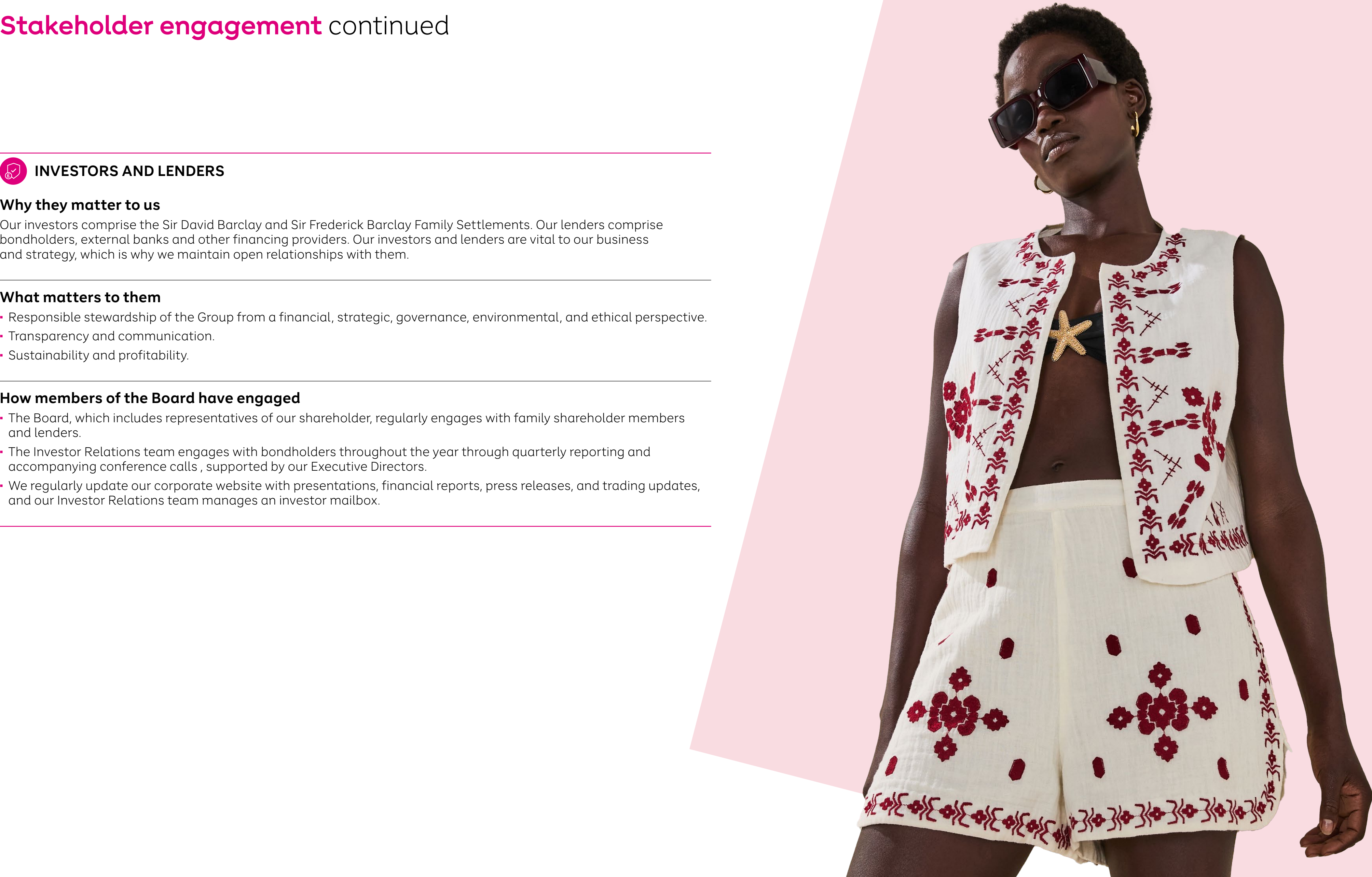
Our investors comprise the Sir David Barclay and Sir Frederick Barclay Family Settlements. Our lenders comprise bondholders, external banks and other financing providers. Our investors and lenders are vital to our business and strategy, which is why we maintain open relationships with them.

What matters to them

- Responsible stewardship of the Group from a financial, strategic, governance, environmental, and ethical perspective.
- Transparency and communication.
- Sustainability and profitability.

How members of the Board have engaged

- The Board, which includes representatives of our shareholder, regularly engages with family shareholder members and lenders.
- The Investor Relations team engages with bondholders throughout the year through quarterly reporting and accompanying conference calls , supported by our Executive Directors.
- We regularly update our corporate website with presentations, financial reports, press releases, and trading updates, and our Investor Relations team manages an investor mailbox.



Section 172 statement

OUR APPROACH

This is how the Board takes matters into consideration for the long-term success of the company:

TRAINING

The Board believes that a deep understanding of the priorities of the Group's stakeholders is critical to ensuring long-term success and maximising value in our business. Each of the directors is aware of their duties in relation to s172.

INFORMATION

Our Board directly and indirectly engages with stakeholders.
See page 39.
The Board considers the quality of information it has received and seeks assurance where appropriate.

STRATEGIC DISCUSSIONS

S.172 factors are considered in the Board's discussions on strategy, including how they underpin the Group's long-term success.
The Group's open and honest culture helps ensure there is proper consideration of the impact of Board decisions on our stakeholders.

DECISION-MAKING

Outcomes of Board decisions are assessed and further engagement with stakeholders is undertaken where appropriate.
As a result of the Board's engagement, the necessary actions are taken.

SECTION 172 STATEMENT

The Board must consider, both individually and together, that they have acted in a way they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have given regard, amongst other matters, to the factors set out in (a) to (f) s.172 Companies Act 2006.

Further information regarding the principles underpinning s.172 are reflected across the wider business are incorporated by cross-reference and in the table below.

	S.172 Principle	Read more on pages
A	The likely consequences of any decision in the long-term	8 to 9
B	The interests of the Company's employees	12 to 13
C	The need to foster the Company's business relationships with suppliers, customers and others	34 to 36
D	The impact of the Company's operations on the community and environment	24 to 33
E	The desirability for high standards of business conduct	42 to 45
F	The need to act fairly between members of the Company	46 to 48

The Board has a duty under s.172 of the Companies Act 2006, to promote the success of the Company and, in doing so, must take into account the effect on stakeholders and how it manages the business of the Company.

Throughout the year, the Board has kept in mind these responsibilities as it has supervised and monitored the business activities and prospects of the Company and as it has considered, and, where appropriate, made decisions relating to strategic aspects of the Company's affairs.

When a particular matter falls for review by the Board, it first seeks to identify those stakeholders which are likely to be impacted by the decision of the Board, and then the Board discusses the respective interests of those stakeholders as well as the consistency (or otherwise) of the relevant proposal with the Board's existing strategic plan, or any proposed change(s) to it.

The examples on the following pages are examples of principle decisions taken by the Board during the year and sets out how the Board carefully considered all the relevant factors that ensured the long-term success of the Company.

Section 172 statement continued

KEY:

- A The likely consequences of any decision in the long-term
- B The interests of the Company's employees

- C The need to foster the Company's business relationships with suppliers, customers and others
- D The impact of the Company's operations on the community and environment

- E The desirability for high standards of business conduct
- F The need to act fairly between members of the Company

COLLEAGUE ENGAGEMENT / VOICE	ONGOING USE OF BRAND PLATFORM	BOND RE-FINANCING	COST PROGRAMME
The Board and Executive Committee were apprised of the results of the colleague voice survey in FY25 and reviewed and inputted for the resulting engagement actions.	The Board and Executive Committee remain engaged with the utilisation of our brand platform 'Let's Make It Sparkle', including further use of the 'Haus of Flamingo' in campaigns and consistent use of Very's brand characters.	The Board formed part of the due diligence process related to the refinancing of the Group's senior secured notes in FY25, which resulted in a notes purchase agreement to the value of £598m due August 2027.	The Board and Executive Committee oversaw the approved cost programme aimed to deliver £20m to £30m of savings by the end of 2025 to further support Group profitability, which was overachieved by the Group.
CONSIDERATION OF S.172 FACTORS			
B This activity helped management understand colleagues' concerns and act to further improve the working environment.	A Rather than regularly switching its marketing focus, the Board continues to utilise our 'Let's Make It Sparkle' platform in the long-term. The results will be improved customer recruitment and consideration among customer segments.	A The Board considered the impact of the refinancing on the Group's financial stability, and how this would impact performance in the challenging external environment. They also considered the Group's ability to repay or refinance the financing in the long-term.	A In reviewing and approving the cost programme, the Board and Executive Committee considered the long-term profitability benefits alongside the impact on the quality of the company's operations.
F This activity promoted engaged and satisfied colleagues, which supported company success and, in turn, benefitted its members.	C A strong brand that resonates with customers supports strong performance, which is one of the factors that encourages healthy supplier relationships.	C Further financial stability for the Group supports its activities to invest in the customer proposition, as well as manage challenging external factors, to the long-term benefit of customers and suppliers.	F In agreeing and executing the cost programme, the Board focused on transparent communication, including to external parties such as bondholders, and equitable implementation among members.
E By openly seeking feedback, the Board and management promoted transparency. Continued communication throughout measures to further improve the working environment highlighted openness.	B Our employees were considered during the development of the brand platform, which has been designed to inspire and galvanise our teams.	B Further financial stability for the Group supports a positive working environment for colleagues.	E The plan was devised in such a way as to consider the impact on, and avoid potential detriment to, the Group's key stakeholders, including colleagues and customers.
D Colleague surveys and engagement are a key facet of the Group's diversity and inclusion approach, including how colleagues perceive the company's D&I initiatives. In addition, the company has put focus on collecting colleague data to support broader inclusion goals and improve its understanding of its internal communities.	F The marketing campaign has been assessed on its financial impact and potential to deliver long-term value creation for company members. Moreover, the campaign and spend on marketing has been communicated to different members via key channels, including bondholder calls.	E The company, led by members of the Board, supported by significant due diligence work, sought and received legal and corporate finance advice, and maintained internal governance controls.	D In identifying and considering the proposals, the Board and Executive Committee considered cost saving actions that provided long-term efficiency and environmental benefits, such as the changes made to the Group's delivery proposition.

Non-financial and sustainability information statement



REPORTING REQUIREMENT	LOCATION	POLICIES
ENVIRONMENTAL AND SOCIAL MATTERS	Sustainability report – page 24 CFD disclosures – see index overleaf Risk management – page 18 ESG Committee report – page 55 Stakeholder engagement – page 34 Section 172 statement – page 37	Access to remedy policy Forest protection policy Migrant labour policy Reach policy Restricted substance list Timber sourcing policy Tax strategy Third party code of business conduct and ethics Homeworking in supply chain policy Child labour and young worker policy
OUR PEOPLE	People and culture – page 12 Stakeholder engagement – page 34 Section 172 statement – page 37 Remuneration and Nomination Committee report – page 53	Diversity and Inclusion report Health and Safety policies
HUMAN RIGHTS	Sustainability report – page 24	Access to remedy policy Migrant labour policy Young worker and child labour policy Modern slavery statement Third party code of business conduct and ethics Homeworking Policy for Supply Chain Young worker and child labour policy
ANTI-BRIBERY AND CORRUPTION	Audit and Risk Committee report – page 49	Anti-bribery and corruption and conflict of interest policy
RISK MANAGEMENT	Risk management – page 18	Enterprise Risk Management Framework
BUSINESS MODEL	Page 7	N/A
NON-FINANCIAL KPIS	Page 14	N/A

Non-financial and sustainability information statement continued

CLIMATE-RELATED FINANCIAL DISCLOSURES (CFD) CONTENTS

As noted in the Sustainability section of this year’s annual report, we have aligned our disclosures under sections 414C, 414CA and 414CB of the Companies Act 2006 with the TCFD regime. The below shows how the TCFD structure and disclosures align with the CFD disclosures per section 414CB 2A (a)-(h) of the Companies Act.

PILLAR	TCFD DISCLOSURE	CFD DISCLOSURE	PAGE REFERENCE
GOVERNANCE	a) Describe the Board’s oversight of climate-related risks and opportunities b) Describe management’s role in assessing and managing climate-related risks and opportunities	a) Description of the company’s arrangements in relation to assessing and managing climate-related risks and opportunities	24 to 25
STRATEGY	a) Describe climate risks and opportunities identified by the organisation over the short, medium and long term b) Describe the impact of climate change on the organisation’s businesses, strategy and financial planning c) Describe the resilience of the strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	d) Description of: ▪ the principal climate-related risks and opportunities arising in connection with the company’s operations, ▪ the time periods by reference to which those risks and opportunities are assessed e) Description of the actual and potential impacts of the principal climate-related risks and opportunities on the company’s business model and strategy f) An analysis of the resilience of the company’s business model and strategy, taking into consideration different climate-related scenarios	26 to 28
RISK MANAGEMENT	a) Describe the organisation’s processes for identifying and assessing climate-related risks b) Describe the organisation’s processes for managing climate-related risks c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management	b) A description of how the company identifies, assesses, and manages climate-related risks and opportunities c) A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company’s overall risk management process	29
METRICS AND TARGETS	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process b) Disclose Scope 1, 2 and 3 (if appropriate) greenhouse gas emissions and related risks c) Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets	g) A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets h) A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based	29

Streamlined energy and carbon reporting

ORGANISATIONAL STRUCTURE

The Very Group is classified as a large unquoted company due to its size and shareholding structure.

REPORTING PERIOD

The Very Group is reporting for the year ended 30 June 2025.

REPORTING BOUNDARY

The reporting boundary for the Energy and Carbon Report is the UK-based elements of The Very Group Limited and its subsidiaries.

DATA COMPLETENESS

All The Very Group's electricity and gas invoices have been entered into a fully managed energy database up to 30 June 2025, and data quality checks have been carried out for data completeness and accuracy. All transport information has also been entered into the energy database up to 30 June 2025.

The following figures show the consumption and associated emissions for The Very Group in FY25, with figures from the previous reporting period included for comparison.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions relate to emissions resulting from sources not directly owned by the reporting company. For The Very Group, this is related to grey fleet (business travel undertaken in employee-owned vehicles) only.

REPORTING METHODOLOGY

This report has been developed and calculated using the *GHG Protocol – A Corporate Accounting and Reporting Standard* (World Business Council for Sustainable Development and World Resources Institute, 2004); *Greenhouse Gas Protocol –Scope 2 Guidance* (World Resources Institute, 2015); *ISO 14064-1 and ISO 14064-2* (ISO, 2018; ISO, 2019); *Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance* (HM Government, 2019).

Government Emissions Factor Database 2025 version 1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for the reporting period 1 July 2024 to 30 June 2025.

Estimations were undertaken to cover missing billing periods for properties directly invoiced to The Very Group. These were calculated on a kWh/day pro-rata basis at the meter level. All estimations equated to 3.84% of reported consumption.

Market-based emissions have been calculated using a hybrid approach. Electricity supplied by SSE over the reporting period is based on green contracts with Renewable Energy Guarantees of Origin (REGOs). The net environmental impact of electricity consumed at these sites is 0.00 gCO₂e/kWh.

For unknown utility suppliers and contracts associated with electricity consumed at landlord sites, the UK residual grid emission factor has been used.

ENERGY AND CARBON REPORT COMMENTARY:

YEAR ON YEAR CHANGES

Scope 2 emissions (electricity) decreased by 19.98% in FY25 compared to FY24. This is due to a combination of consumption reductions at the Speke Data Centre and Wrexham sites. The Speke site's consumption reduction is a result of implemented energy-saving measures, while the Wrexham reduction is due to a meter fault in FY24, leading to overestimated consumption.

Consumption also decreased at the Aintree site year on year due to a change of use from a call centre to a photo studio, resulting in the previous electricity forecast being overstated.

Scope 1 natural gas, other fuels and refrigerants emissions increased by 4.83% compared to FY24. This is primarily due to the increased use of Diesel and Liquefied Petroleum Gas (LPG) at Skygate, driven by updated insurance requirements mandating longer generator and pump house tests, leading to increased shunter activities.

Transport emissions decreased by 4.79% compared to FY24. The reduction is due to a significant drop in grey fleet mileage in FY25.

ENERGY EFFICIENCY MEASURES IN FY25

In FY25, photocells were installed at Skyways House at our Speke site to monitor sunlight intensity in real time, and this is now 50% complete. On hot days, the system will now trigger window blinds to minimise thermal transfer. Conversely, during cooler periods or overnight, the photocells will trigger blinds to help retain heat by optimising insulation.

This initiative will help reduce energy consumption for heating and cooling.

During the year, the number of operational air conditioning units was reduced at the Speke data centre. This reduction in active equipment has contributed to the lowered energy consumption seen at the Speke site in FY25 and has contributed to a reduction in overall Scope 2 emissions.

Utility and Scope	2024/25 Consumption (kWh)	2023/24 Consumption (kWh) ¹
Scope 1 Total	4,963,050	4,707,231
Natural Gas and Other Fuels (Scope 1)	4,797,131	4,537,842
Transportation (Scope 1)	165,919	169,389
Scope 2 Total	9,711,138	10,373,976
Grid Supplied Electricity (Scope 2)	9,711,138	10,373,976
Scope 3 Total	275,293	295,899
Transportation (Scope 3)	275,293	295,899
Total	14,949,481	15,377,106

Utility and Scope	2024/25 Consumption (tCO ₂ e) Location based	2023/24 Consumption (tCO ₂ e) Location based ¹
Scope 1 Total	986.62	943.30
Natural Gas and Other Fuels (Scope 1)	945.47	902.78
Transportation (Scope 1)	38.30	38.63
Refrigerants (Scope 1)	2.86	1.90
Scope 2 Total	1,718.87	2,147.93
Grid Supplied Electricity (Scope 2)	1,718.87	2,147.93
Scope 3 Total	61.27	65.95
Transportation (Scope 3)	61.27	65.95
Total	2,766.76	3,157.18

Intensity metric	FY25	FY24 ¹
tCO ₂ e/FTE	0.79	0.97
tCO ₂ e/£m revenue	1.33	1.49

1 FY24 refrigerant and transport figures have been restated to reflect improved data accuracy.

Our approach to governance

OUR GOVERNANCE APPROACH

In this section, we describe our governance approach and the activities of the Board in FY25. On pages 37 to 38, we describe how we adhered to matters set out in Section 172(1) of the Companies Act 2006.

Our purpose and governance processes guide our decision-making. They help us engage our employees, customers, suppliers, communities, and environment appropriately, while creating value for our shareholders. Furthermore, given the size, structure, and stage of growth of our business, we continued to apply our own corporate governance arrangements for the year ended 28 June 2025.

DELIVERING PURPOSE THROUGH STRONG GOVERNANCE

This year has been one of significant progress for the Group, supported by a clear focus on our purpose and on delivering sustainable growth. Against the backdrop of the ongoing cost of living pressures, the Board has remained focused on ensuring that the Group is well governed, resilient, and able to meet the needs of our customers, colleagues and communities. The Board has overseen key developments closely, ensuring decisions taken are aligned with our long-term strategy and interests of our stakeholders.

Looking ahead, the Board will continue to provide oversight and challenge as the Group invests for growth, maintains a disciplined approach to governance, and builds on the resilience gained over its long history. Our priority remains to safeguard the long-term success of the business while staying true to our purpose.

Nadhim Zahawi
Chair
21 October 2025

PURPOSE, VALUES, AND CULTURE

An effective board lives and promotes the purpose of a company. Our purpose reflects the benefits we offer our customers. It exemplifies the business we are today as well as our vision for the future. We help families have the lives they deserve through famous brands, a simple digital customer experience, and our Very Pay platform.

Our values, which we have worked to redevelop to ensure every colleague understands what it means to live them, continue to underpin our purpose and culture. They help to guide the decisions and actions taken by the Board.

The Board understands its role in supporting a collaborative and inclusive culture. It tracks colleague sentiment through surveys, such as the Voice survey undertaken each year.

Meanwhile, the Executive Committee engages with colleagues through in-person and digital 'balcony briefings,' which include Q&A opportunities, as well as via email and digital media. For more information on the Board's commitment to Company culture, including colleague wellbeing, and diversity and inclusion, please see our People and Culture section on pages 12 to 13.

“Our priority remains to safeguard the long-term success of the business while staying true to our purpose.”

THE BOARD

Led by the Chair, the Board promotes the sustainable success of the Company, generating value for shareholders while having regard to all stakeholders, and the impact of the business on the community and the environment. The Board provides leadership to the Group and is responsible for overseeing strategy, performance, governance, and risk.

Refer to pages 46 to 48.

BOARD COMMITTEES

Support the Board in its work with specific areas of review, oversight of its objectives and risk management. They ensure the right structure is in place to deliver long-term value to shareholders and other stakeholders. The Committee Chairs provide regular updates to the Board on Committee meetings and activity.

REMUNERATION AND NOMINATION COMMITTEE

Responsible for overseeing the Group's remuneration structure, aligning remuneration to the long term sustainable success of the Group.

The Committee also assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any Committees.

Refer to pages 53 to 54.

AUDIT AND RISK COMMITTEE

Responsible for providing oversight of the integrity of the Company's financial statements. Its role includes oversight of the internal control and risk management systems to safeguard stakeholder interests.

Refer to pages 49 to 52.

ESG COMMITTEE

Responsible for defining the Company's strategy that navigates The Very Group's environmental and social impacts.

Refer to pages 55 to 56.

TREASURY COMMITTEE

Responsible for oversight and review of the financial condition and liquidity of the business, as well as monitoring bank reporting requirements of the Company and each of its subsidiaries.

EXECUTIVE COMMITTEE

Responsible for the day-to-day operational running of the business. The Committee is led by the CEO and comprises experienced executives. The Executive Committee implements the Group strategy and recommends to the Board any significant investment proposals. It also considers people issues, including workforce planning and succession.

Our approach to governance continued

DIVISION OF RESPONSIBILITIES

Our governance framework outlines roles and responsibilities, linking to policies and procedures and delegations of authority, supporting effective decision-making and challenge. This will help to achieve long-term value for the Group and its stakeholders. We review processes regularly as part of our commitment to corporate governance.

Consistent with the ownership of the Group and composition of the Board, there is in place a schedule of matters reserved for the Board.

MEETINGS

Board and Committees	Number of meetings held in FY25
The Board	11
Remuneration and Nomination Committee	3
Audit and Risk Committee	6
ESG Committee	4
Treasury Committee	11
Executive Committee	48

RESPONSIBILITIES OF THE BOARD

CHAIR	- Leads and ensures effectiveness of the Board - Promotes a culture of openness with effective and constructive contribution from all Non-Executive Directors - Leads corporate governance
CHIEF EXECUTIVE OFFICER	- Leads the day to day management of the Group and executes the strategy agreed by the Board - Develops and implements the business plan and budget as approved by the Board - Ensures effective implementation of the Board's decisions - Models and leads the Group's culture and values - Keeps the Board fully informed of all material issues - Responsible for colleague engagement
NON-EXECUTIVE DIRECTORS	- Bring an external perspective, independent judgement, and objectivity to the Board - Challenge constructively and scrutinise, holding to account the performance of senior management and Executive Directors, offering advice using their varied experience - Other matters reserved to the Board
KEY BOARD RESERVED ACTIVITIES	- Approve corporate and strategic business plans - Approve annual and interim results, bondholder reports, and trading updates - Monitor risk management - Decide on acquisitions and disposals, as well as major capital expenditure and significant investment decisions - Monitor progress against the Group's colleague engagement

Board biographies

KEY:

COMMITTEE MEMBERSHIP

- Audit and Risk Committee Chair
- Audit and Risk Committee member
- Remuneration and Nomination Committee Chair
- Remuneration and Nomination Committee member
- Treasury Committee Chair
- Treasury Committee member
- ESG Committee Chair
- ESG Committee member

CHAIR AND EXECUTIVE DIRECTORS



NADHIM ZAHAWI
Non-Executive Chair

Appointed: 13 September 2024

Mr Zahawi, who is a patron of economic think tank the Adam Smith Institute, became the Conservative Member of Parliament for Stratford-on-Avon in 2010. He has served in some of the most senior ministerial roles in the British Government, including as Chancellor of the Duchy of Lancaster, Chancellor of the Exchequer and Secretary of State for Education. During the COVID-19 pandemic, he was appointed Minister for COVID Vaccine Deployment and led the successful rollout of the UK's vaccine programme. Prior to his political career, Mr Zahawi was a successful business leader. He co-founded and was CEO of digital polling and market research specialist YouGov. During his tenure, the UK firm expanded globally, establishing operations in the Middle East and the US, and joined the London Stock Exchange.



ROBBIE FEATHER
Group CEO

Appointed: 26 April 2024

Robbie was appointed CEO of The Very Group in 2024 after joining the business in 2021. He previously led the company's retail business, overseeing the development of the company's successful new brand platform and its market-beating retail performance in FY24. Prior to joining Very, Robbie was CEO of Fenwick, the luxury department store business and has held senior positions in Sainsbury's, Argos and John Lewis.



ED FRY
Interim Chief Financial Officer

Appointed: 1 October 2025

Ed joined The Very Group in 2020 and, after four years, was promoted to the executive team to lead the company's 115-strong finance function. In his previous role at Very, Ed led the cost, financial planning and analysis, investor relations, and external communications teams. Prior to joining Very, Ed was CFO and board member at iSmash Group, where he delivered the successful sale and refinancing of the company. Before iSmash, Ed was CFO of Best Dressed Group, where he led a pan-European buy and build strategy for the clothing group. Ed qualified as an accountant with KPMG and his first role in industry was with Burberry PLC.

Board biographies continued

KEY:

COMMITTEE MEMBERSHIP

C

Audit and Risk Committee Chair

●

Audit and Risk Committee member

C

Remuneration and Nomination Committee Chair

●

Remuneration and Nomination Committee member

C

Treasury Committee Chair

●

Treasury Committee member

C

ESG Committee Chair

●

ESG Committee member

NON-EXECUTIVE DIRECTORS: DEPUTY CHAIR AND BOARD COMMITTEE CHAIRS			EXECUTIVE LEADERSHIP	OTHER DIRECTORS
				
●C TIM FRANKLIN Deputy Chair and Chair of Treasury Committee Appointed: 12 September 2022 Tim is an experienced banking professional and joined The Very Group in 2021 as a Non-Executive Director of Shop Direct Finance Company Ltd. He previously undertook Executive roles at Barclays Bank PLC, where he held a variety of senior positions in the UK Retail Division. Subsequently, Tim went on to run Britannia Building Society's Member Business before becoming Chief Operating Officer at The Co-operative Bank. More recently, Tim has held a variety of non board positions in a multitude of companies and has chaired an AIM listed bank, an insurance company, and currently serves as a Non Executive Director of a mortgage servicing business. Tim is Deputy Chairman of The Very Group, Chairman of SDFC and Very Ireland and Chairman of the Group's Treasury Committee.	●C RICHARD MAYFIELD Chair of Audit and Risk Committee Appointed: 26 September 2022 In his most recent role prior to The Very Group, between January 2021 and January 2022 Richard led Walmart Global Sourcing, a fully integrated supply chain that supports all Walmart's divisions in the United States and international markets. Prior to this between 2020 and 2021, he was Executive Vice President and Regional CEO for Walmart Mexico and Central America, Canada, and the UK, with responsibility for an omnichannel business covering 4,500 stores and 600,000 associates. Between 2016 and 2019, Richard served as Executive Vice President and Chief Financial Officer for Walmart International. He joined Walmart in 2012 as CFO of its UK business, Asda, and became EMEA region CFO in 2014. Richard's experience also includes leadership roles at UK retailers Kingfisher, House of Fraser, and Waitrose.	●C JACQUI HUMPHRIES Chair of Remuneration and Nomination Committee Appointed: 8 April 2019 Jacqui joined the Executive Committee of The Very Group in January 2009. Prior to joining The Very Group, she was the Head of HR – Retail for Marks & Spencer, responsible for 550 stores and the 70,000 people within them. During her time at The Very Group, Jacqui has performed the role of Group Director of People, leading the Group in successfully engendering a purpose and values-led culture that enables people to deliver against its world class digital ambitions. In April 2019, Jacqui was appointed Non-Executive Director of the Group and currently chairs the Remuneration and Nomination Committee.	C SARAH WILLETT Chief People Officer and Chair of ESG Committee Appointed: 9 September 2024 Sarah serves as Chief People Officer and appointed Chair of the ESG Committee in September 2024. While not a statutory Director, Sarah reports regularly to the Board and plays a key role in embedding ESG principles into the company's long-term strategy.	AIDAN BARCLAY Director Appointed: 2 May 2003 PHILLIP PETERS Director Appointed: 2 May 2003 HOWARD BARCLAY Director Appointed: 2 May 2003 STUART WINTON Director Appointed: 3 June 2013 DAVID KERSHAW Corporate Finance Director Appointed: 22 February 2010 NICK BEIGHTON Director Appointed: 29 August 2024 PAUL O'DONNELL Director Appointed: 6 August 2024 BEN FLETCHER Director Appointed: 1 September 2020 Resigned: 30 September 2025

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STRATEGIC REPORT

GOVERNANCE

FINANCIAL STATEMENTS

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Board activity in FY25

DURING THE YEAR, THE BOARD OPERATED TO A STRATEGIC FRAMEWORK FOCUSED ON PROTECTING AND GROWING THE BUSINESS:

FINANCIAL AND COMMERCIAL PERFORMANCE

Executive Directors delivered strategic operational and financial updates, highlighting key challenges and actions to be taken and outlining priorities for the periods ahead.

DEEP DIVES

Senior leaders attended and provided detailed reviews of specific business areas along with budget and strategy discussions.

MONITORING FINANCIAL STRENGTH

Financing, cashflow, and liquidity were an area of specific focus all year. This year the Board also oversaw the successful refinancing of the Group's bond and RCF.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board received regular updates from the Audit & Risk Committee on the Company's internal control and risk management processes.

COST REDUCTION

In the challenging market, the Board assessed and enacted a range of options to deliver operational and cost efficiencies for the Group.

ESG

The Board received regular updates on our sustainability targets and strategic objectives related to ESG. The Board approved the launch of the new colleague led charity, partnering with the National Literacy Trust.

DIVERSITY AND INCLUSION

The Board monitored the Group's progress against its D&I commitments, which are published in the Diversity and Inclusion report, and detailed in the People and Culture section (pages 12 to 13).

➤ You can read about specific strategic decisions taken by the Board in the **s172 statement** on pages 37 to 38.



Board activity in FY25 continued

OPPORTUNITY AND RISK

The Board aims to create value, while assessing risks to the Group, and has in place procedures to identify and mitigate risk. It reviews short-term operational and trading opportunities as part of its day-to-day routine and the weekly trading Executive Committee meetings.

The Executive Committee considers both medium- and longer-term opportunities regularly in its planning meetings, Committee meetings, and in meetings with the shareholders.

The Executive Committee agrees a capital investment plan with the Board annually and agrees a five-year plan. Similarly, the Executive Committee considers income streams from new sources and, with Board assistance, regularly reviews its strategic objectives and market positioning to ensure we continue to meet the demands of our customers and market trends.

The Board has responsibility for risk management. Protecting our customers, colleagues, the commercial interests of the Group, and the society we serve is central to our risk management philosophy.

The Board delegates responsibility for reviewing and challenging key risks and the risk management framework to the Audit and Risk Committee. The systems of risk management and internal control are designed to reduce the risks of failure to meet business objectives. However, our risk management and internal controls can provide only reasonable, not absolute, assurance for meeting our business objectives or against material misstatement or loss.

INTERNAL CONTROLS

The Group's internal controls over the financial reporting and consolidation processes are designed, under the supervision of the Interim Chief Financial Officer, to provide assurance of the reliability of financial reporting and the preparation and fair presentation of the Group's published financial statements for external reporting purposes, in accordance with IFRS.

The processes used by the Board, either directly or, where appropriate, through the Audit and Risk Committee, to review the effectiveness of the internal control and risk management systems in relation to the financial reporting process, and the process for preparing consolidated accounts, include the following:

- A review of the external and internal audit reviews.
- Consideration of reports from management and external parties, including the internal and external auditors, on the system of internal financial control and any material control weaknesses.
- Discussion with management on what to do about any possible problem areas identified. In addition, the Board receives updates from the Audit & Risk Committee Chair at each Board meeting. It receives regular written and verbal reports from management on all aspects of regulatory, operations, financial, and risk management matters.

We take a forward-looking approach to risk management, ensuring we are well placed to identify and respond to emerging risks, as well as managing inherent principal and strategic risks.

Risks within the Group's regulated companies are managed by their respective boards and reported to the Group Board in line with reporting structures, to satisfy the requirements of their regulators. Please see the Risk Management and Principal Risks report on page 18 for more details of how we recognise and manage risk.

The Group uses the risk management and compliance capability of its UK regulated subsidiary in a number of areas, including data protection, information security, and business continuity. Its delegated approval levels and contract approval and authorisation process provide control, while Internal Audit provides a third line of assurance, working to an audit plan directed by the Audit and Risk Committee.

REMUNERATION

The Board is responsible for ensuring remuneration is appropriate to support Group objectives and attract and retain high quality colleagues. Executive pay structures are designed to promote sustainable, long-term success, while incentivising behaviour and performance consistent with our values. Executive remuneration is linked to financial performance, customer outcomes and the customer experience. Remuneration is also considered in light of remuneration structures and rewards across the workforce.



Board activity in FY25 continued

Together with the Group’s Remuneration and Nomination Committee, each of the Group’s regulated companies has its own remuneration committee responsible for recommending to its board matters including recruitment and remuneration strategy, and reward frameworks. Compliance with regulatory obligations and expectations of senior management conduct is a key element of those frameworks.

The Group believes strongly in equal opportunities and takes a zero-tolerance approach to discrimination and victimisation, promoting equal treatment. The Group operates a whistle-blowing policy.

Total Directors’ remuneration is disclosed in note 10 to the financial statements. For further information on the role of the Group’s Remuneration and Nomination Committee, please refer to pages 53 to 54.

DIVERSITY AND INCLUSION REPORTING

Decisions on pay, promotion, and reward are vital to attract and retain high-performing talent. The Group has complied with gender pay gap reporting requirements since 2017 and acted to help eliminate systemic bias from processes and decision making.

We pay our colleagues equally and fairly for the same or equivalent work, regardless of gender or any other characteristic, supported by our market-based approach to pay. As a result, the Board is confident that variations in pay within a range are a result of factors such as service, market, or experience.

Our gender pay gap is primarily driven by the under-representation of women in senior roles, which typically offer higher salaries and bonus opportunities. Additionally, there is a lower proportion of women in certain functions, such as technology, where external market rates tend to be higher. Historical societal trends have contributed to a smaller talent pool of women in fields like technology, making it essential for us to focus on building a strong pipeline for the future.

In our 2024 gender pay report (released in FY25), we were pleased to see continued positive movement in the headline figures for our hourly pay, with reductions to both our median and mean gender pay gaps when compared to prior years.

Although we have had fewer females in our senior leader population, promotions to our senior leader population were 68% female, a slight increase from 67% in 2023. As an organisation, we remain deeply committed to breaking down the barriers through initiatives such as mentorship programmes, leadership development opportunities and flexible working practices.

The Board and senior management remain focused on tackling areas that influence the gender pay gap. The Group’s progress against our 2025 diversity and inclusion commitments are helping this.

> You can read more about our D&I commitments in the People and culture section on pages 12 to 13.

STAKEHOLDER ENGAGEMENT

The Board is responsible for overseeing meaningful engagement with stakeholders to take account of their needs and concerns in decision making and creating value.

The Board believes that good governance and effective communication are key to achieving our purpose and protecting the Group’s brands, reputation, and relationships with all stakeholders, including our customers, people, suppliers, communities, regulators, lenders, and shareholder.

The Board and the Executive Committee therefore communicate frequently with our stakeholders. This includes:

- Quarterly conference calls with bondholders.
- Regular two-way dialogue with our employees through in-person and digital channels.
- Direct customer engagement through focus groups and other channels.
- Surveying our suppliers through our dedicated Partner of Choice programme.
- Focusing on social dialogue, gender, inclusion, financial literacy, and sustainability training for our workers in third-party supplier factories around the world.

Our statement describing how the Board has had regard to the matters in Section 172 (1) (a) to (f) of the Companies Act 2006 when performing its duty under Section 172 is on pages 37 to 38.

SHOP DIRECT FINANCE COMPANY

Shop Direct Finance Company (SDFC) is registered in England and Wales and is regulated by the Financial Conduct Authority (FCA). It is a wholly owned subsidiary of Shop Direct Group Financial Services Limited (SDGFS), which, in turn, is a wholly owned subsidiary of The Very Group Limited.

SDFC, which is primarily concerned with the provision of financial services to customers of The Very Group, is committed to maintaining high standards of corporate governance, believing that effective corporate governance supports an open framework for delivering good outcomes to customers. It has developed a robust governance structure that is appropriate for the size, complexity, and risk profile of the business. The structure ensures that governance processes are transparent, with defined escalation routes to manage risks and processes.

The Board has established standing committees to which it has delegated specific powers and responsibilities. Together with the Board, these form the Tier 1 Board and Committee structure as detailed below:

- Executive Committee – established by the Chief Executive Officer to help manage the business in line with the strategy agreed by the Board, ensuring that risks and exposures are adequately managed. The Committee is responsible for regularly reviewing customer outcomes to ensure they are consistent with the Consumer Duty.

- Risk Management Committee – oversee the risk management framework on behalf of the Board by providing assurance that material risks are identified and managed appropriately by maintaining and overseeing the application of the Risk Framework and Risk Management Policies.
- The Nominations and Remuneration Committee – primarily responsible for the management and oversight of senior management remuneration, succession planning, and the appointment of new senior managers.
- The Audit Committee – primarily responsible for considering and reviewing the adequacy and effectiveness of SDFC’s and VGCF’s internal controls and integrity of the financial statements. They will recommend to the SDFC Board to sign and approve the SDFC year-end accounts and management representation letter.

Among SDFC’s key stakeholders is the Financial Conduct Authority, with which it has ongoing engagement on topics that the FCA would expect notification of and where SDFC would see the benefit of regulatory consultation.

Audit and Risk Committee report

"I would like to thank the management team at The Very Group, and all of my fellow committee members for their valuable contribution throughout FY25."

Richard Mayfield
Chair of the Audit and Risk Committee



CHAIR'S INTRODUCTION

On behalf of the Board, I am pleased to present the Audit and Risk Committee's report for the year ended 28 June 2025. This report explains the Committee's role, work and areas of focus during the year.

The year has been challenging again for consumers and retailers alike. Continued economic challenges have put pressure on family budgets as well as retailers' costs of doing business.

The Group has a history of resilience in challenging times, and our broad product range combined with flexible payment options continues to serve families well.

Our customer satisfaction scores remain high and our financial results for FY25 again demonstrate the relevance of our offer, and the quality and resilience of our business.

Economic challenges and their impact have continued to be front of mind for the Committee in presenting our financial information in FY25. The role the Committee plays in assessing the integrity, fairness and accuracy of our financial information remains at the core of the work we do.

Given the current economic environment, we place specific focus on key areas of accounting judgement (further outlined below) which are impacted by current economic conditions.

These judgements, amongst other areas, include our work around 'going concern' and provisions for expected credit loss.

In considering 'going concern', the Committee reviewed business forecasts for the 18 months following the period end date and considered fully the sensitivities set out on page 66 applied by management to reflect potential downside impacts.

KEY COMMITTEE MEMBERS AND MEETINGS

	Meetings held and attended
Richard Mayfield, Non-Executive Director (Chair)	6/6
Jacqui Humphries, Non-Executive Director	6/6
David Kershaw, Corporate Finance Director	0/6 ¹
Julie Nicholson, SDFC Non-Executive Director	6/6

¹ absence due to personal circumstances.

ROLE OF THE COMMITTEE

The Audit and Risk Committee is responsible for ensuring the financial performance of the Group is properly prepared, reviewed and reported.

Our role also includes maintaining comprehensive internal control and risk management systems to safeguard stakeholder interests.

The Committee focuses on monitoring or reviewing:

- the integrity and fairness of financial statements and narrative announcements and reporting.
- The Very Group's systems of risk management and related controls and compliance.

- the activities of the internal audit function, including reviewing findings and implementing them.
- the effectiveness, scope, objectivity, and independence of the external auditor and the appropriateness of the relationship with the external auditor, including use of non-audit work.
- the effectiveness of whistleblowing arrangements.

Audit and Risk Committee report continued

We also reviewed a set of mitigating actions identified by the business which could be enacted to offset any significant deterioration in performance.

We considered actions already taken by management and looked at financial performance in the early part of FY26. We concluded that the sensitivities run by management fairly reflect the downside risks of the business and that we have sufficient actions in place to manage those impacts should it be necessary.

In recent years, we have seen continued volatility including the impacts of major conflicts, a global pandemic, supply chain disruption and the increasing impacts of technology.

In this climate, the role played by the Committee in relation to risk management is key. Our Enterprise Risk Management (ERM) Framework continues to develop and mature, with improvements in the processes for identifying the principal risks of the business and subsequently executing appropriate mitigating actions. Each of the risk areas and mitigation plans is delegated to and managed by a member of the senior management team.

Internal audit continues to be the third line of defence in the Group's risk management and our function works alongside co-source partners BDO, who augment and strengthen the skills of the internal audit team, particularly in relation to technology-related risks.

In addition, the Committee reviewed and approved each quarterly internal audit plan and any subsequent material changes, ensuring these were aligned to the significant risks of the business.

We reviewed the findings and recommendations of key audits and monitored the implementation of remediation plans. It is the Committee's view that internal audit remains effective and continues to meet its agreed plans and overall aims.

Our priorities for the year ahead remain consistent with prior years and with our Committee Terms of Reference. We will continue to strengthen our ERM framework and internal controls across the Group.

I would like to thank the management team at The Very Group, and all my fellow Committee members, for their valuable contribution in FY25.

MEMBERSHIP AND MEETINGS

The Company operates a Group Audit and Risk Committee, and in addition operates Audit Committees in its regulated subsidiaries (SDFC and Shop Direct Ireland). Any significant matters arising in the regulated subsidiaries are also covered in the Group Audit and Risk Committee. The Group Audit and Risk Committee held six scheduled meetings during the year. By invitation, this year's meetings were attended by external auditors, internal auditors and senior management as appropriate, including the Finance and Transformation Director, who attended every committee meeting.

The Committee has a wide range of experience and skills, which provide the knowledge and ability required to work as an effective committee and to challenge the Board and senior management when appropriate.

CYBER SECURITY

The Committee recognises the increasing prevalence of cyber threats, specifically across the retail sector and the associated risks. During the year, the Committee received regular updates on the Group cybersecurity arrangements, including enhancements to general IT controls (GITC). The Committee will continue to maintain close oversight in this area, recognising the need for vigilance as threats evolve.

COMMITTEE ACTIVITIES DURING 2024/25

The Committee has reviewed, and discussed with management and the external auditor, the audited consolidated financial statements within the FY25 Annual Report.

We have reviewed the Group's APMs as for their appropriateness as relevant financial metrics. We have reviewed the overall presentation of APMs to ensure that they were not given undue prominence, challenged the nature and amount of adjusting items, and evaluated the clarity of reconciliations.

We have also assessed whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements.

We are satisfied the judgements are reasonable, and that suitable accounting policies have been adopted, correctly applied and appropriately disclosed in the accounts.

We discussed the judgemental areas overleaf and addressed them with our external auditor throughout the external audit process. The judgements are deemed significant in relation to the financial statements.



Audit and Risk Committee report continued

MATTER CONSIDERED	BACKGROUND AND DETAILS
1. GOING CONCERN	We reviewed management’s paper, scenario modelling and disclosures regarding going concern. The Committee has reviewed the sensitivity tests, paying particular attention to the sensitivity test of management’s sales and costs forecasts, along with mitigating actions available to management should a liquidity shock occur. Based on our review of cash flow forecasts, sensitivity tests and financing, we are satisfied that it is appropriate to produce the accounts on a going concern basis. See note 2 for further information on going concern.
2. EXPECTED CREDIT-LOSS MODEL ADJUSTMENT	Significant judgements are made on the provisioning of potential credit risk of customers, including impacts of the cost-of-living crisis and ongoing uncertain economic conditions. The net expected credit-loss provision is £180.4m at 28 June 2025 (2024: £201.6m). Based on detailed reports, including from external economic forecasters, and thorough discussions with management and having considered the challenges from and the work of the external auditor, we reviewed and assessed the basis and level of provisions under IFRS 9 ‘financial instruments’ standard methodology. This included reviewing the supporting calculations and data. We are satisfied the judgements made are reasonable and appropriate.
3. VALUATION OF DOUGLAS GOODWILL	The carrying value of the Douglas goodwill is £97.0m (2024: £97.0m). Management has prepared a paper outlining their assessment that the goodwill is not impaired at the Balance Sheet date. We have assessed the appropriateness of the assumptions made in the value in use calculation, which can be found on page 78. The value of the goodwill is supported by predicted future cashflows, notably from the monthly insurance product offered which first launched in July 2023. Having reviewed management’s paper, the results from the launch of the monthly product and considered the challenge from the external audit, we have concluded the assumptions used for predicting the future cashflows, including discount rates, are reasonable and therefore the goodwill is supportable.
4. REVENUE RECOGNITION	We assessed management’s analysis of revenue recognition under IFRS 15, in particular the valuation of the early settlement accrual, and have concluded that it has been properly recorded in the period in accordance with accounting standards.
5. CLASSIFICATION OF EXCEPTIONAL COSTS	The exceptional costs incurred in the period to 28 June 2025 were £24.0m (2024: £29.3m). Management has prepared a paper outlining their assessment of the nature of these costs and the rationale for them being presented separately as exceptional. Having reviewed the paper and supporting rationale, we conclude that the treatment of these costs is appropriate. We will keep the classification of exceptional costs under review.
6. AMOUNTS DUE FROM RELATED PARTIES	As at 28 June 2025, the Group and Company had receivable balances of £513.2m (2024: 509.1m), £8.3m (2024 £8.3m) and £3.3m (2024:£nil) due from related parties, Shop Direct Holdings Limited, Trenport Property Holdings Limited and LW Corporation Limited respectively . The Company intends to undertake a distribution in specie of these receivables post the publishing of this report. Management have prepared a paper noting that under IFRS 9, the receivables balances must be assessed for recoverability across a range of different scenarios, including previously disclosed potential changes to the Group’s ownership structure. In order to take account of the necessary accounting standard and the intended distribution in specie process, management have taken a decision to recognise a noncash one-off Expected Credit Loss (‘ECL’) impairment provision of £524.8m at the balance sheet date (2024: £nil), prior to the effecting of this distribution to VGL Finco Limited, the immediate parent of the Company. Management consider that the outstanding balances will be satisfied, under the tripartite agreement signed by the shareholder and the Lenders of SDHL Group Facilities, via a non cash distribution in specie rather than through a cash transfer. Having reviewed the paper, we conclude that the recognition of a full ECL of £524.8m on these balances is appropriate.
7. DEFERRED TAX	The carrying value of deferred tax assets at 28 June 2025 is £161.3m (2024: £176.5m). Management has prepared a paper to support the recoverability of those assets. The paper demonstrates that the Group will continue to make sufficient taxable profits in the future in which the tax losses can be utilised. Having reviewed the paper, we conclude that the recognition of deferred tax assets is appropriate.

Audit and Risk Committee report continued

RISK MANAGEMENT AND INTERNAL CONTROL

The Board retains overall responsibility for the Group’s approach to risk management. The Audit and Risk Committee is charged with reviewing regularly the overall effectiveness of risk management within the business.

The Committee also works to ensure that the principal risks faced by the business are identified, prioritised and that appropriate mitigating actions are planned and executed on an ongoing basis.

The Group manages risk consistently across all business areas through the Enterprise Risk Management Programme (ERM). This forms a key part of its ‘three lines of defence’ model, which is underpinned with an integrated approach to assurance.

The continued strengthening of the risk management framework and the associated controls and mitigating actions has continued to evolve and is reported to the Committee at each meeting.

Any weaknesses identified in the Group’s internal control system are reported to the Committee and corrective actions agreed. General IT control findings have been noted and we are working to improve controls in this area.

The Committee is also responsible for identifying emerging risks to the business. You can find further details on the risk framework and approach to risk management, together with details of The Very Group’s principal risks and risk assessment, on pages 18 to 23.

INTERNAL AUDIT

The Internal Audit function is led by the Group Head of Internal Audit and is made up of an internal team supplemented by our co-source partners BDO. BDO augment and strengthen the skills of the internal audit team, particularly in relation to key areas including technology related risks.

Internal Audit ensured audit coverage of the key risks to the Group through a bi-annual risk-based planning process.

The Audit and Risk Committee reviewed and approved each bi-annual internal audit plan and any subsequent material changes. We ensured the audit plan and related changes were aligned to the significant risks of the business.

During the year, internal audit performed audits on key risk areas of the business including: Very Pay regulation; technology; cyber security; financial controls, change, operations, retail and ESG.

Notably, a key audit conducted this year by BDO was on the Group’s Information Technology General Controls (ITGCs).

The audit identified a small number of areas for improvement in the definition of certain policies and oversight to ensure policies are consistently adopted in practice. The Chief Information Officer is leading an action plan to address the findings.

During the year, the Head of Internal Audit had direct access to all Committee members, including holding monthly meetings with the Audit and Risk Committee Chair.

There were no restrictions placed on the scope of work to be carried out by the Internal Audit function or its ability to report to the Committee.

The Committee is satisfied that the internal audit function has maintained adequate resource and coverage and has continued to perform effectively during the year.

ANTI-BRIBERY AND CORRUPTION

The Committee receives quarterly reports on anti-bribery and corruption, including whistleblowing matters, and monitors the Group’s compliance with the Bribery Act 2010. This includes oversight of the adequacy of the Group’s anti-bribery and corruption processes.

The Company’s whistle-blowing procedures ensure all stakeholders can raise concerns confidentially about possible improprieties.

They can do this by phone or online to an independently provided service.

The committee received regular updates and can confirm that no material concerns were raised during the year.

EXTERNAL AUDITOR

The Audit and Risk Committee is responsible for recommending to the Board the appointment of an appropriate external auditor, assessing the professional competence and independence of any proposed external auditor through an extensive tender process as required.

During the year, the committee approved the re-appointment of MHA (the UK member of Baker Tilly International) to conduct the audit of financial year ending 28 June 2025 with Rajeev Shaunak acting as Lead Audit Partner.

AUDITOR INDEPENDENCE

The Committee has assessed and will continue to assess, the independence, tenure, and quality of the external auditor at least once a year, in addition to requiring both oral and written confirmation of the auditor’s independence.

MHA has confirmed that there are no relationships between themselves and the Group that could have a bearing on their independence.

NON-AUDIT SERVICES

The Board maintains a policy regarding the provision of non-audit services by the external auditor, to ensure continued objectivity and independence of the external auditor.

Further, the Audit and Risk Committee adopts a cap on the level of fees to be spent with the incumbent audit firm on non-audit services, and all non-audit services require approval by the Audit and Risk Committee. The Group’s external auditor is prohibited from providing any services that could compromise their objectivity or independence, or which would conflict with their statutory responsibilities.

During the year, MHA’s audit fee was £1.1m and non-audit fees totalled £0.3m for the review of interim financial information.

Further details are provided in Note 11 to the financial statements.

EFFECTIVENESS AND REAPPOINTMENT

The Committee is responsible for evaluating the effectiveness of the external auditors. During the year, we approved and monitored MHA’s terms of engagement, scope of work and the process for the annual audit.

The challenges raised by MHA over management’s assumptions in key areas of judgement, and the number and nature of the accounting and control observations raised by MHA, have had suitable healthy debate.

These debates not only provide a level of clarity and comfort for the FY25 Report and Accounts, but also guidance to aid the focus of the Committee.

The Audit and Risk Committee Chair was in regular contact with the external audit partner during the year to discuss, amongst other things, progress of the audit, including any emerging issues and the level of errors identified during the audit.

We have reviewed feedback from the parties involved in the external audit process. Overall, the Committee concluded that MHA provided strong challenges and scepticism throughout the audit process, and that it conducted the audit of The Very Group effectively.

Having reviewed the auditor’s independence and the effectiveness of its audit, the Committee is satisfied that MHA should be reappointed as external auditor for the 2025/26 financial year.

LOOKING AHEAD

The Committee’s priorities for FY26 and beyond include:

- Ensuring consistency with prior years in relation to the preparation of financial statements and the application of accounting judgements;
- Supporting the continued maturity of the Group’s risk management framework, with an emphasis on further developing the processes for identifying and mitigating key specific risks; and
- Placing heightened focus on the effectiveness of controls around both GISC and cybersecurity, recognising their increasing importance to the Group’s resilience.

Richard Mayfield

Chair of the Audit and Risk Committee
21 October 2025

Remuneration and Nomination Committee report

"The Committee has continued to provide strong oversight of the Group's remuneration policy across FY25."

Jacqui Humphries
Chair of the Remuneration & Nomination Committee



CHAIR'S INTRODUCTION

As Chair of the Remuneration and Nomination Committee, and on behalf of the Board, I am pleased to present our report on Directors remuneration for FY25, which is in line with the Company's approved remuneration policy. We have divided the Committee's report into three sections: for remuneration, the annual statement, and the remuneration policy, and for nomination, information about our work.

REMUNERATION: ANNUAL STATEMENT

The Committee's purpose is to make recommendations to the Board for the Group's remuneration structure, and to align remuneration to the long-term sustainable success of the Group. Our recommendations consider Group performance and the broader economic environment, as well as pay throughout the business.

The Committee works with the Chief Executive Officer and executive management team to develop a Group-wide, sustainable approach to remuneration that attracts, retains, and rewards talent.

The Committee believes the remuneration policy is effective and aligns the Executive Directors with the objectives of the business. We have aligned the approved remuneration policy with the Group's strategy and regularly review to make sure reward is proportionate with the market and supports the right strategic aims and behaviours.

This Committee report, along with the disclosures in note 10 to the financial statements, fulfils the requirements under the Companies Act 2006 in relation to directors' remuneration for a privately owned Group.

KEY COMMITTEE MEMBERS AND MEETINGS

	Meetings held and attended
Jacqui Humphries, Non-Executive Director (Chair)	3/3
Stuart Winton	2/3
Tim Franklin, Non-Executive Director	2/3

Group Chief Executive Officer Robbie Feather and Chief People Officer Sarah Willett are invited to attend to present updates and proposals as required. At the Board meeting that follows a Committee meeting, the Committee Chair provides an update on matters discussed and agreed next steps.

ROLE OF THE COMMITTEE

The Remuneration and Nomination Committee is responsible for overseeing executive pay and reward structures to ensure they support the company's strategy and long-term success. The Committee leads Board and senior leadership appointments ensuring the Board has the right balance of skills and experience.

The Committee's focus is:

REMUNERATION:

- Establish and agree with the Board the Remuneration Policy for the Executive Directors and key members of the senior leadership team.

- Propose and monitor remuneration structures, ensuring that related performance criteria are fair, are sufficiently balanced to include financial and non-financial metrics and make recommendations to the Board where appropriate.
- Oversee the design and terms of executive and all employee incentive plans.

NOMINATIONS:

- Oversee the development of a diverse succession pipeline of talent for key roles.
- Review and make recommendations to the Board in relation to Board and senior management succession planning, including ensuring plans are in place for orderly succession.
- Recommend potential Board and Executive appointments to the Board.
- Ensure the Board and its Committees have the appropriate balance of skills, experience, diversity, independence, and knowledge of the Company to enable them to discharge their duties and responsibilities effectively.

Remuneration and Nomination Committee report continued

KEY REMUNERATION DECISIONS TAKEN DURING THE YEAR

1. Reviewing and approving Executive Directors' and Executive Committee remuneration structures, including salary, bonus and related bonus measures, and long-term incentive scheme.
2. Approving Executive Directors' bonuses earned during the prior year and awarded this year.
3. Reviewing the annual Gender Pay Gap Report and plans to reduce the pay gap.
4. Approving key market rate changes for employees, and investment in April 2025 pay review.
5. Evaluating the Executive Directors' performance and succession plans, ensuring sufficient plans in place to continue the smooth running of the business.
6. Evaluating the Group Leadership Team (GLT) talent pipeline, ensuring sufficient plans in place to continue smooth running of the business.

REMUNERATION POLICY

The Remuneration Policy is devised to attract and retain outstanding colleagues, and to incentivise them to achieve the Group's strategy. The Committee continues to review the principles of the policy regularly. The policy principles are:

- The total remuneration is competitive and attracts, motivates, and retains high-calibre colleagues and leaders.
- Executives and their teams can earn performance related bonuses by meeting performance standards aligned with the Group's key financial and customer satisfaction objectives.
- All colleagues have access to the Company's pension scheme which is designed to support them to invest for later life.
- The Committee will structure incentive plans, performance measures, and targets to operate soundly throughout the business cycle.
- In considering the market positioning of the remuneration, the Committee will consider the financial performance of the Group and the individual performance of the Executive.

When the Remuneration Committee determines the structure and level of remuneration, it considers and benchmarks with market rates. It also considers results from external professional salary surveys. No Director was involved in determining the structure and level of their own remuneration.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors are not involved in any decisions about their own remuneration. In addition to remuneration, they receive travel allowance.

SUCCESSION PLANNING

The Committee is responsible for the effective and orderly succession planning for the Board and senior management.

Along with considering Board succession, the Committee oversees the development of a strong pipeline of diverse and talented individuals below Board level. It regularly reviews the quality of senior management as it recognises the importance of creating and developing a talented, diverse pipeline of leaders.

The Chief Executive, supported by the Chief People Officer, presents the senior management succession planning and the talent development programme for the wider workforce. For Executive Directors and for roles in senior management, plans are in place for both sudden, unforeseen absences and for longer-term succession. These form the basis of development plans and will ensure that, looking forward, we have the right people to deliver our strategy.

LOOKING AHEAD

The Committee's priorities for FY26 and beyond include:

- Reviewing the short- and long-term incentive arrangements and their alignment with the market, our purpose, and the strategic priorities of the business.
- Review and support in the implementation of succession plans for Board, Executive and GLT that are reflective of the strategy of the business.
- Ensuring that the remuneration arrangements for the wider workforce continue to support delivery of the business's objectives and consider the wider macroeconomic environment and increased cost pressures on business, remain cost effective.

Jacqui Humphries
Chair of the Remuneration & Nomination Committee
21 October 2025



ESG Committee report

"On behalf of all Committee members, I am thrilled with our progress on our agreed ESG priorities and thank all of our colleagues for their continued commitment to our ESG responsibilities."

Sarah Willett
Chair of the ESG Committee



CHAIR'S INTRODUCTION

After being appointed as formal Chair of the ESG Committee during the year, I am pleased to present our report for the period ended 28 June 2025.

The Committee was first established during FY23 and since then we continue to make significant progress in embedding our environment sustainability and social responsibility practices into the fundamental behaviours of our organisation.

The role of the ESG Committee in FY25 has been to ensure The Very Group continues to fulfil its duties, that our strategic commitments are progressing as expected and the business is playing its role as a responsible corporate citizen.

On behalf of all Committee members, I am thrilled with our progress on our agreed ESG priorities and thank all of our colleagues for their continued commitment to our ESG responsibilities. I look forward to making further progress in realising the Group's ESG strategy in the coming years.

KEY COMMITTEE MEMBERS AND MEETINGS

	Meetings held and attended
Robbie Feather, Group CEO	3/4
Nick McBrien, SDFC CEO	4/4
Ben Fletcher, Former Chief Finance and Transformation Officer	2/4
Sean Hallows, Chief Operating Officer	4/4
Sarah Willett, Chief People Officer	3/4
Rossa Butler, Managing Director – Ireland	3/4

At the Board meeting that follows a committee meeting, the Committee Chair provides an update to all Board members on matters discussed and agreed, next steps, and actions.

ROLE OF THE COMMITTEE

The specific roles, as detailed in the Committee's terms of reference, are to:

- Review and monitor The Very Group's conduct with regard to its obligations, reputation and opportunity as a responsible and progressive corporate citizen.
- Oversee the legal reporting obligations in this area for The Very Group as a company of public interest.

- Oversee the delivery of The Very Group's ESG Commitments, consistent with the ESG strategy.
- Maintain and fully consider external perspective to ensure The Very Group's approach to ESG remains relevant and ambitious.
- Gather insight and consult from parallel governing committees to ensure accuracy and impact of committee activity.

ESG Committee report continued

PROGRESS DURING THE YEAR

Throughout the year, the committee has continued to highlight the importance of ESG across the business. Our engaged Group Leadership team apply their understanding of ESG to empower colleagues to identify their role in meeting our ongoing commitments.

To further this, during the year, we also created a new colleague network SAVE (Sustainability at Very), representing a group of passionate colleagues working to put sustainability at the heart of everything we do. This will be vital in helping us share our ESG commitments and goals with all of our colleagues.

As ESG reporting regulation continues to evolve, the committee navigates the changing landscape. Our approach to data management is critical in ensuring we meet our obligations and are able to measure our progress against ESG targets. As such, during the year we have enhanced our data management systems to ensure all colleagues are equipped with accurate insight and capability to play their part where they can. Elements of our external disclosures were also tested by our internal audit team during the year.

We also recognise the importance of our broad and varied brand supplier network, who play a key part in how we reach some of our key ESG targets, particularly our commitment to being net zero by 2040. We continue to discuss what improvements and updates can be made to our supply chain to help us achieve these goals effectively.

Lastly, the Committee reviewed and approved our updated Group-wide ESG policies and Code of Conduct, which can be found on our corporate website.

LOOKING AHEAD

As we move into the new financial year, the Committee remains committed to its duties of reviewing and ensuring compliance within the evolving legislative landscape, whilst also monitoring the development of our ESG-minded culture. In support of this, we will provide guidance and instruction where needed, challenging the business to continue delivering at pace key milestones in our ESG strategy.

I would like to thank the management team and my fellow Committee members for their work in continuing the mission of the ESG Committee and supporting the ESG team.

I look forward to seeing what we can achieve in helping families get more out of life for generations to come.

Sarah Willett
Chair of the ESG Committee
21 October 2025



Directors' report

FOR THE 52 WEEK PERIOD ENDED 28 JUNE 2025

The directors present their annual report and the consolidated financial statements of The Very Group Limited ("the Company") and its subsidiaries ("the Group") for the 52 week period ended 28 June 2025.

MATTERS DISCLOSED IN THE STRATEGIC REPORT

The following items which are required under s416 of the Companies Act 2006 have been disclosed in the Strategic report:

Future developments (included within the financial review on pages 15 to 17)

Engagement with suppliers, customers and others (included within stakeholder engagement and Section 172 on pages 37 and 38, and in the Governance report on pages 42 to 43)

Energy and Carbon reporting (included on page 41)

Risk management and principal risks (included on pages 18 to 23).

The nature of the Group's operations and its principal activities are set out on pages 1 to 3.

DIRECTORS OF THE GROUP

The directors, who held office during the period and to the date of this report, were as follows:

A S Barclay

H M Barclay

R Feather

B P Fletcher (resigned 30 September 2025)

T A Franklin

J T Humphries

D W Kershaw

R A Mayfield

M McMenemy (resigned 23 August 2024)

P L Peters

S A Winton

N T Bighton (appointed 29 August 2024)

P O'Donnell (appointed 6 August 2024)

N Zahawi (appointed 13 September 2024)

E S T Fry (appointed 1 October 2025)

DIVIDENDS

During the year the Group has not paid a dividend (2024: £3.8m). No further dividends have been proposed as at 28 June 2025 ("the balance sheet date").

DONATIONS

The Group does not make any political donations.

EMPLOYMENT OF DISABLED PERSONS

Applications for employment by disabled persons are always fully considered, considering the application on its merit and the knowledge, experience and skills of the applicant concerned. In the event that a colleague's ability to complete day to day activities is impaired by a disability every effort is made to ensure that their employment with the Group continues through reasonable adjustments and appropriate training. It is the policy of the Group that the training, career development and promotion of a person with a disability should, as far as is practically possible, be identical to that of other employees.

EMPLOYEE INVOLVEMENT

There is a commitment to employee engagement geared towards business improvement and which incorporates a full and open dialogue with employees and their representatives. This encourages an active contribution from employees to achieving stated business objectives. The Group has well established negotiation and consultation mechanisms with employees and their representatives including consultative committees, joint working parties and briefing groups. The Group recognises and has collective bargaining agreements with USDAW and SATA trade unions. Employees and their representatives are regularly informed of corporate and individual business unit objectives, trading performance, economic conditions and other relevant matters.

DIRECTORS INSURANCE AND INDEMNITIES

The company maintained Director's and Officer liability insurance cover throughout the reporting period, providing appropriate cover for legal action brought against the Directors. As permitted by the Company's Articles of Association (the 'Articles'), and to the extent permitted by law, the company indemnifies each of its Directors and other Officers of the Group against certain liabilities that may be incurred as a result of their position with the Group.

BUSINESS REVIEW

The directors are required by company law to set out a fair review of the business, its position at the period end, future developments and a description of the principal risks and uncertainties facing the Group. The Strategic Report is on pages 2 to 41 and includes the Group Chief Executive's review on pages 5 to 6. The principal risks are considered on pages 18 to 23.

GOING CONCERN

In determining whether 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 and borrowing facilities. Further detail is set out in the financial review on pages 15 to 17.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events taking place after the reporting period are disclosed in note 38.

ELECTIVE RESOLUTIONS

The Group has passed elective resolutions to dispense with the holding of annual general meetings and for the laying of the annual report and financial statements before the Board in general meetings, until such time as the elections are revoked.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

MHA will be reappointed in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 21 October 2025 and signed on its behalf by:



E Fry
Director

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with United Kingdom Adopted International Accounting Standards ("UK adopted IAS") in conformity with the requirements of the Companies Act.

The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 "Presentation of Financial Statements" requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of The Very Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of The Very Group Limited (the 'parent company') and its subsidiaries (the 'group') for the 52 week period ended 28 June 2025 which comprise:

- the Consolidated Income Statement
- the Consolidated Statement of Comprehensive Income
- the Consolidated Statement of Financial Position
- the Consolidated Statement of Changes in Equity
- the Consolidated Statement of Cash Flows
- Notes 1 to 38 to the consolidated financial statements, including significant accounting policies
- the Company Statement of Financial Position
- the Company Statement of Changes in Equity and
- Notes 39 to 50 to the company financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 28 June 2025 and of the group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards.
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received by branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Independent auditor’s report to the members of The Very Group Limited continued

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance, the Audit and Risk Committee, the entity’s in-house legal team and external lawyers around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Review of material exceptional cost/income categories disclosed in the exceptional costs note to the financial statements to assess whether each category meets the criteria for an exceptional cost
- Reviewing correspondence with regulatory authorities, including the FCA and HMRC;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Conducting discussions within the audit engagement team, focussing on identifying possible opportunities and incentives for fraud within the organisation and assessing the areas in the financial statements where fraud could potentially occur.

We also identified the below key areas of the financial statements to hold the greatest potential for fraud:

- The valuation of the allowance for expected credit losses (ECL);
- The accuracy of the ‘Buy Now Pay Later’ (BNPL) early settlement provision component of Interest and Similar Income; and
- The valuation of amounts due from related parties.

Our procedures performed to address the fraud risk identified in relation to the valuation of the allowance for expected credit losses (ECL) included:

- Reviewing and challenging key assumptions utilised in calculating the expected credit loss allowance, primarily: the probability of default, loss given default, significant increase in credit risk criteria, macroeconomic variables and weightings applied; and
- Performing a retrospective review of prior year assumptions and overlays compared with actual results to identify potential bias in estimation processes.

Our procedures performed to address the fraud risk identified in relation to the accuracy of the ‘Buy Now Pay Later’ early settlement provision component of Interest and Similar Income included:

- Challenging management bias by assessing whether key assumptions (settlement rates, repayment profiles, and overlays) had been selectively adjusted to influence reported income, taking into consideration a retrospective review of prior year assumptions compared with actual results; and
- Using data analytics to identify and test manual journal entries impacting accrued interest and BNPL adjustments.

Our procedures performed to address the fraud risk identified in relation to the valuation of amounts due from related parties included:

- Reviewing and challenging the valuation assessment prepared by management to support the recovery of the balance upon a potential sale of the business, including engaging with internal experts to assess the appropriateness of the multiples and the valuation methodology used; and
- Reviewing and challenging key elements of the IFRS 9 assessment provided, primarily: the scenarios included in the assessment, the ECL under each scenario and the probability weightings applied.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. A further description of our responsibilities for the financial statements is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

USE OF OUR REPORT

This report is made solely to the Company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Rajeev Shaunak FCA

Rajeev Shaunak BSc FCA
(Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
London, United Kingdom
21 October 2025

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

Financial statements

CONSOLIDATED INCOME STATEMENT FOR THE 52 WEEK PERIOD ENDED 28 JUNE 2025

	note	52 week period ended 28 June 2025			52 week period ended 29 June 2024		
		Pre-exceptional items £ m	Exceptional items (note 6) £ m	Total £ m	Restated ¹ Pre-exceptional items £ m	Exceptional items (note 6) £ m	Restated ¹ Total £ m
Sale of goods		1,653.8	–	1,653.8	1,690.3	–	1,690.3
Interest and similar income		433.6	–	433.6	435.0	–	435.0
Total revenue	4,5	2,087.4	–	2,087.4	2,125.3	–	2,125.3
Cost of sales		(1,199.1)	–	(1,199.1)	(1,227.7)	–	(1,227.7)
Impairment losses on customer advances and receivables	19	(124.0)	–	(124.0)	(140.2)	–	(140.2)
Gross profit		764.3	–	764.3	757.4	–	757.4
Distribution costs		(170.6)	–	(170.6)	(207.7)	–	(207.7)
Administrative costs		(349.8)	(30.3)	(380.1)	(333.9)	(29.3)	(363.2)
Other operating income		2.3	–	2.3	2.7	–	2.7
Operating profit	5,7	246.2	(30.3)	215.9	218.5	(29.3)	189.2
Expected credit losses on amounts due from related parties	6	–	(524.8)	(524.8)	–	–	–
Finance income	8	3.9	6.7	10.6	3.8	–	3.8
Finance costs	8	(206.7)	(0.4)	(207.1)	(209.3)	–	(209.3)
Profit/(loss) before tax		43.4	(548.8)	(505.4)	13.0	(29.3)	(16.3)
Tax (charge)/credit	12	(153.3)	137.2	(16.1)	(15.8)	7.3	(8.5)
Loss for the period		(109.9)	(411.6)	(521.5)	(2.8)	(22.0)	(24.8)

1 Refer to note 2 for prior period restatement.

The above results were derived from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 52 WEEK PERIOD ENDED 28 JUNE 2025

	note	52 weeks to 28 June 2025 £ m	Restated ¹ 52 weeks to 29 June 2024 £ m
Loss for the period		(521.5)	(24.8)
Items that will not be reclassified subsequently to profit or loss			
Remeasurement on retirement benefit obligations before tax	25	(0.3)	0.2
Other comprehensive (expense)/income for the period for items that will not be reclassified subsequently to profit or loss		(0.3)	0.2
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation (losses)/gains		(0.1)	0.1
Other comprehensive (expense)/income for the period		(0.4)	0.3
Total comprehensive expense attributable to:			
Equity holders of the Group		(521.9)	(24.5)

1 Refer to note 2 for prior period restatement.

The notes on pages 65 to 89 form an integral part of these financial statements.

Financial statements continued

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(REGISTRATION NUMBER: 04730752)
AS AT 28 JUNE 2025

	note	28 June 2025 £ m	Restated ¹ 29 June 2024 £ m	Restated ¹ 1 July 2023 £ m
Assets				
Non-current assets				
Goodwill	14	202.5	202.5	202.5
Intangible assets	15	207.7	198.8	189.2
Property, plant and equipment	13	57.8	63.5	69.8
Right-of-use assets	16	91.7	97.1	89.2
Deferred tax assets	12	161.3	176.5	183.6
Income tax asset		2.0	–	–
Amounts due from related parties	34	–	520.7	508.8
		723.0	1,259.1	1,243.1
Current assets				
Inventories	18	126.8	105.0	105.7
Trade and other receivables ^{2,3}	19	269.3	290.4	263.8
Amounts due from related parties ²	34	–	–	3.1
Advances to customers ³	19	1,476.8	1,458.1	1,421.3
Income tax asset		–	1.0	1.2
Cash and cash equivalents	20	40.3	174.3	134.3
		1,913.2	2,028.8	1,929.4
Total assets		2,636.2	3,287.9	3,172.5

- 1 Refer to note 2 for prior period restatement.
- 2 Amounts due from/to related parties have been represented to separate the balances from trade and other receivables and trade and other payables.
- 3 Refer to note 2 for changes to comparative period information.

The notes on pages 65 to 89 form an integral part of these financial statements.

	note	28 June 2025 £ m	Restated ¹ 29 June 2024 £ m	Restated ¹ 1 July 2023 £ m
Equity				
Share capital	22	200.0	200.0	200.0
Merger reserve	23	3.5	3.5	3.5
Capital contribution reserve	34	1.7	4.5	–
Accumulated deficit		(573.2)	(54.1)	(26.9)
Equity attributable to owners of the Company		(368.0)	153.9	176.6
Non-current liabilities				
Amounts due to related parties	34	23.3	20.5	–
Loans and borrowings	24	666.8	664.9	617.6
Securitisation facility	24	1,485.0	1,504.7	1,441.8
Retirement benefit obligations	25	1.3	1.2	1.2
Contract liabilities	29	18.1	21.0	23.4
Lease liabilities	33	109.1	110.1	99.8
Provisions	26	0.4	4.1	4.3
		2,304.0	2,326.5	2,188.1
Current liabilities				
Trade and other payables ^{2,3}	27	540.0	478.3	529.6
Amounts due to related parties ²	34	–	–	0.1
Insurance contract liabilities ³	28	5.6	7.2	8.2
Loans and borrowings	24	110.2	278.9	170.5
Securitisation facility	24	–	–	50.0
Derivative financial instruments	17	5.9	–	3.5
Lease liabilities	33	5.7	6.1	5.5
Contract liabilities	29	28.5	33.4	36.4
Provisions	26	4.3	3.6	4.0
		700.2	807.5	807.8
Total liabilities		3,004.2	3,134.0	2,995.9
Total equity and liabilities		2,636.2	3,287.9	3,172.5

- 1 Refer to note 2 for prior period restatement.
- 2 Amounts due from/to related parties have been represented to separate the balances from trade and other receivables and trade and other payables.
- 3 Refer to note 2 for changes to comparative period information.

The notes on pages 65 to 89 form an integral part of these financial statements.

The financial statements of The Very Group Limited, registered number 04730752, have been approved by the Board and authorised for issue on 21 October 2025 and signed on its behalf by:



E Fry
Director

Financial statements continued

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 28 JUNE 2025

	Share capital £ m	Accumulated deficit £ m	Merger Reserve £ m	Capital Contribution Reserve £ m	Total £ m
Balance at 2 July 2023 (as previously reported)	200.0	(26.1)	3.5	–	177.4
IAS 8 correction ¹	–	(0.8)	–	–	(0.8)
Restated balance at 2 July 2023 ¹	200.0	(26.9)	3.5	–	176.6
Restated loss for the period ¹	–	(24.8)	–	–	(24.8)
Remeasurement on retirement benefit obligations before tax	–	0.2	–	–	0.2
Foreign currency translation gains	–	0.1	–	–	0.1
Restated total comprehensive income ¹	–	(24.5)	–	–	(24.5)
Dividend to parent company	–	(3.8)	–	–	(3.8)
Movement in capital contribution reserve	–	1.1	–	4.5	5.6
Restated balance at 29 June 2024 ¹	200.0	(54.1)	3.5	4.5	153.9

	Share capital £ m	Accumulated deficit £ m	Merger Reserve £ m	Capital Contribution Reserve £ m	Total £ m
Restated balance at 30 June 2024 ¹	200.0	(54.1)	3.5	4.5	153.9
Loss for the period	–	(521.5)	–	–	(521.5)
Remeasurement on retirement benefit obligations before tax	–	(0.3)	–	–	(0.3)
Foreign currency translation losses	–	(0.1)	–	–	(0.1)
Total comprehensive expense	–	(521.9)	–	–	(521.9)
Movement in capital contribution reserve	–	2.8	–	(2.8)	–
At 28 June 2025	200.0	(573.2)	3.5	1.7	(368.0)

1 Refer to note 2 for prior period restatement.

Financial statements continued

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 52 WEEK PERIOD ENDED 28 JUNE 2025

	note	52 weeks to 28 June 2025 £ m	Restated ¹ 52 weeks to 29 June 2024 £ m
Cash flows from operating activities			
Loss for the period		(521.5)	(24.8)
Adjustments for:			
Depreciation of property, plant and equipment, and right of use assets	7	15.1	14.8
Amortisation of intangible assets	7	40.5	34.3
Financial instrument net losses/(gains) through profit or loss	17	5.9	(3.5)
Impairment charge for intangible assets	7	–	1.4
Finance income	8	(10.6)	(3.8)
Finance costs	8	207.1	209.3
Expected credit losses on amounts due from related parties	6	524.8	–
RDEC tax credit	7	(3.4)	–
Income tax charge	12	16.1	8.5
Decrease in provisions	26	(3.0)	(0.6)
Adjustments for pensions	25	0.6	1.2
Operating cash flows before movements in working capital		271.6	236.8
(Increase)/decrease in inventories	18	(21.8)	0.7
Increase in advances to customers ²	19	(18.7)	(15.2)
Decrease/(increase) in trade and other receivables ²		19.8	(45.6)
Increase/(decrease) in trade and other payables		38.4	(65.6)
Cash generated by operations		289.3	111.1
Income taxes paid		(1.0)	(0.9)
Interest paid		(201.1)	(186.7)
Net cash inflows/(outflows) from operating activities		87.2	(76.5)
Cash flows from investing activities			
Acquisitions of property plant and equipment	13	(0.2)	(0.5)
Acquisitions of intangible assets		(45.4)	(44.9)
Amounts due from related parties	34	(4.1)	(8.6)
Net cash outflows from investing activities		(49.7)	(54.0)

	note	52 weeks to 28 June 2025 £ m	Restated ¹ 52 weeks to 29 June 2024 £ m
Cash flows from financing activities			
Payments of lease liabilities (principal)	33	(14.0)	(12.9)
(Repayments of)/proceeds from securitisation facility drawdowns	24	(19.7)	12.9
(Repayments of)/proceeds from secured revolving credit facility		(50.0)	80.0
Repayments of bank loans		(6.8)	(7.0)
Repayments of senior secured notes		(575.0)	–
Proceeds of senior secured notes		575.0	–
Proceeds from external loans		40.0	50.0
Proceeds from intercompany loans		–	25.0
Dividends paid to parent company		–	(3.8)
Net cash (outflows)/inflows from financing activities		(50.5)	144.2
Net (decrease)/increase in cash and cash equivalents		(13.0)	13.7
Net cash and cash equivalents at beginning of period	20	53.3	39.6
Net cash and cash equivalents at end of period	20	40.3	53.3

1 Refer to note 2 for prior period restatement.
2 Refer to note 2 for changes to comparative period information.

Notes to the consolidated financial statements

FOR THE 52 WEEK PERIOD ENDED 28 JUNE 2025

1 GENERAL INFORMATION

The Very Group Limited (the “Group”) is a private company incorporated and registered in England and Wales under the Companies Act 2006 and domiciled in the United Kingdom.

The address of its registered office is:

First Floor, Skyways House
Speke Road
Speke
Liverpool
L70 1AB

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

2 MATERIAL ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The Group financial statements have been prepared in accordance with United Kingdom Adopted International Accounting Standards (“UK adopted IAS”) in conformity with the requirements of the Companies Act 2006. The Company has elected to prepare its Parent Company financial statements in accordance with FRS 101.

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND KEY ACCOUNTING ESTIMATES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the current and prior periods except where stated below.

BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The financial statements are drawn up to the Saturday nearest to 30 June, or to 30 June where this falls on a Saturday. The current financial period relates to the 52 week period ended Saturday 28 June 2025 (2024: 52 week period ended Saturday 29 June 2024).

These financial statements are presented in Pound Sterling (“£”) rounded to the nearest million (“£m”) because that is the functional currency of the Parent Company and the presentational currency of the Group. Foreign subsidiaries are translated into sterling and foreign operations are included in accordance with the policies set out herein.

PRIOR PERIOD RESTATEMENT

Lease adjustment

The consolidated financial statements include a prior year adjustment in relation to lease accounting for a lease held by the Group. In May 2021, the term on this lease was extended at which point, in accordance with IFRS 16 ‘Leases’, the lease should have been remeasured. This extension was not reflected in the lease calculations, which continued to be based on the original lease agreement.

In accordance with IAS 8 ‘Accounting Policies, Changes in Accounting Policies and Errors’, this omission has been classified as a prior period error and corrected retrospectively. The adjustment results in a grossing up of the right-of-use asset and lease liability, increasing net liabilities by £1.2m as at 29 June 2024 and £0.9m as at 1 July 2023.

The prior period comparatives have been restated in accordance with IAS 8 ‘Accounting Policies, Changes in Accounting Policies and Errors’ and have impacted the consolidated primary financial statements as follows:

STATEMENT OF FINANCIAL POSITION

	As previously reported £ m	Lease adjustment £ m	As restated £ m
As at 29 June 2024			
Right of use assets	84.1	13.0	97.1
Deferred tax assets	176.4	0.1	176.5
Total non-current assets	1,246.0	13.1	1,259.1
Total assets	3,274.8	13.1	3,287.9
Lease liabilities	95.8	14.3	110.1
Total non-current liabilities	2,312.2	14.3	2,326.5
Total liabilities	3,119.7	14.3	3,134.0
Accumulated deficit	(52.9)	(1.2)	(54.1)
Equity attributable to owners of the Company	155.1	(1.2)	153.9
	As previously reported £ m	Lease adjustment £ m	As restated £ m
As at 1 July 2023			
Right of use assets	81.2	8.0	89.2
Total non-current assets	1,235.1	8.0	1,243.1
Total assets	3,164.5	8.0	3,172.5
Lease liabilities	91.0	8.8	99.8
Total non-current liabilities	2,179.3	8.8	2,188.1
Total liabilities	2,987.1	8.8	2,995.9
Retained earnings	(26.1)	(0.8)	(26.9)
Equity attributable to owners of the Company	177.4	(0.8)	176.6

CONSOLIDATED INCOME STATEMENT

	As previously reported £ m	Lease adjustment £ m	As restated £ m
As at 29 June 2024			
Administrative costs	(363.4)	0.2	(363.2)
Operating profit	189.0	0.2	189.2
Finance costs	(208.6)	(0.7)	(209.3)
Loss before tax	(15.8)	(0.5)	(16.3)
Tax expense	(8.6)	0.1	(8.5)
Loss attributable to equity holders of the Group	(24.4)	(0.4)	(24.8)

Derivative contract values

The consolidated financial statements include a prior year restatement in the comparative period ended 29 June 2024 in relation to the notional sterling value of derivative contracts held across the Group. The prior period comparative has been restated as a result of new information being available to determine the notional sterling value of derivative contracts held by the Group and represents a disclosure restatement only, as shown in note 17. There is no impact on net cashflows, retained earnings or the profit or loss.

	As previously reported £ m	As restated £ m
As at 29 June 2024		
Notional amount – sterling contract value	70.1	87.8

Notes to the consolidated financial statements continued

2 MATERIAL ACCOUNTING POLICIES CONTINUED

CHANGES TO COMPARATIVE PERIOD FINANCIAL INFORMATION

The following representations have been made to the comparative period presented within these financial statements:

- Insurance contract liabilities of £7.2m have been disclosed separately from trade and other payables to comply with the requirements of IFRS 17. There is no impact on net cashflows, retained earnings or the income statement.
- Advances to customers of £20.6m in relation to Shop Direct Ireland Limited have been re-presented to be included within the Group's advances to customers balance, from the Group's trade and other receivables balance. This is to align accounting treatment across the Group. There is no impact on net cash flows, retained earnings or the profit or loss.

GOING CONCERN

In determining whether the Group's accounts can be prepared on a going concern basis, the directors have considered:

- the principal risks and uncertainties relating to the Group's business activities, including climate change
- the Group's available borrowing facilities,
- the Group's forecast cash flows and forecast compliance with covenants for the 18 months from the reporting date of these financial statements; and
- the financing of the wider Shareholder Group.

As at 28 June 2025, as set out in notes 20 and 21, the Group had net cash and cash equivalents of £40.3m (2024: £53.3m) and net debt, including lease liabilities of £2.4bn (2024: £2.4bn). The Group's committed lending facilities comprise £598m of Senior Secured Notes ("SSNs"), a revolving credit facility ("RCF") of £150m of which £100m was drawn down at year end, securitisation facility of £1.8bn in the UK and €35m in Ireland, an undrawn Irish overdraft of €11m, and a £125m facility from Carlyle/IMI of which £100m was drawn down at the year end and at the date of signing the financial statements.

The new Senior Secured Notes were issued on 2 June 2025 and replace the old bond of £575.0m and are due August 2027.

The Group's debt facilities, include a consolidated net leverage covenant, the ratio of net debt to adjusted EBITDA post securitisation interest, which is tested quarterly. The securitisation facility also has various triggers that the Group must operate within, and these are reviewed monthly.

The directors have prepared forecasts, including cashflow forecasts for the 18 months from the reporting date of these financial statements. These forecasts have been based on the Group's latest trading expectations and incorporate assumptions about the following:

- consumer confidence given recent economic uncertainties and the impact this has on outlook of the online non-food retail market,
- ability of financial services customers to meet their payment plans even under a stressed scenario that could result in increased defaults,
- likelihood of further interest rate changes; and
- the utilisation of committed facilities.

The base case forecasts have been approved by the Board and indicate that the Group will have sufficient funds to meet its liabilities as they fall due and show compliance and headroom against covenants.

The directors have also applied reasonable downside sensitivity analysis to these forecasts reflecting the key risks to the business namely the impact that a deterioration in the economic climate and customer confidence would have on facility headroom. The reasonable downside sensitivities, which consider historical performance and most materially impact the cash flows of the Group, applied include:

- 2% reduction in retail revenue;
- 5% deterioration in customer payment rate; and
- 5% increase in gross write offs within Very Finance.

A composite scenario has also been considered, incorporating a 5% reduction in retail revenue, which exceeds the average budget shortfall over the past 5 years and a 2% increase in costs.

Subject to certain conditions, including deleveraging and achieving certain credit rating outcomes, the maturity of the new notes can be extended to August 2030. Although this extension had not occurred at the date of signing the financial statements, and therefore not assumed in forming the going concern conclusion, the directors have applied the impact of deleveraging to the base case forecasts as an additional sensitivity.

Under the reasonable downside scenarios, the Group would maintain sufficient headroom at all covenant test dates. While the directors believe that all reasonable downside scenarios occurring together is very unlikely, they also note that, the Group would have adequate mitigants, including simply deferring non committed spend, available to address any potential shortfalls to maintain sufficient headroom at all covenant test dates.

Financing of the Shareholder Group

In assessing the Group and Company's going concern conclusions the directors have considered the funding arrangements of the wider Shareholder Group of which TVGL is part. They have held discussions with the owners of TVG, and have received representations from legal and financial advisors, and from the relevant providers of finance to the Shareholder Group.

As at the reporting date there are two financing 'groups' within the wider Shareholder Group, namely financing facilities in one of TVGL's fellow group companies, VGL Midco Limited (VGLM), and external borrowings at LW Holdings Limited (LWHL).

On 9th May 2024 the directors of the Group entered into a tripartite agreement with the lenders at LW Holdings Limited ("LWH Lenders") and VGL Midco Limited ("Midco Lenders") to provide facilities through to 1st November 2025.

The directors have considered the potential for any security related to the financing arrangements to be enforced, which could trigger change of control provisions and impact the liquidity of the Company and its subsidiaries.

However, they note that, should such a situation arise, the liquidity of TVGL and its subsidiaries would remain unaffected. This is due to the structure of the tripartite agreement, which ensures that TVGL and its subsidiaries are not exposed to debts or guarantees at higher levels within the Group

The directors believe that, whilst there is a degree of uncertainty due to the tripartite agreement, the likelihood of a change in control outside of the agreed framework is remote and therefore does not materially impact conclusions regarding the going concern assumption.

Conclusion

The rigour of the forecasting process and the downside sensitivities applied to those as well as the mitigants available to the business, such as opportunities to manage working capital, utilising undrawn facilities and the deferral of non-essential capital and other expenditure, means the directors are confident in the Group's ability to continue as a going concern and have adequate resources to continue in operation.

Whilst the conditions described in relation to financing of the Shareholder Group indicate that speculation regarding future ownership exists, the likelihood of a disorderly change of control is, as noted above, considered remote.

Accordingly, the directors continue to adopt the going concern basis in the preparation of the financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Parent ('The Very Group Limited') and entities controlled by the Parent (its subsidiaries). Control is achieved when the Parent:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Parent reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Parent has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Parent considers all relevant facts and circumstances in assessing whether or not the Parent's voting rights in an investee are sufficient to give it power, including:

- the size of the Parent's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Parent, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Parent has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the consolidated financial statements continued

2 MATERIAL ACCOUNTING POLICIES CONTINUED

BASIS OF CONSOLIDATION CONTINUED

Consolidation of a subsidiary begins when the Parent obtains control over the subsidiary and ceases when the Parent loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the period are included in profit or loss from the date the Parent gains control until the date when the Parent ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

When the Parent loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Parent had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

NEW AND REVISED STANDARDS AND INTERPRETATIONS EFFECTIVE

The Group has applied the following standards, interpretations and amendments with effect from 30 June 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendment to IAS 1); and
- Non-Current Liabilities with Covenants (Amendments to IAS 1).

The amendments to IAS 7, IFRS 7 and IFRS 16 did not result in material changes to the Group's Consolidated Financial Statements. The Group has assessed the impact of the amendment to IAS 1 and determined this has resulted in a change to the Group's Consolidated Financial Statements in that all material covenants which must be complied with in the next 12-month period should be disclosed. The disclosure in note 24 covers:

- Nature of covenants;
- When the entity is required to comply with them;
- The carrying amount of related liabilities; and
- Any facts or circumstances that may indicate that the entity may have difficulty complying with the covenants.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 29 June 2025:

- Lack of Exchangeability (Amendments to IAS 21)

The Group has assessed the impact of this amendment and does not believe that the amendments to IAS 21 will have a significant impact on the exchangeability of currencies used by the Group.

The following new standards are effective for the period beginning 28 June 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7); and
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7).

The Group is currently assessing the impact of these amendments and does not believe that the amendments to IFRS 9 and IFRS 7 will have a significant impact on the classification and measurement of financial instruments. The Group holds no nature-dependent electricity contracts and this amendment is not considered relevant to these accounts.

The following new standards are effective for the period beginning 27 June 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements; and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 18 is the future standard that replaces IAS 1 in its entirety and will thus deal with presentation of primary statements and notes. Some of the key impacts are as follows:

- Improving structure of statement of profit or loss by requiring information to be classified in either operating, investing, financing, taxation, or discontinued categories.
- Improving the requirements over the level of aggregation and disaggregation of line items and the information in notes in order to provide more useful information.
- Providing specific requirements over the reporting of additional sub-totals, line items, and other aspects of presentation that relate to alternative performance measures (for example non-IFRS measures).

IFRS 18 is not yet endorsed for use in the United Kingdom. The Group is considering the impact of this new standard on future reporting. IFRS 19 is not considered to be relevant at this level of Group reporting as the Company is a Parent and not a Subsidiary.

The Group does not expect any other amendments issued by the IASB, but not yet effective, to have a material impact on the Group.

CLIMATE CHANGE

In preparing the Group financial statements, management has considered climate change risks and how these impact the financial statements. Considerations have included the impact of climate change on the Group's judgements and sources of estimation uncertainty. These considerations have not identified any climate change risks which have a material impact on the Group's financial statements.

REVENUE RECOGNITION

Retail

Revenue comprises sales of goods to customers outside of the Group and is measured at the fair value of consideration received or receivable based on the transaction price. The transaction price is the selling price of the good purchased by the customer. Revenue is stated net of discounts, value added tax and other sales taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue is recognised in line with IFRS 15 as performance obligations are satisfied once goods are delivered to the customer signifying transfer of control of goods to the customer.

A right of return is not a separate performance obligation, and the Group is required to recognise revenue net of estimated returns. A refund liability and a corresponding asset in inventory representing the right to recover products from the customer are recognised. It is the Group's policy to sell its products to the retail customer with a right to return within 28 days. The Group uses the expected value method to estimate the value of goods that will be returned because this method best predicts the amounts of variable consideration to which the Group will be entitled.

The refund provision on the statement of financial position is accounted for on a gross basis under IFRS 15, hence a refund liability and a corresponding asset representing the right to recover products from the customer are recognised. The refund liability due to customers on return of their goods is recognised either as a component of trade payables and other liabilities (for cash payments) or as a deduction from customer receivables (for credit sales). The right of return asset is disclosed in note 18 of the accounts.

Financial Services

Interest and similar income principally comprises interest on customers' outstanding balances, commission earned on sales of insurance products and administration fees earned following instances such as late or partial payment by customers.

Under IFRS 9 'Financial Instruments', interest is recognised by reference to the principal outstanding and the applicable effective interest rate which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the assets' net carrying amount. Interest is presented net of amounts expected to be settled within the interest free period. Interest income is accrued on all interest-bearing receivables using the earned interest rate applied to the loan's carrying value. Revenue is calculated using the effective interest rate on the gross receivables balance for loans in stages 1 and 2.

The amount expected to be settled within the interest free period is an estimate which management make based on past settlement rates and trends. Were BNPL early settlement rates to be 5% higher/(lower) than forecast then the provision for early settlement would be £8.5m (2024: £8.5m) higher/(lower) reducing/(increasing) interest income earned in FY25 and net assets.

For loans in stage 3, where interest is still being contractually charged, the calculation is applied to the receivable, net of the allowance for impairment losses, from the start of the next reporting date after the loan entered stage 3. Further detail of the stages of customer receivables is included in note 19.

Insurance premiums are accounted for on an accruals basis and earned evenly over the period of the policy. Administration fees are recognised as revenue as they are charged to the customers' accounts.

Notes to the consolidated financial statements continued

2 MATERIAL ACCOUNTING POLICIES CONTINUED

CONTRACT LIABILITIES

The Group recognises interest income over the sales term. Any interest income received but not yet earned is classified as a contract liability on the balance sheet as disclosed in note 29.

FOREIGN CURRENCY TRANSACTIONS AND BALANCES

The Group does not trade speculatively in foreign currency; foreign currency is held purely to satisfy payments to suppliers, primarily for goods for resale.

Foreign currency purchases are expressed in Pound Sterling at the exchange rate fixed at the point of purchase (the contract rate). A standard exchange rate, fixed at the beginning of each season, is used in calculating the merchandise margin of goods sold with any resulting profits or losses between standard and contract (actual) rates taken through the income statement within cost of sales over the period to which the usage relates (the “season”). At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date with any resulting profits and losses recognised in the income statement within administrative expenses.

Exchange gains and losses arising on the retranslation of overseas net assets and results are taken to other comprehensive income and presented as a foreign currency remeasurement.

OPERATING PROFIT

Operating profit is stated after charging exceptional operating costs but before finance income, finance costs and exceptional finance income and costs.

TAX

Current tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge or credit attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Group has adopted International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12). The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure. The Group has assessed that BEPS Pillar 2 will not have a material impact on the tax position of the Group on the basis that a transitional safe harbour will apply in each of the jurisdictions that the Group operates in. Please see note 12 for further detail.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

DEPRECIATION

Depreciation on assets is charged to the profit or loss within administrative expenses. Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their estimated useful lives, using the straight line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Asset class	Depreciation method and rate
Leasehold improvement	2%-10% per annum
Plant and equipment	5%-20% per annum
Fixtures and fittings	10%-33% per annum

GOODWILL

Goodwill arises on acquisition where the fair value of the consideration given exceeds the fair value of the Group's interest in the identifiable assets and liabilities acquired. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGUs) expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently where there is an indication that the unit may be impaired.

If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss for goodwill shall not be reversed in a subsequent period. On disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INTANGIBLE ASSETS ACQUIRED SEPARATELY

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Notes to the consolidated financial statements continued

2 MATERIAL ACCOUNTING POLICIES CONTINUED

INTANGIBLE ASSETS ACQUIRED SEPARATELY CONTINUED

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Within intangibles, there are items which have not yet been brought into use. Such assets are accounted for at cost. They are not amortised until the accounting period in which they are available for use.

Expenditure on Software as a Service (‘SaaS’) customisation and configuration that is distinct from access to the cloud software can only be capitalised to the extent it gives rise to an asset i.e. where the Group has the power to obtain the future economic benefits and can restrict others’ access to those benefits, otherwise such expenditure in relation to developing SaaS for use is expensed.

AMORTISATION

Amortisation is recognised on a straight line basis over the estimated useful life of the asset and is recognised within administrative expenses in the Consolidated Income Statement. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful economic lives are as follows:

Asset class	Amortisation method and rate
Internally generated software costs	3-10 years
Other internally generated assets	10 years

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

SECURITISATION

Where the Group securitises its own financial assets, this is achieved through the sale of these assets to a securitisation trust (the ‘Trust’), which is financed through the issuance of loan notes to a number of funders. The Trust used to hold the securitised receivables and funds raised by the issued loan notes is not controlled by The Very Group; as such it is not consolidated under IFRS 10 ‘Consolidated Financial Statements’. As the Group retains substantially all the risks and rewards of ownership of the trade receivables, the Group continues to recognise the trade receivables and also recognises non-recourse borrowings for the proceeds received.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value and consist of finished goods purchased for resale and consumable stocks for use. Cost is determined using a standard costs method. Where necessary provision is made for obsolete, slow-moving and defective stocks.

SUPPLIER REBATES

The Group enters into marketing and advertising and volume-based rebate arrangements with suppliers. Rebate income is recognised based on the expected entitlement that has been earned up to the reporting date. The Group only recognises rebates where there is documented evidence of an agreement with a supplier.

Rebates related to inventory held on the statement of financial position are deferred within inventory as a cost price reduction. Rebates earned but not collected at the reporting date are recognised within trade and other receivables.

EXTERNAL BORROWINGS

Financial liabilities, including borrowings, are initially measured at fair value. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest recognised in the profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Regulatory obligations are recognised based upon the best estimate of amounts required to settle obligations at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

CONTINGENT LIABILITIES

During the ordinary course of business the Group is subject to other complaints and threatened or actual legal proceedings (including class or group action claims) brought by or on behalf of current or former employees, agents, customers, investors or third parties. All such material matters are periodically assessed, with the assistance of external professional advisors, where appropriate, to determine the likelihood of the Group incurring a liability. In those instances where it is concluded that it is more likely than not that a payment will be made, a provision is established for management’s best estimate of the amount required at the relevant balance sheet date.

In some cases it may not be possible to form a view, for example because the facts are unclear or because further time is needed to properly assess the merits of the case, and no provisions are held in relation to such matters.

CASH AND CASH EQUIVALENTS

Cash on hand in the statement of financial position comprise cash at bank and in hand. Cash equivalents are short term, highly liquid investments with original maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash with insignificant risk of change in value. Cash and cash equivalents in the Group cashflow statement also include overdrafts repayable on demand as they form an integral part of the Group’s cash management.

Notes to the consolidated financial statements continued

2 MATERIAL ACCOUNTING POLICIES CONTINUED

FINANCIAL INSTRUMENTS

Classification

IFRS 9 ‘Financial Instruments’ contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). Financial assets are classified at amortised cost if held within a business model where the objective is to hold the asset to collect its contractual cash flows and the contractual terms of the financial asset give rise to cash flows on specified dates that represent payments of solely principal and interest on the outstanding principal amount, provided it has not been designated as FVTPL. Financial assets and financial liabilities are recognised in the Group’s statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss. Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Recognition and measurement

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Advances to customers, trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘trade/other receivables’. Trade/other receivables are measured at amortised cost using the effective interest method, less any impairment. Financial liabilities, including borrowings, are initially measured at fair value. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire.

Impairment

Financial assets are assessed throughout the period for significant increase in credit risk and impairment. The Group recognises loss allowances for expected credit losses (ECLs) on financial assets. ECLs are a probability weighted estimate of the present value of credit losses discounted over the expected life of an instrument at its original effective interest rate (EIR). The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. The Group considers whether financial assets are credit impaired at each reporting date. The impairment model applies to financial assets measured at amortised cost and debt investments at fair value through other comprehensive income (FVOCI), but not to investments in equity instruments. See note 19 for further details.

Impairment is recognised on financial assets using an allowance account for expected credit losses. Changes in the carrying amount of the allowance account are recognised in the profit and loss. The Group has financial assets which are subject to the IFRS 9 expected credit loss model, which are trade and other receivables under IFRS 15 and amounts due from related parties. Customer balances are assessed within three stages for calculation of expected credit loss:

- Stage 1 – customer balances not demonstrating a significant increase in credit risk since origination;
- Stage 2 – customer balances demonstrating a significant increase in credit risk since origination; and
- Stage 3 – customer balances identified as credit impaired.

Undrawn credit limits

The Group uses underwriting processes which enable it to assess each transaction for approval at the time of sale based on the customer’s spending capacity and credit risk. These processes use statistical models and inputs including spending patterns, daily bureau information and payment behaviour. Whilst the Group has the right to refuse each transaction at its discretion, an element of undrawn components are classified as loan commitments under the Group’s IFRS 9 provisioning as the exposure at default allows for future growth of balances (see note 19). Under IFRS 9 the presumption that credit risk has significantly increased if the contractual payments are more than 30 days past due is rebutted. A significant increase in credit risk is defined as follows: A customer balance is recognised as demonstrating a significant increase in credit risk where there has been a significant increase in the probability of default of that balance since origination. Default is defined as three missed payments. A significant increase in credit risk is defined as the probability of default of a customer balance having increased by at least 150% against the probability of default calculated at origination; other determining factors are also considered.

A final rule is applied to ensure that a significant increase in credit risk is assessed as having occurred no later than when a customer balance is two scheduled payments past due or greater.

Definition of impairment

Evidence of impairment includes where a customer balance meets forbearance criteria or reaches three scheduled payments past due or greater. Probation periods are retained for accounts moving from Stage 2 to Stage 1, and from Stage 3 to Stage 2. These periods temporarily prevent an account moving to a lower provision stage to allow further observation and to ensure a short-term improvement in customer arrears status does not lead to an inaccurate view of underlying credit risk. Customer balances are selected to be written off, and/or potentially sold under third party debt sale agreements, based on consideration of both customer outcomes and commercial criteria. Recoveries are recognised as impairment gains in the income statement. The ECL provision is calculated on one of the following bases:

- 12-month expected credit losses are defined as the portion of lifetime expected credit losses anticipated from potential default events that occur within the 12 months following the reporting date (discounted exposure at default multiplied by probability of default multiplied by loss given default); and
- Lifetime expected credit losses are defined as all expected credit losses anticipated from all potential default events over the expected life of a financial instrument.

The Group has a loss given default (“LGD”) model, which estimates future losses in the event of a customer balance reaching default. The Group’s approach to modelling loss given default is based on analysis of historical data and estimates that future cashflows will reflect collections and payments performance over the past three years. The LGD model considers customer payments, debt sale revenue and the reclaim of VAT. A macroeconomic element is included in the overall calculation of expected credit loss. Multiple economic scenarios are considered.

The Group calculates its ECL using a statistical model based on probability of default (PD), loss given default (LGD) and exposure at default (EAD):

- PD is an estimate of the likelihood of default over a given time horizon, estimated at a point in time. The calculation is based on statistical models that utilise both market and internal data, based on current conditions adjusted to take into account estimates of future conditions that will impact PD.
- LGD is an estimate of the likely loss in the event of a default. The estimates are based on the Group’s history of recovery rates.
- EAD is an estimate of the expected gross carrying amount at a future default date. EAD is based on the current loan amount adjusted for expected repayments of principal, the impact of missed payments and the estimated growth in balance up to the point of default. As such, it’s possible for the exposure at default to be higher than the current outstanding balance.

ECL is calculated at an individual loan level as the product of PD, LGD and EAD, discounted at the original effective rate to the reporting date. The Group calculates its ECL on amounts due from related parties also based on PG, LGD and EAD, discounted at the original effective rate to the reporting date.

LEASES

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease, if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognises a right-of-use asset and a lease liability at the lease commencement date which is the date at which the asset is made available for use by the Group. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated on a straight line basis over the shorter of its estimated useful life and the lease term.

Notes to the consolidated financial statements continued

2 MATERIAL ACCOUNTING POLICIES CONTINUED

LEASES CONTINUED

Where the lease contains a purchase option, the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised. Right-of-use assets are subject to impairment testing.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate known at the commencement date, payments for a purchase option, payments for an optional renewal period and termination option payments if the Group is reasonably certain to exercise those options. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease term is the non-cancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Management applied judgement in determining whether it is reasonably certain that a renewal or termination option will be exercised. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest implicit in the lease or where this cannot be readily determined, the lessee's incremental borrowing rate.

It is remeasured if there is a modification, a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it is reasonably certain to exercise an option within the contract.

The Group has elected to apply the recognition exemptions for short-term and low-value leases and recognises the lease payments associated with these leases as an expense in profit or loss on a straight line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets with a cost less than £3,000 comprise certain items of IT equipment, small items of office furniture and vehicle leases.

SHARE CAPITAL

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

CAPITAL CONTRIBUTION RESERVE

The capital contribution reserve represents a capital contribution arising on a loan received from a related Group company at a below-market rate of interest. The difference between the face value of the loan, and its discounted value using a market rate of interest is recognised in the capital contribution reserve.

MERGER RESERVE

The consolidated financial statements incorporate the results of business combinations of entities under common control. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their carrying values at the acquisition date. The results of acquired operations for the full year are included in the consolidated income statement.

DIVIDENDS

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

BUSINESS COMBINATIONS

Where business combinations have occurred between the Group and other entities under common control, the transaction falls out of scope of IFRS 3 'Business Combinations'. In these circumstances, the Group applies the "common control method" to recognise the acquisition as

a common control transaction. Under this method, the assets and liabilities of the entity to be acquired are transferred at their respective carrying values and the transaction will not generate any new goodwill upon transfer. Should any consideration exceed the net assets of the entity to be transferred, this will instead be recognised as a separate equity reserve on consolidation.

The Group will recognise the results of the acquired entity's statement of profit or loss for the full reporting period when producing consolidated financial statements. This is regardless of the timing of the combination and this has been applied prospectively with previous years not being restated. Any costs resulting from the combination will be written-off to the statement of profit or loss.

INVESTMENTS

Investments in subsidiary undertakings are included in the Company's statement of financial position at cost on acquisition. The Group assesses for indicators of impairment on an annual basis, or more frequently if an indicator of impairment exists. Where the carrying amount of investment exceeds the recoverable amount, an impairment loss is recognised immediately in the profit or loss.

DEFINED CONTRIBUTION PENSION OBLIGATION

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to contributions.

DEFINED BENEFIT PENSION OBLIGATION

For defined benefit retirement benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on scheme assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to the statement of comprehensive income in the period in which they occur. Remeasurement recorded in the statement of comprehensive income is not recycled.

Past service cost is recognised in profit or loss in the period of scheme amendment. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

Defined benefit costs are split into three categories:

- current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurement.

The Group presents the first component of defined benefit costs within administrative expenses (see note 25) in its consolidated income statement. Curtailments gains and losses are accounted for as past-service cost. Net interest expense or income is recognised within finance costs (see note 8).

The retirement benefit obligation recognised in the Consolidated Statement of Financial Position represents the deficit or surplus in the Group's defined benefit schemes. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the schemes or reductions in future contributions to the schemes.

TERMINATION BENEFITS

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

INVENTORY FINANCING ARRANGEMENTS

The Group engages in inventory financing schemes as part of its normal course of business. This involves the sale and repurchase of inventory between the Group and third parties on separate payment terms in order to support the working capital position of the Group.

As the arrangements do not change the characteristics of the payable, and the Group's obligation is not legally extinguished until the third party is repaid, the Group recognises these liabilities as other payables. As the inventory has been repurchased by the Group, risks and rewards of ownership sit with the Group and the inventory is recognised on the statement of financial position. Cash flows relating to inventory financing arrangements are presented within operating cash flows.

DERIVATIVES

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk, including foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in note 17.

Derivatives are recognised at fair value at the date a derivative contract is entered into and the fair value is subsequently remeasured at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

INSURANCE CONTRACTS

The Group offers insurance contracts as part of the Group's product offering. The IFRS 17 model combines a current reporting measurement of insurance contracts with recognition of profit over the period that services are provided. The general model in the standard requires insurance contract liabilities to be measured using probability-weighted current estimates of future cash flows, an adjustment for risk, and a contractual service margin representing the profit expected from fulfilling the contracts. Effects of changes in the estimates of future cash flows and the risk adjustment relating to future services are recognised over the period services are provided rather than immediately in profit or loss.

Notes to the consolidated financial statements continued

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

CRITICAL JUDGEMENTS IN APPLYING THE GROUP’S ACCOUNTING POLICIES

The key judgements concerning the future, and the reporting period, that may have a significant risk of causing material adjustment to the amounts recognised in the financial statements if a judgement was exercised in a different way, are discussed below.

Exceptional items

In determining whether an item should be presented as an allowable adjustment to IFRS measures, the Group considers items which are significant either because of their size or their nature, and which are non-recurring. For an item to be considered as an allowable adjustment to IFRS measures, it must initially meet at least one of the following criteria:

- It is a significant item, which may cross more than one accounting period;
- It arises from termination benefits without condition of continuing employment related to a major business change or restructuring programme; or
- It is unusual in nature, e.g. outside the normal course of business.

If an item meets at least one of the criteria, the Board, through the Audit and Risk Committee, then exercises judgement as to whether the item should be classified as an allowable adjustment to IFRS performance measures.

Undrawn credit limits

The Group’s underwriting processes enable it to assess each transaction for approval at the time of sale based on the customer’s perceived spending capacity and credit risk. These processes use statistical models and inputs including spending patterns, daily bureau information and payment behaviour. Whilst the Group has the right to refuse each transaction at its discretion, an element of undrawn components are classified as loan commitments under the Group’s IFRS 9 provisioning as the exposure at default allows for future growth of balances (see note 19).

Loan loss provisioning

The Group considers the determination criteria for significant increase in credit risk to be a key judgement within the expected credit loss model that may have a significant risk of causing material adjustment. As explained in note 2, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 ‘Financial instruments’ does not define what constitutes a significant increase in credit risk.

In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Both lifetime and 12-month ECL on trade and other receivables are calculated on a collective basis incorporating probability of defaults and loss given defaults.

Customers are grouped as far as possible into homogenous groups based on similar characteristics. In order to accelerate the detection of changes in credit quality not yet detected at an individual level, it may be appropriate to adjust the probabilities of default on a collective basis, considering risk characteristics such as the industry or geographical location of the borrowers.

Segmentation is considered as area of accounting judgement and estimates. Exposures are grouped into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the advances, including; geographic location/residence of the borrower, utilisation, exposure value and in the case of credit cards, whether or not the borrowers repay their balances in full every month.

Amounts owed by related parties

As at 28 June 2025, the Group and Company has receivable balances of £513.2m, £8.3m and £3.3m due from related parties, Shop Direct Holdings Limited (2024: £509.1m), Trenport Property Holdings Limited (2024: £8.3m) and LW Corporation Limited (2024: £nil) respectively. These are all non-interest bearing and repayable on demand. The Company intends to undertake a distribution in specie of these receivables post the publishing of this report.

The directors note that under IFRS 9, the receivable balances must be assessed for recoverability across a range of different scenarios, including previously disclosed potential changes to the Group’s ownership structure. In order to take account of the necessary accounting standard and the intended distribution in specie process, a decision has therefore been taken to recognise a noncash one-off Expected Credit Loss (‘ECL’) impairment provision of £524.8m at the balance sheet date (2024: £nil), prior to the effecting of this distribution to VGL Finco Limited, the immediate parent of the Company.

The directors consider that the outstanding balances will be satisfied, under the tripartite agreement signed by the shareholder and the Lenders of SDHL Group Facilities, via a non cash distribution in specie rather than through a cash transfer. No ECL impairment provision was booked last year on the basis that the receivable balance was expected to be settled in full via a cash movement. If any cash in relation to the outstanding balance was to be received, it would result in a corresponding and equal reduction in the impairment provision.

We note that these impairments are a non-cash, one off adjustment and that they have not impacted on the positive going concern assessment within these accounts. The adjustment does not relate to the Group’s core trading activity, is not expected to recur, and pertain solely to historic relationships with the wider SDHL and Shareholder Group. More broadly, the directors note that in the event of any change of control, it has been designed to be conducted in an orderly manner and ensure the Company is not exposed to the debt arrangements higher up in the SDHL Group structure.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in future financial periods, are discussed below.

Impairment of Douglas goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. There has been no impairment of goodwill in the current financial period.

The goodwill balance held relates to the acquisition of the Retail business and the acquisition of Douglas. The key source of estimation uncertainty is in relation to Douglas only. The value of the Douglas goodwill balance is £97.0m and relates to the purchase of Douglas Insurance Limited in 2008. Details of the impairment review carried out on the Douglas goodwill balance and related sensitivities are included in note 14.

Loan loss provisioning

An allowance for estimated irrecoverable customer receivables is made based on the Group’s expected credit loss model in line with IFRS 9. This is an area that requires the use of complex models and significant assumptions about credit behaviour and macroeconomic conditions.

The model is derived from estimates and underlying assumptions, of which, the number and relative weighting of forward-looking scenarios and the associated expected credit losses is considered a key estimate by the Group.

A macroeconomic element is included in the overall calculation of expected credit loss. Multiple economic scenarios are purchased. The scenarios provide macroeconomic forecast data for key indicator variables, Unemployment and GDP. Key indicator variables have been established as having the closest correlation to Group default performance.

The economic cases consider, with different probable outcomes, a range of as follows:

- Base Case (Peak unemployment: 4.9% (2024: 4.4%), Peak GDP: 1.8% (2024: 2.2%)),
- Upside (Peak unemployment: 4.7% (2024: 3.9%), Peak GDP: 6.1% (2024: 7.5%)),
- Mild Upside (Peak unemployment: 4.7% (2024: 4.1%), Peak GDP: 4.0% (2024: 5.3%)),
- Stagnation (Peak unemployment: 6.6% (2024: 6.7%), Peak GDP: 1.5% (2024: 1.5%)),
- Downside (Peak unemployment: 6.9% (2024: 6.9%), Peak GDP: 1.3% (2024: 1.3%)), and
- Severe Downside economic performance (Peak unemployment: 7.5% (2024: 7.3%), Peak GDP: 0.9% (2024: 1.0%)).

The Group applies a balanced mix of scenarios to reflect a range of possible outcomes and the Group’s macroeconomic calculation applies a weighting of base case 40%, mild upside 30% and downside 30% (2024: same).

If 100% severe downside scenario were applied, the provision would increase by £19.8m (2024: £16.1m). If 100% base case scenario were applied, the provision would increase by £1.0m (2024: £4.0m decrease).

The application of 100% upside scenario would indicate a provision decrease of £12.5m (2024: £18.2m). The macroeconomic element of the Group IFRS 9 provision has increased period on period. The economic scenarios and sensitivities considered in provision models reflect outlooks as at 28 June 2025.

Notes to the consolidated financial statements continued

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

The macroeconomic calculations within Group expected credit loss models are based on historic correlation analysis.

Should credit losses prove to be more sensitive to key indicator variables in the outlook period actual credit losses may increase, for example if the relationship between defaults and GDP were to be more extreme in a high inflationary period than previously seen in past years.

Current macroeconomic factors

In accordance with IFRS 9 requirements, the Group expected loss model incorporates a macroeconomic adjustment to customer probabilities of default. The adjustment links to two key economic variables: unemployment and GDP (Gross Domestic Product).

IFRS 9 requires the utilisation of economic forecasting to reflect the potential risk that recent customer performance may not adequately reflect future defaults if these economic variables become more challenging in the coming 36 months.

The Group purchases economic forecasting data from an independent third party. The most recent forecasts obtained from Oxford Economics (Jun-25) show a worsening outlook in terms of both Unemployment Rate and GDP. The forecasts show unemployment rate will rise between now and June 2027 before decreasing to 4.5% in June 2028 and netting at 4.0% by 2030.

The macroeconomic model continues to have improved sensitivity since being enhanced in FY24, and the calculation of the macroeconomic uplift factors continues to account for changes in default rates each month from the current position.

This allows the shape of default rates over time to be factored into the ECL and in general, if the model is predicting that default rates will rise from the current point then this will generate a positive overlay, whilst if default rates are expected to fall then this would generate a negative overlay.

In terms of GDP, the economy is expected to grow throughout the remainder of 2025 to 1.2% before shrinking slightly in 2026 before returning to growth from 2027 onwards, settling at c.1.8%.

The macroeconomic overlay is reflective of these worsened economic conditions, and as a result, the macroeconomic overlay is £2.3m (2024: £0).

OTHER SOURCES OF ESTIMATION UNCERTAINTY

Deferred tax asset recoverability

The Group recognises deferred tax assets to the extent that it is probable (defined as more likely than not) that there will be future taxable income against which the deferred tax asset can be utilised. Estimation of the future taxable income is inherent in this process.

The Group has considered the carrying value of its deferred tax asset at each reporting date and concluded that based on management's long-term plan, sufficient taxable profits will be generated in future years to recover such recognised deferred tax assets. The carrying amount of the deferred tax asset at the reporting date was £161.3m (Restated¹ 2024: £176.5m) which consists of capital allowances, carried forward tax losses and provisions and accruals.

Buy Now Pay Later settlement ('BNPL')

Interest is recognised by reference to the principal outstanding and the applicable effective interest rate which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the assets' net carrying amount. Interest is presented net of amounts expected to be settled within the interest free period. Interest income is accrued on all receivables using the earned interest rate applied to the loan's carrying value.

The amount expected to be settled within the interest free period is an estimate which management make based on past settlement rates and trends. Were BNPL early settlement rates to be 5% higher/(lower) than forecast then the provision for early settlement would be £8.5m higher/(lower) reducing/(increasing) interest income earned in FY25 and net assets.

Impairment of retail goodwill

The goodwill balance held relates to the acquisition of the Retail business and the acquisition of Douglas. The goodwill relating to the Retail business does not carry significant risk of resulting in a material adjustment. The Retail goodwill balance is £105.5m (2024: £105.5m).

The key assumptions for the value in use model include discount rates, growth rates and forecast cashflows. A sensitivity analysis determined that the recoverable amount of the goodwill balance is insensitive to changes in key assumptions.

1 Refer to note 2 for prior period restatement.

Notes to the consolidated financial statements continued

4 REVENUE

The analysis of the Group's revenue for the period from continuing operations is as follows:

	2025 £ m	2024 £ m
Sale of goods	1,653.8	1,690.3
Interest income	427.0	429.2
Insurance and warranty income	6.6	5.8
Total interest and similar income	433.6	435.0
Total revenue	2,087.4	2,125.3
Other operating income	2.3	2.7
Finance income	10.6	3.8
Total income	2,100.3	2,131.8

5 ALTERNATIVE PERFORMANCE MEASURES

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.

Pre-exceptional EBITDA represents the 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.

5 ALTERNATIVE PERFORMANCE MEASURES CONTINUED
BY BUSINESS SEGMENT

	2025 £ m	Restated ¹ 2024 £ m
Analysis of revenue:		
Very UK	1,832.5	1,836.9
Littlewoods	191.5	222.8
Very Ireland	63.4	65.6
	2,087.4	2,125.3
Gross profit	764.3	757.4
Distribution costs (excluding depreciation, amortisation and exceptional items)	(164.8)	(202.4)
Administrative costs (excluding depreciation, amortisation and exceptional items)	(300.0)	(290.1)
Other operating income	2.3	2.7
Pre-exceptional EBITDA ²	301.8	267.6
Exceptional items	(30.3)	(29.3)
Depreciation	(15.1)	(14.8)
Amortisation	(40.5)	(34.3)
Operating profit	215.9	189.2
Finance income	3.9	3.8
Finance costs	(206.7)	(209.30)
Exceptional finance income	6.7	–
Exceptional finance costs	(0.4)	–
Exceptional expected credit losses on amounts due from related parties	(524.8)	–
Loss before taxation	(505.4)	(16.3)

1 Refer to note 2 for prior period restatement.
2 Pre-exceptional EBITDA is defined as operating profit from continuing operations before amortisation of intangible assets, depreciation, impairment of assets and exceptional items.

The analysis above is in respect of continuing operations.

Notes to the consolidated financial statements continued

5 ALTERNATIVE PERFORMANCE MEASURES CONTINUED
BY GEOGRAPHICAL LOCATION OF DESTINATION

	2025 £ m	Restated ¹ 2024 £ m
Revenue:		
United Kingdom	2,023.9	2,059.7
Republic of Ireland	63.5	65.6
	2,087.4	2,125.3
Operating profit:		
United Kingdom	213.4	183.1
Republic of Ireland	2.5	6.1
	215.9	189.2

1 Refer to note 2 for prior period restatement.

The analysis above is in respect of continuing operations. Revenue by origin is not materially different from revenue by destination.

6 EXCEPTIONAL ITEMS

	2025 £ m	2024 £ m
Technical transformation spend	10.7	14.9
Professional fees for corporate projects	10.0	8.3
Logistics strategy costs	7.0	-
Restructuring costs	3.9	5.0
Fulfilment costs	0.5	-
Impairment charge for intangible assets	-	1.4
Property strategy costs	-	(0.1)
Release of site closure provision	(1.8)	(0.2)
Charged to operating profit	30.3	29.3
Expected credit losses on amounts due from related parties	524.8	-
Gain on entinguishmnet of bond	(6.7)	-
Refinancing costs	0.4	-
Total exceptional costs	548.8	29.3

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 (52 week period ended 29 June 2024: £14.9m). Professional fees of £10.0m in the current period (£8.3m for the 52 week period ended 29 June 2024) relate to costs incurred in relation to non-recurring corporate projects. Logistics strategy costs of £7.0m in the 52 week period ended 28 June 2025 (52 week period ended 29 June 2024: £nil) relate to transition fees on logistic contracts held by the Group.

The restructuring costs of £3.9m in the current period (52 week period ended 29 June 2024: £5.0m) reflect expenditure on the rationalisation of processes and functions within The Very Group. The directors estimate that this rationalisation process will complete in the 52-week period ended 27 June 2026.

Fulfilment costs of £0.5m (52 week period ended 29 June 2024: £nil) have been incurred by the Group in the current year relating to dual running costs and exit costs from warehouse operations.

6 EXCEPTIONAL ITEMS CONTINUED

Release of site closure provisions of £1.8m (52 week period ended 29 June 2024: £0.2m) relate to dilapidation provisions held for the closure of Little Hulton, Lightbox and Aintree sites exited in previous years that are no longer required and are recognised as exceptional credits consistent with the initial recognition of the provision.

As at 28 June 2025, the Group and Company has receivable balances of £513.2m, £8.3m and £3.3m due from related parties, Shop Direct Holdings Limited (2024: £509.1m), Trenport Property Holdings Limited (2024: £8.3m) and LW Corporation Limited (2024: £nil) respectively. These are all non-interest bearing and repayable on demand. The Company intends to undertake a distribution in specie of these receivables post the publishing of this report.

The directors note that under IFRS 9, amounts due from related parties must be assessed for recoverability across a range of different scenarios, including previously disclosed potential changes to the Group's ownership structure. In order to take account of the necessary accounting standard and the intended distribution in specie process, a decision has therefore been taken to recognise a noncash one-off Expected Credit Loss ('ECL') impairment provision of £524.8m at the balance sheet date (2024: £nil), prior to the effecting of this distribution to VGL Finco Limited, the immediate parent of the Company. The directors consider that the outstanding balances will be satisfied, under the tripartite agreement signed by the shareholder and the Lenders of SDHL Group Facilities, via a non cash distribution in specie rather than through a cash transfer. No ECL impairment provision was booked last year on the basis that the receivable balance was expected to be settled in full via a cash movement. If any cash in relation to the outstanding balance was to be received, it would result in a corresponding and equal reduction in the impairment provision.

We note that these impairments are a non-cash, one off adjustment and that they have not impacted on the positive going concern assessment within these accounts. The adjustment does not relate to the Group's core trading activity, is not expected to recur, and pertains solely to historic relationships with the wider SDHL and Shareholder Group. More broadly, the directors note that in the event of any change of control, it has been designed to be conducted in an orderly manner and ensure the Company is not exposed to the debt arrangements higher up in the SDHL Group structure.

In the 52 week period ended 28 June 2025, the Group successfully refinanced its £575.0m bond with £598.0m of new senior secured notes and will mature in August 2027. However, subject to a deleveraging condition, the maturity should automatically be extended to August 2030. At the same time, the existing £150.0m revolving credit facility ("RCF") was amended to a single super senior RCF of up to £150.0m and extended to February 2027. Exceptional finance costs recognised in the period of £0.4m relate to the write-off of unamortised arrangement fees on the previous bond and RCF. The derecognition of the existing bond also generated a gain on extinguishment of £6.7m which was recognised as exceptional finance income. In the 52 week period ended 29 June 2024 there was an impairment charge of £1.4m recognised in relation to intangible assets.

In the 52 week period ended 29 June 2024, property strategy costs of £0.1m were released 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.

7 OPERATING PROFIT

Arrived at after charging/(crediting):

	2025 £ m	Restated ¹ 2024 £ m
Depreciation of property, plant and equipment	5.9	6.4
Depreciation of right of use assets	9.2	8.4
Amortisation	40.5	34.3
Foreign exchange gains	(1.1)	(0.9)
RDEC tax credit	(3.4)	-
Impairment charge for intangible assets	-	1.4
Cost of inventories recognised as an expense	1,340.0	1,356.3
Write downs of inventories recognised as an expense	4.7	5.1
Staff costs	175.4	172.8
Impairment loss recognised on trade and other receivables	124.0	140.2
Short-term lease expense	0.1	0.2

1 Refer to note 2 for prior period restatement.

Notes to the consolidated financial statements continued

8 FINANCE INCOME AND COSTS

	note	2025 £ m	Restated ¹ 2024 £ m
Finance income			
Interest income on bank deposits		3.0	2.9
Net interest on defined benefit assets	25	0.9	0.9
Total finance income		3.9	3.8
Exceptional finance income	6	6.7	–
Total finance income		10.6	3.8
Finance costs			
Interest on bank overdrafts and borrowings		(76.6)	(71.0)
Interest on lease liabilities	33	(8.6)	(7.8)
Interest on securitisation facility		(120.7)	(130.2)
Other finance costs		(0.8)	(0.3)
Total finance costs		(206.7)	(209.3)
Exceptional finance costs	6	(0.4)	–
Total finance costs		(207.1)	(209.3)
Net finance costs		(196.5)	(205.5)

1 Refer to note 2 for prior period restatement.

9 STAFF COSTS

The aggregate payroll costs (including directors remuneration) were as follows:

	2025 £ m	2024 £ m
Wages and salaries	148.5	140.1
Social security costs	14.9	15.1
Redundancy costs	4.2	9.5
Pension costs, defined contribution scheme	7.8	8.1
	175.4	172.8

The average number of persons employed by the Group (including directors) during the period, analysed by category was as follows:

	2025 No.	2024 No.
Distribution	742	792
Administration & customer service centres	2,326	2,473
	3,068	3,265

10 DIRECTORS REMUNERATION

The directors remuneration for the period was as follows:

	2025 £ m	Restated ² 2024 £ m
Short-term employee benefits	5.7	3.9
Post-employment benefits	0.2	0.2
Other long-term benefits	1.0	–
Termination benefits	–	0.1
	6.9	4.2

The directors are considered to be key management personnel.

Four directors did not receive any emoluments from the Group or Company in the current or prior period in respect of their services to the Group or Company.

The directors are employed by other companies under common control and their emoluments are charged to and borne by the other companies.

During the period the number of directors receiving benefits and share incentives was as follows:

	2025 No.	2024 No.
Accruing benefits under money purchase pension scheme	4	6

In respect of the highest paid director:

	2025 £ m	Restated ² 2024 £ m
Short-term employee benefits	2.1	0.9
Post-employment benefits	0.1	0.1
Other long-term benefits	0.7	–
	2.9	1.0

2 The previous period directors remuneration disclosed has been restated to comply with requirements of IAS 24.

11 AUDITOR'S REMUNERATION

	2025 £ m	2024 £ m
Audit of the financial statements of the Group and subsidiaries of the Company pursuant to legislation	1.1	1.0
Total audit fees	1.1	1.0
Audit related assurance services	0.2	–
Other services	0.1	–
Total non-audit fees	0.3	–
Total fees	1.4	1.0

Notes to the consolidated financial statements continued

12 INCOME TAX

TAX CHARGED IN THE INCOME STATEMENT

	2025 £ m	Restated¹ 2024 £ m
Current taxation		
UK corporation tax	0.3	0.3
Adjustments in respect of prior years	0.1	0.2
Foreign tax	0.5	0.8
Total current income tax	0.9	1.3
Deferred taxation		
Arising from origination and reversal of temporary differences	14.5	6.9
Adjustment in respect of prior years	0.7	0.3
Total deferred tax	15.2	7.2
Tax charge in the income statement	16.1	8.5

1 Refer to note 2 for prior period restatement.

The tax on loss before tax for the period is higher than the standard rate of corporation tax in the UK (2024 – higher than the standard rate of corporation tax in the UK) of 25% (2024: 25%).

In December 2021, the OECD released a framework for Pillar Two Model Rules which introduced a global minimum corporation tax rate of 15% applicable to multinational enterprise groups with global revenue over €750 million. The legislation implementing the rules in the UK was substantively enacted on 20 June 2023 and applies to the Group from the current year.

The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes under UK legislation. This assessment is based on a combination of the tax filings for the 2024 financial year, and the financial statements for constituent entities in the Group for 2024 and 2025. Based on the assessment, it is anticipated that a transitional safe harbour will apply in each of the jurisdictions in which the Group operates and therefore no top-up tax will arise.

The differences are reconciled below:

	2025 £ m	Restated¹ 2024 £ m
Loss before tax	(505.4)	(16.3)
Corporation tax at standard rate of 25% (2024: 25%)	(126.4)	(4.1)
Adjustments in respect of prior years	0.8	0.5
Expenses not deductible	132.4	2.1
Income not taxable	(0.8)	(0.3)
Transfer pricing adjustment	10.5	10.9
Effect of overseas tax rates	(0.4)	(0.6)
Total tax charge	16.1	8.5

1 Refer to note 2 for prior period restatement.

12 INCOME TAX CONTINUED

DEFERRED TAX

Deferred tax movement during the period:

	Restated¹ At 30 June 2024 £ m	Recognised in income statement £ m	Tax rate change recognised in income statement £ m	Recognised in other comprehensive income £ m	Tax rate change recognised in other comprehensive income £ m	At 28 June 2025 £ m
Accelerated tax depreciation	64.2	(11.7)	–	–	–	52.5
Tax losses carry-forwards	95.2	–	–	–	–	95.2
Pension benefit obligations	0.4	–	–	–	–	0.4
Short term timing differences	16.7	(3.5)	–	–	–	13.2
Net tax assets	176.5	(15.2)	–	–	–	161.3

1 Refer to note 2 for prior period restatement.

Deferred tax movement during the prior period:

	At 2 July 2023 £ m	Recognised in income statement £ m	Tax rate change recognised in income statement £ m	Recognised in other comprehensive income £ m	Tax rate change recognised in other comprehensive income £ m	Restated¹ At 29 June 2024 £ m
Accelerated tax depreciation	67.0	(2.8)	–	–	–	64.2
Tax losses carry-forwards	95.2	–	–	–	–	95.2
Pension benefit obligations	0.4	–	–	–	–	0.4
Short term timing differences	21.0	(4.3)	–	–	–	16.7
Net tax assets	183.6	(7.1)	–	–	–	176.5

1 Refer to note 2 for prior period restatement.

Deferred tax at 28 June 2025 has been calculated based on the rate of 25% which is the rate at which the majority of items are expected to reverse.

At the balance sheet date, the Group has gross unrecognised tax losses of £56.5m (2024: £56.5m), pre-trading expenses £2.9m (2024: £2.9m) and capital losses of £66.8m (2024: £66.8m) available for offset against future profits. The unrecognised tax losses do not expire. No deferred tax assets have been recognised with respect to these losses.

The Group recognises deferred tax assets to the extent that it is probable (defined as more likely than not) that there will be future taxable income against which the deferred tax asset can be utilised. Estimation of the future taxable income is inherent in this process. The Group has considered the carrying value of its deferred tax asset at each reporting date and concluded that based on management's long-term plan, sufficient taxable profits will be generated in future years to recover such recognised deferred tax assets. The carrying amount of the deferred tax asset at the reporting date was £161.3m (Restated¹ 2024: £176.5m) which consists of fixed asset differences, carried forward tax losses and provisions.

Notes to the consolidated financial statements continued

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £ m	Plant and equipment £ m	Furniture, fittings and equipment £ m	Total £ m
Cost				
At 1 July 2023	11.5	60.6	36.6	108.7
Additions	0.2	–	0.3	0.5
Disposals	(3.8)	–	(0.9)	(4.7)
At 29 June 2024	7.9	60.6	36.0	104.5
Additions	–	–	0.2	0.2
Disposals	–	–	(0.6)	(0.6)
At 28 June 2025	7.9	60.6	35.6	104.1
Depreciation				
At 1 July 2023	7.5	9.4	22.0	38.9
Charge for the period	0.2	3.3	2.9	6.4
Disposals	(3.1)	–	(1.2)	(4.3)
At 29 June 2024	4.6	12.7	23.7	41.0
Charge for the period	0.2	3.1	2.6	5.9
Disposals	–	–	(0.6)	(0.6)
At 28 June 2025	4.8	15.8	25.7	46.3
Carrying amount				
At 28 June 2025	3.1	44.8	9.9	57.8
At 29 June 2024	3.3	47.9	12.3	63.5

14 GOODWILL

	Goodwill £ m
Cost	
1 July 2023, 29 June 2024 and 28 June 2025	252.5
Impairment	
1 July 2023, 29 June 2024 and 28 June 2025	(50.0)
Carrying amount	
29 June 2024 and 28 June 2025	202.5

Goodwill is allocated to three cash generating units (CGUs) being £89.3m (2024: £89.3m) for Very and £16.2m (2024: £16.2m) for Littlewoods relating to the acquisition of the retail business in 2005 and £97.0m (2024: £97.0m) resulting from the acquisition of Douglas Insurance Limited in 2008. The Group tests goodwill annually for impairment or more frequently if there are indications that the goodwill might be impaired. The recoverable amounts of the CGUs are determined from value in use calculations.

14 GOODWILL CONTINUED

RETAIL

The key assumptions for value in use calculations are those regarding discount rates, long-term growth rates and forecast cash flows. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the specific risks to the CGUs. The long-term growth rates are based on industry averages. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The UK retail business operates under two brands, Very and Littlewoods, which have been established as two separate cash-generating units. For both CGU's, management have used a value in use model to review for impairment, which includes management's forecasts which have been approved by the Board. These have been discounted using a pre-tax discount rate of 10.7% and 11.4% for Very and Littlewoods respectively (2024: 9.1% and 10.1%). After five years, a long-term growth rate of 2.43% (2024: 2.44%) has been applied with reference to the standard historical average UK growth rate per the Office of National Statistics.

At 28 June 2025 the headroom on the Very and Littlewoods goodwill balances is £361.3m (2024: £815.4m) and £55.9m (2024: £80.1m) respectively. A sensitivity analysis has been performed for each value in use calculation that determined the recoverable amount of each goodwill balance to be insensitive to changes in the key assumptions.

The directors do not believe that there is a reasonably possible change in a key assumption on which management has based its determination of the recoverable amount of the goodwill created on acquisition of the Littlewoods business that would cause the Very or Littlewoods units' carrying amount to exceed its recoverable amount.

DOUGLAS

The key assumptions for the value in use calculations for the Douglas goodwill are based on management's forecasts which have been approved by the Board. Management forecasts include industry data, where relevant and long-term growth rates are based on the UK long term growth rate. The opportunities identified in managements forecasts are the insurance product sales linked to electrical sales in the retail business. The carrying value of the Douglas goodwill balance as at 28 June 2025 is £97.0m (2024: £97m). The value in use of the Douglas CGU as at 28 June 2025 is £97.0m (2024: £111.4m).

The key assumptions and sensitivities applied to the model are set out below.

Key assumption	As at 28 June 2025		As at 29 June 2024	
	Base Case	Sensitivity (+/-) £10m	Base Case	Sensitivity (+/-) £10m
Monthly product conversion rate	10%	1.9%	14%	2.0%
Monthly post sale conversion rate	2.5%	2.1%	3.6%	4.4%
Average claims rate	43.8%	5.4%	44.9%	4.9%
Year 1 product cancellation rate	18.0%	18.3%	18.0%	16.2%
Annual cancellation rate	11.5%	72.8%	11.5%	above 100%
Growth in opportunities over five year horizon (CAGR)	3.9%	1.7%	4.4%	0.8%
Terminal growth rate	2.4%	0.8%	2.3%	0.6%
Discount rate	8.3%	0.6%	8.2%	0.5%

The directors are aware that the Douglas goodwill balance is considered to be sensitive to changes in combined key assumptions and therefore the Douglas goodwill balance has been disclosed as a key source of estimation uncertainty.

Notes to the consolidated financial statements continued

15 INTANGIBLE ASSETS

	Internally generated software £ m	Other internally generated assets £ m	Total £ m
Cost			
At 1 July 2023	260.9	52.6	313.5
Additions	44.2	0.7	44.9
Disposals	(47.8)	–	(47.8)
At 29 June 2024	257.3	53.3	310.6
Additions	49.4	–	49.4
Disposals	(0.5)	–	(0.5)
At 28 June 2025	306.2	53.3	359.5
Amortisation			
At 1 July 2023	106.5	17.8	124.3
Amortisation charge	28.8	5.5	34.3
Disposals	(48.2)	–	(48.2)
Impairment charge	–	1.4	1.4
At 29 June 2024	87.1	24.7	111.8
Amortisation charge	32.0	8.5	40.5
Disposals	(0.5)	–	(0.5)
At 28 June 2025	118.6	33.2	151.8
Carrying amount			
At 28 June 2025	187.6	20.1	207.7
At 29 June 2024	170.2	28.6	198.8

Included within software costs are £33.6m (2024: £27.7m) of investment incurred related to ongoing software development projects on which amortisation has not commenced as the assets are not available for use.

Other internally generated assets represent capitalised enhancements to internal systems undertaken to support the continued development of the Group’s credit offering.

16 RIGHT-OF-USE ASSETS

	Restated ¹ Land & buildings £ m	Plant & equipment £ m	Total £ m
Cost			
At 1 July 2023 (as previously reported)	100.1	6.3	106.4
IAS 8 correction ¹	12.4	–	12.4
Additions	0.5	1.3	1.8
Disposals	(1.2)	–	(1.2)
Revaluation	9.8	–	9.8
Restated balance at 29 June 2024 ¹	121.6	7.6	129.2
Additions	2.9	1.0	3.9
Disposals	(0.2)	(1.9)	(2.1)
At 28 June 2025	124.3	6.7	131.0
Depreciation			
At 1 July 2023	23.1	2.1	25.2
IAS 8 correction ¹	(0.6)	–	(0.6)
Charge for the period	7.0	1.6	8.6
Disposals	(1.1)	–	(1.1)
Restated balance at 29 June 2024 ¹	28.4	3.7	32.1
Charge for the period	7.6	1.6	9.2
Disposals	(0.2)	(1.8)	(2.0)
At 28 June 2025	35.8	3.5	39.3
Carrying amount			
At 28 June 2025	88.5	3.2	91.7
Restated balance at 29 June 2024 ¹	93.2	3.9	97.1

1 Refer to note 2 for prior period restatement.

Notes to the consolidated financial statements continued

17 DERIVATIVE FINANCIAL INSTRUMENTS

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

	2025 £ m	Restated ¹ 2024 £ m
Notional amount – sterling contract value	84.8	87.8
Fair value of (liability)/asset recognised	(5.9)	–

1 Refer to Note 2 for prior period restatement.

Changes in the fair value of derivative financial instruments amounted to a loss of £5.9m in the period (2024: gain of £3.5m).

The fair value of foreign currency derivative contracts is their market value at the reporting 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 reporting date.

Contracts committed to are denoted in US Dollars to manage foreign currency risk.

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

The financial instruments that are measured subsequent to initial recognition at fair value are all grouped into Level 2. There were no transfers between Level 1 and Level 2 during the period.

18 INVENTORIES

	2025 £ m	2024 £ m
Finished goods and goods for resale	126.8	105.0

A write-down of £4.7m (2024: £5.1m) was recognised in cost of sales against inventory during the period due to obsolete, slow-moving or damaged inventory.

The right of return asset in inventory amounted to £14.1m (2024: £16.7m). The right to returned goods asset represents the Group's right to recover products from customers where customers exercise their right of return under the Group's 28-day returns policy. The Group uses its accumulated historical experience to estimate the number of returns using the expected value method.

19 RECEIVABLES

	2025 £ m	2024 £ m
Trade receivables ²	10.2	14.2
Prepayments	186.1	191.8
Other receivables	73.0	84.4
Total trade and other receivables	269.3	290.4

Receivables from customers:

	2025 £ m	2024 £ m
Advances to customers ²	1,476.8	1,458.1
Total receivables	1,746.1	1,748.5

2 Refer to note 2 for changes to comparative period information.

Advances to customers are structured as revolving credit arrangements with no fixed maturity dates. Drawdowns under these facilities are driven by customer borrowing activity, which typically aligns with monthly payment cycles. As such, the timing of repayments is inherently linked to individual customer behaviour and is not within the Group's control. Given the nature of these facilities and the variability in customer repayment pattern, particularly following interest-free periods, it is not practicable nor meaningful to reliably distinguish between current and non-current portions of the outstanding balances. Accordingly, the entire balance is presented based on due date as current in the financial statements.

Other receivables include £26.5m (2024: £10.2m) due from the Group's external trade receivables securitisation provider.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value. An expected credit loss of £181.7m under IFRS 9 (2024: £203.0m) has been recorded.

The Group offers a range of options which enable its customers to spread the cost of their purchases, some options are interest free and others are interest bearing. The representative APR on Very is 44.9% (2024: 44.9%) and 0.0% (2024: 0.0%) on Littlewoods.

The contractual amount outstanding on trade and other receivables written off during the reporting period and subject to enforcement activity was £nil (2024: £nil).

The total amount of undiscounted expected credit losses at initial recognition on financial assets initially recognised during the reporting period cannot be calculated due to the revolving nature of a significant proportion of trade and other receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of asset. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for expected credit losses. All customer receivables are unsecured.

Allowance for expected credit losses:

	2025 £ m	2024 £ m
Balance at beginning of the period	203.0	216.6
Amounts charged to the income statement	124.0	140.2
Amounts written off	(145.3)	(153.8)
Balance at end of the period	181.7	203.0

Notes to the consolidated financial statements continued

19 RECEIVABLES CONTINUED

The ageing of trade and other receivables is as follows:

	2025 £ m	2024 £ m
Current – not past due	1,475.7	1,462.1
1 scheduled payment past due	52.5	59.2
2 scheduled payment past due	21.3	27.5
3 scheduled payment past due or greater	150.4	162.3
Gross trade and other receivables	1,699.9	1,711.1
	2025 £ m	2024 £ m
Gross trade and other receivables	1,699.9	1,711.1
Refund liabilities	(31.2)	(35.8)
Net trade and other receivables	1,668.7	1,675.3
Allowance for expected credit losses	(181.7)	(203.0)
	1,487.0	1,472.3

The above analysis is in respect of advances to customers and trade receivables.
The allowance for expected credit losses is derived based on the ECL model discussed in the Group's accounting policies.
The following tables analyse the movement of the loss allowance by stage.

	Stage 1 £ m	Stage 2 £ m	Stage 3 £ m	Total £ m
Allowance for expected credit losses as at 1 July 2023	35.1	72.0	109.5	216.6
Transfer stage 1	–	(14.2)	0.8	(13.4)
Transfer stage 2	14.2	–	10.2	24.4
Transfer stage 3	(0.8)	(10.2)	–	(11.0)
Post Model Adjustment	(5.0)	–	–	(5.0)
Remeasurement of balances	(11.9)	31.4	30.0	49.5
New financial assets recognised	4.7	14.4	8.5	27.6
Financial assets derecognised	(2.1)	(4.0)	(3.7)	(9.8)
Assets written off	(1.3)	(14.6)	(60.0)	(75.9)
Allowance for expected credit losses as at 29 June 2024	32.9	74.8	95.3	203.0
Transfer stage 1	–	(10.4)	1.4	(9.0)
Transfer stage 2	10.4	–	9.8	20.2
Transfer stage 3	(1.4)	(9.8)	–	(11.2)
Post Model Adjustment	0.9	–	–	0.9
Remeasurement of balances	(13.0)	18.1	20.8	25.9
New financial assets recognised	5.0	13.9	8.1	27.0
Financial assets derecognised	(2.5)	(5.0)	(3.1)	(10.6)
Assets written off	(2.1)	(13.7)	(48.7)	(64.5)
Allowance for expected credit losses as at 28 June 2025	30.2	67.9	83.6	181.7

19 RECEIVABLES CONTINUED

The following table sets out the percentage of provision applied in each stage:

	Stage 1 %	Stage 2 %	Stage 3 %	Total %
Financial period ended 29 June 2024	2.9	21.9	49.8	12.1
Financial period ended 28 June 2025	2.6	20.1	48.9	10.9

The following table sets out changes in the carrying amount of trade and other receivables that contributed to the changes in the loss allowance:

	Stage 1 £ m	Stage 2 £ m	Stage 3 £ m	Total £ m
Balance at 1 July 2023	1,102.1	376.3	188.8	1,667.2
Transfer stage 1	–	(20.6)	41.4	20.8
Transfer stage 2	20.6	–	46.6	67.2
Transfer stage 3	(41.4)	(46.6)	–	(88.0)
Growth in trade and other receivables	75.5	54.9	0.6	131.0
New financial assets recognised	122.2	46.3	13.9	182.4
Financial assets derecognised	(116.7)	(26.4)	(8.3)	(151.4)
Amounts written off	(20.5)	(41.7)	(91.7)	(153.8)
Balance at 29 June 2024	1,141.8	342.2	191.3	1,675.3
Transfer stage 1	–	(5.1)	30.5	25.4
Transfer stage 2	5.1	–	37.4	42.5
Transfer stage 3	(30.5)	(37.4)	–	(67.9)
Growth in trade and other receivables	51.2	52.7	(7.4)	96.5
New financial assets recognised	137.8	47.6	13.4	198.8
Financial assets derecognised	(123.4)	(24.1)	(9.1)	(156.6)
Amounts written off	(21.9)	(38.3)	(85.1)	(145.3)
Balance at 28 June 2025	1,160.1	337.6	171.0	1,668.7

20 RECONCILIATION OF CASH AND CASH EQUIVALENTS

	2025 £ m	2024 £ m
Cash at bank	35.3	140.8
Cash equivalents	5.0	33.5
Cash and cash equivalents in statement of financial position	40.3	174.3
Bank overdrafts	–	(121.0)
Net cash and cash equivalents in statement of cash flows	40.3	53.3

The carrying amount of cash and cash equivalents is approximately equal to fair value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement.

Notes to the consolidated financial statements continued

21 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Restated¹ At 30 June 2024 £ m	Financing cash flows £ m	Non-cash changes £ m	At 28 June 2025 £ m
Securitisation facility	1,504.7	(19.7)	–	1,485.0
Senior secured notes	594.6	–	(24.9)	569.7
External loans	78.9	33.2	(0.3)	111.8
Lease liabilities	116.2	(14.0)	12.6	114.8
Secured revolving credit facility	149.3	(50.0)	(3.8)	95.5
Total liabilities from financing activities	2,443.7	(50.5)	(16.4)	2,376.8

	Restated¹ At 2 July 2023 £ m	Financing cash flows £ m	Restated¹ Non-cash changes £ m	Restated¹ At 29 June 2024 £ m
Securitisation facility	1,491.8	12.9	–	1,504.7
Senior secured notes	590.1	–	4.5	594.6
External loans	34.4	43.0	1.5	78.9
Lease liabilities	105.3	(12.9)	23.8	116.2
Secured revolving credit facility	68.9	80.0	0.4	149.3
Total liabilities from financing activities	2,290.5	123.0	30.2	2,443.7

1 Refer to note 2 for prior period restatement.

Within financing cash flows for the secured revolving credit facility are £4.5m (2024: £0.7m) of prepaid facility fees. These are presented within interest paid in the Consolidated Statement of Cash Flows.

22 SHARE CAPITAL
ALLOTTED, CALLED UP AND FULLY PAID SHARES

	2025		2024	
	No. m	£ m	No. m	£ m
Ordinary shares of £1 each	200	200	200	200

The shares have attached to them full voting, dividend and capital distribution (including winding up) rights, they do not confer any rights of redemption.

23 MERGER RESERVE

	2025 £ m	2024 £ m
Merger reserve	3.5	3.5

The merger reserve relates to the acquisition of Primevere Equipment Limited.

24 LOANS AND BORROWINGS

	2025 £ m	2024 £ m
Secured non-current loans and borrowings at amortised cost		
Securitisation facility	1,485.0	1,504.7
Senior secured notes	569.7	594.6
Bank loans	13.9	20.3
Other external loans	83.2	50.0
	2,151.8	2,169.6

	2025 £ m	2024 £ m
Current loans and borrowings at amortised cost		
Bank overdrafts	–	121.0
Secured revolving credit facility	95.5	149.3
Bank loans	7.2	6.8
Other external loans	7.5	1.8
	110.2	278.9

	2025 £ m	2024 £ m
Loans and borrowings at nominal value		
Bank overdrafts	–	121.0
Securitisation facility	1,485.0	1,504.7
Senior secured notes	598.0	575.0
Bank loans	20.8	27.9
Other external loans	100.1	55.8
Secured revolving credit facility	100.0	150.0
	2,303.9	2,434.4

The Group has a notional cash pooling facility whereby cash positive and negative balances with the same banks can be offset On the basis that there are no negative cash balances at the year-end date, no offsetting of cash positive and negative balances has taken place in the current period. However, the requirements for offsetting in according with IAS 32: ‘Financial Instruments: Presentation’ were not met in the prior period. Prior period comparatives are therefore shown gross of cash and overdrafts.

The Group will continue to physically net off balances to meet the criteria of IAS 32 and it is expected that cash and cash equivalent balances will continue to be presented net where applicable.

Within the securitisation facility £20.3m (2024: £20.5m) is denominated in Euros and within external loans £21.1m (2024: £27.0m) is denominated in Euros. The underlying currency of all the other borrowings and overdrafts is Pound Sterling.

Notes to the consolidated financial statements continued

24 LOANS AND BORROWINGS CONTINUED

	2025 £ m	2024 £ m
The borrowings are repayable as follows:		
Within one year	110.2	278.9
In the first to second year	90.1	56.8
In the third to fifth year	2,061.7	2,112.8
Over five years	–	–
Amount due for settlement after 12 months	2,151.8	2,169.6

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

- (a) The Group has drawn £1,464.7m (2024: £1,484.1m) 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 2028 for ‘AS’ Notes (£1,083.6m), ‘AJ’ Notes (£121.1m), ‘B’ Notes (£105.0m), ‘C1’ Notes (£105.0m) and ‘C2’ Notes (£50.0m). The total facility size is £1,770.0m.
- (b) On 2 June 2025, the Group entered into a notes purchase agreement for the issuance of £598.0m privately placed senior secured notes due August 2027 (the “Private Placement”). Under certain conditions, including deleveraging and certain credit ratings outcomes, the maturity of the new notes can be extended to August 2030. This replaces the old bond of £575.0m which was settled on the same date. The Group accounts for its senior secured notes of £598.0m at amortised cost. At period end, the amortised cost of the senior secured notes was £569.7m which accrues interest at the effective interest rate. Interest is paid according to the coupon rate of 13.25% (previously 6.50%). The senior secured notes are currently due August 2027.
- (c) On 2 June 2025, the Group also received commitments from lenders for a single super senior revolving credit facility of up to £150.0m (the “Amended Revolving Credit Facility”), which replaced the Group’s existing £50.0m million senior secured revolving credit facility and £100.0m super senior revolving credit facility. The Amended Revolving Credit Facility will mature in February 2027. The secured revolving credit facility of £150.0m was £100.0m drawn down at 28 June 2025 (2024: £150.0m). As at the reporting date, transaction costs associated with the revolving credit facility total £4.5m (2024: £0.7m) giving an amortised cost value for the facility of £95.5m (2024: £149.3m).
- (d) The Group has an Irish securitisation facility against which it has drawn down £20.3m (2024: £20.5m), secured by a charge over certain eligible trade debtors of the Group. As at the balance sheet date, the facility was due to expire in July 2026. The facility was extended post period end has a total maximum commitment of €35.0m which expires July 2028.
- (e) The Group subsidiary Primevere Equipment Limited holds a bank loan denominated in euros, which had a carrying value of £21.1m (2024: £27.0m). Regular payments are made against this loan which is expected to be fully settled in February 2028.
- (f) The Group has an external loan with a carrying value of £94.1m (2024: £51.8m) 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. In April 2025, the Group extended the maturity date of the external loan to August 2027, which will also be extended to August 2030 upon a maturity extension of the senior secured notes. The Group also has access to a separate external facility of £25.0m which is currently unutilised.

As is customary, each financing contains undertakings, which, if breached shall result in the occurrence of an event of default or termination event, subject to certain applicable cure rights and grace periods.

In the case of the financings other than the securitisation and Primevere Equipment Limited loan, an event of default would, among other things, entitle the creditors to request immediate repayment or redemption (as applicable) of the relevant financing.

24 LOANS AND BORROWINGS CONTINUED

In addition, the super senior revolving facility and the senior term facility both contain a financial covenant (being the ratio of total net debt to adjusted earnings before interest, tax, depreciation and amortisation) which is (subject to certain conditions) tested on a quarterly basis. A failure to satisfy such a financial covenant would (subject to certain cure rights) result in the occurrence of an event of default under the relevant financing.

In the case of the securitisation, a termination event would, among other things, prevent the designation of new accounts and result in the amortisation of the funding notes issued under the securitisation.

In the case of the Primevere Equipment Limited loan, an event of default would, among other things, entitle the lender to enforce security over the specified equipment and recover costs.

The loans and borrowings classified as financial instruments are disclosed in the financial instruments note (see note 31). The Group’s exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management and impairment note.

25 PENSION AND OTHER SCHEMES
DEFINED CONTRIBUTION PENSION SCHEME

The Group operates a defined contribution pension scheme for all employees; the Shop Direct Group Personal Pension Plan.

The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £7.8m (2024: £8.1m). The defined contribution scheme is in compliance with employer pension duties in accordance with part 1 of the Pensions Act 2008, including auto enrolment requirements. Contributions to the defined contribution schemes are charged to the income statement.

Contributions totalling £0.6m (2024: £0.6m) were payable to the scheme at the end of the period and are included in creditors.

DEFINED BENEFIT PENSION SCHEMES

There are three main elements of the defined benefit pension schemes, namely the Scheme, UURBS and Ex-gratia, which are set out and defined below. A combined summary of these elements is shown below.

	2025 £ m	2024 £ m
UURBS and Ex-gratia – present value of scheme liabilities	1.3	1.2
Scheme – defined benefit pension scheme deficit	–	–
Retirement benefit obligations	1.3	1.2
Scheme – amounts taken to the Statement of Comprehensive Income	(0.4)	0.2
UURBS and Ex-gratia – amounts taken to the Statement of Comprehensive Income	0.1	–
(Loss)/gain recognised in the Statement of Comprehensive Income	(0.3)	0.2

Notes to the consolidated financial statements continued

25 PENSION AND OTHER SCHEMES CONTINUED
THE LITTLEWOODS PENSIONS SCHEME (“SCHEME”)

The Littlewoods Pensions Scheme (“Scheme”), which is a defined benefit arrangement based on final pensionable salaries, is set up under trust and the assets of the scheme are held separately from those of the Company. The fund is valued at intervals not exceeding three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary and agreed by the parent undertaking and all other Shop Direct Holdings Limited Group companies and the Scheme Trustee. The Scheme was closed to new entrants with effect from 1 October 2001 and is closed to future accrual. From 1 October 2001 certain employees of the Company were eligible for membership of funded defined contribution stakeholder pension schemes to which employees and the Company contribute. In May 2018, the Trustee invested in a bulk annuity policy with Scottish Widows and in July 2020 made a second investment in a bulk annuity policy with Rothesay Life. This means close to 100% of the Scheme’s assets are now invested in these two buy-ins covering all outstanding pension benefits payable. On 19 August 2020 and 15 June 2021, formal agreements were reached between the Group and the Trustees of The Littlewoods Pensions Scheme (“Scheme”) with regards to future Company Scheme contribution obligations. Both agreements had been documented in revised Schedules of Contributions. The initial agreement allowed for a single future contribution of £18.7m payable on or before 31 August 2021 which was then reduced to a single contribution of £9.4m payable on or before 31 January 2022 by the second agreement. On 21 December 2021, a further agreement was reached with regards to the 31 January 2022 contribution obligation. This was documented in a revised Schedule of Contributions, which allowed for reduction of the scheme deficit to £nil. This agreement reduced the scheme liability to £nil in the prior year. On 5 and 17 May 2023, a buy-out of the Scheme was completed, and the previously bought-in benefits of the majority of pensioner members were successfully converted to buy-out status. Individual annuities were issued to the departing pensioner members under the terms of the contracts with the insurers. As such, the related liability has been removed from the Group’s balance sheet.

RECONCILIATION OF SCHEME ASSETS AND LIABILITIES TO ASSETS AND LIABILITIES RECOGNISED

The amounts recognised in the statement of financial position are as follows:

	2025 £ m	2024 £ m
Fair value of scheme assets	14.2	17.8
Present value of scheme liabilities	–	–
	14.2	17.8
Restrictions on asset recognised	(14.2)	(17.8)
IFRIC 14 liability	–	–
Defined benefit pension scheme deficit	–	–

There are no liabilities in relation to the scheme due to the buy-out of the scheme as noted above.

25 PENSION AND OTHER SCHEMES CONTINUED
SCHEME ASSETS

Changes in the fair value of scheme assets are as follows:

	2025 £ m	2024 £ m
Fair value at start of period	17.8	18.2
Interest income	0.9	0.9
Return on plan assets, excluding amounts included in interest expense	(3.9)	(0.2)
Administrative expenses paid from plan assets	(0.6)	(1.1)
Fair value at end of period	14.2	17.8

ANALYSIS OF ASSETS

The major categories of scheme assets are as follows:

	2025 £ m	2024 £ m
Cash and cash equivalents	14.2	17.8

The bulk annuity policy assets are equal to the value of the insured pensioner liabilities on an IAS 19 basis as at 28 June 2025.

AMOUNTS RECOGNISED IN THE INCOME STATEMENT

	2025 £ m	2024 £ m
Amounts recognised in income statement		
Administrative expenses	(0.6)	(1.1)
Amounts recognised in finance income or costs		
Net interest	0.9	0.9
Total recognised in the income statement	0.3	(0.2)

AMOUNTS TAKEN TO THE STATEMENT OF COMPREHENSIVE INCOME

	2025 £ m	2024 £ m
Return on plan assets, excluding amounts included in interest income	(3.9)	(0.2)
Adjustments for restrictions on the defined benefit asset	3.6	0.4
Amounts recognised in the Statement of Comprehensive Income	(0.3)	0.2

Notes to the consolidated financial statements continued

25 PENSION AND OTHER SCHEMES CONTINUED

UURBS AND EX-GRATIA

There is an unfunded unapproved retirement benefit arrangement (“UURBS”) which provides a benefit on retirement equal to the additional pension the member would have accrued had they not been subject to the Earnings Cap in the Littlewoods Pensions Scheme and the Shop Direct Group Limited Pension Plan. The Group makes benefit payments directly as they fall due.

An ex-gratia arrangement was originally set up to provide a benefit at retirement to employees who were not members of the GUS Pension Scheme. During 1998, GUS introduced a new money purchase scheme. All employees not already members of the final salary scheme were invited to join and those who did ceased accrual within the ex-gratia arrangement; the remainder continue to accrue benefits. No new employees have been granted membership of the ex-gratia arrangement since the introduction of the GUS Money Purchase Scheme in 1998. The arrangement is unfunded and provides a lump sum on retirement for employees in service at that time. The Group makes benefit payments directly as they fall due.

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2025 £ m	2024 £ m
Present value at start of period	1.2	1.2
Interest cost	0.1	–
Present value at end of period	1.3	1.2

26 PROVISIONS

	Restructuring £ m	Regulatory £ m	Total £ m
At 1 July 2023	3.9	4.4	8.3
Increase in provisions	4.5	–	4.5
Provisions released	(0.6)	–	(0.6)
Provisions utilised	(3.1)	(1.4)	(4.5)
At 29 June 2024	4.7	3.0	7.7
Increase in provisions	3.9	–	3.9
Provisions released	(1.9)	–	(1.9)
Provisions utilised	(5.0)	–	(5.0)
At 28 June 2025	1.7	3.0	4.7
Non-current	0.4	–	0.4
Current	1.3	3.0	4.3
	1.7	3.0	4.7

£1.3m of the restructuring provision is expected to be utilised within 12 months from the balance sheet date whilst the remaining provision of £0.4m is expected to be fully utilised after 12 months.

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

27 TRADE AND OTHER PAYABLES

	2025 £ m	2024 £ m
Current		
Trade payables ¹	369.1	329.3
Accrued expenses	83.6	63.2
Social security and other taxes	22.2	21.9
Other payables ¹	65.1	63.9
	540.0	478.3

¹ Refer to note 2 for changes to comparative period information.

The directors consider that the carrying amount of trade payables approximates to their fair value.

No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that payables are paid within agreed credit terms.

Amounts owed under inventory financing arrangements included within trade payables and other payables above amounted to £59.9m (2024: £60.4m). The cash flows associated with these arrangements are included within ‘movements in trade and other payables’ and ‘interest paid’ in the Consolidated Cash Flow Statement.

28 INSURANCE CONTRACT LIABILITIES

	2025 £ m	2024 £ m
Insurance contract liabilities ¹	5.6	7.2
	5.6	7.2

¹ Refer to note 2 for changes to comparative period information.

The components of the insurance contract liabilities are not individually material and therefore have been aggregated.

29 CONTRACT LIABILITIES

	2025 £ m	2024 £ m
At start of the period	54.4	59.8
Released to the income statement	(15.6)	(18.3)
Accrued in the period	7.8	12.9
At end of the period	46.6	54.4
Non-current	18.1	21.0
Current	28.5	33.4
	46.6	54.4

The contract liabilities relate to advance payments received for interest income that has not yet been earned on customer advances, which have been securitised. This liability amount is reversed to the securitisation liability as interest is recognised in the income statement in accordance with the amortised cost method.

Notes to the consolidated financial statements continued

30 COMMITMENTS

CAPITAL COMMITMENTS

Capital commitments include expenditure on tangible and intangible assets. The total amount contracted for but not provided in the financial statements was £7.2m (2024: £5.8m).

OTHER FINANCIAL COMMITMENTS

At 28 June 2025 commitments to purchase inventory totalled £186.3m (2024: £202.5m) which is considered to be the fair value. The commitments cover a period of 12 months (2024: 12 months).

The Group has in place contracts for the provision of outsourced service functions. At 28 June 2025, the annual committed cost under these contracts is £33.7m (2024: £34.2m). These contracts expire in 2028 and 2030.

31 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

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

Financial assets at fair value through profit or loss

	Nominal value		Fair value	
	2025 £ m	Restated ¹ 2024 £ m	2025 £ m	2024 £ m
Forward contracts	84.8	87.8	(6.0)	–

1 Refer to note 2 for prior period restatement.

See note 17 for details of the valuation methods and assumptions of these derivatives. The maturity dates for these derivatives range from July 2025 to April 2026. Derivative financial instruments have been classified as level 2 financial assets.

Financial assets at amortised cost

	Nominal value		Fair value	
	2025 £ m	2024 £ m	2025 £ m	2024 £ m
Cash and cash equivalents	40.3	174.3	40.3	174.3
Trade and other receivables	1,487.0	1,472.3	1,487.0	1,472.3
	1,527.3	1,646.6	1,527.3	1,646.6

VALUATION METHODS AND ASSUMPTIONS

The carrying amounts of financial assets are recorded at amortised cost in the financial statements approximate to their fair values. The average credit period given to customers for the sale of goods is 260 days (2024: 253 days).

31 FINANCIAL INSTRUMENTS CONTINUED

FINANCIAL LIABILITIES

Financial liabilities at amortised cost

	Restated ¹ Nominal value		Restated ¹ Fair value	
	2025 £ m	2024 £ m	2025 £ m	2024 £ m
Trade payables	369.1	330.8	369.1	330.8
Borrowings	2,262.0	2,448.5	2,324.3	2,361.7
Lease liabilities	114.8	116.2	114.8	116.2
	2,745.9	2,895.5	2,808.2	2,808.7

1 Refer to Note 2 for prior period restatement.

The fair values of all other assets and liabilities as noted above are not significantly different from their carrying amount with the exception of the £598.0m sterling bond which has a fair value of £632.0m (2024: £507.8m) but is carried at its amortised cost of £569.7m (2024: £594.6m). The fair value of the £598.0m sterling bond has been determined by reference to the price available from the market on which the bond is traded and is therefore a level 1 valuation.

Valuation methods and assumptions

The carrying amounts of financial liabilities are recorded at amortised cost in the financial statements approximate to their fair values. The average credit period taken for trade payables is 99 days (2024: 84 days).

The fair values of all other assets and liabilities as noted above are not significantly different from their carrying amount.

32 FINANCIAL RISK MANAGEMENT AND IMPAIRMENT OF FINANCIAL ASSETS

FINANCIAL RISK MANAGEMENT OBJECTIVES

The financial risks facing the Group include credit risk, liquidity risk, currency risk and cash flow interest rate risk. The Group seeks to minimise the effects of certain of these risks by using derivative financial instruments to hedge these risk exposures as governed by the Group's policies. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Group's treasury policies and procedures are periodically reviewed and approved by the Executive Committee.

CREDIT RISK AND IMPAIRMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Investments of cash surpluses, borrowings and derivative financial instruments are made through banks which are approved by the Board. Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

This is generally the case when the Group determines that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense when cash is received.

Financial assets that are written off could still be subject to enforcement in order to comply with the Group's procedures for recovery of amounts due.

All applications for a credit account from new customers are assessed through policy rules, credit scorecards and an affordability assessment, using credit bureau data, internal data from previous applications and existing accounts, customer data and cohort-based customer expenditure info.

This determines whether they are accepted for an account, what the credit limit is and also the APR assigned. Customer debit balances are monitored on an ongoing basis and provision is made for estimated irrecoverable amounts. The concentration of credit risk is limited due to the customer base being large and unrelated. No individual customer balance exceeded one percent of gross trade receivables at any one time during the period.

Notes to the consolidated financial statements continued

32 FINANCIAL RISK MANAGEMENT AND IMPAIRMENT OF FINANCIAL ASSETS CONTINUED

LIQUIDITY RISK

The Group manages liquidity risk by maintaining adequate banking and borrowing facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 24 is a description of the facilities that the Group has at its disposal and details of the Group's remaining contractual maturity for its non-derivative financial liabilities.

The following are the contractual maturities at the balance sheet date of the Group's financial liabilities:

	2025					
	£ m Carrying amount	£ m Contractual cash flows	£ m 1 year or less	£ m 1 to 2 years	£ m 2 to 5 years	£ m Over 5 years
Trade payables	392.4	394.1	369.1	–	25.0	–
Borrowings	2,262.0	3,027.2	240.9	158.7	2,627.6	–
Lease liabilities	114.8	214.5	13.4	13.1	32.2	155.8

	Restated ¹ 2024					
	£ m Carrying amount	£ m Contractual cash flows	£ m 1 year or less	£ m 1 to 2 years	£ m 2 to 5 years	£ m Over 5 years
Trade payables	349.8	354.3	329.3	25.0	–	–
Borrowings	2,448.5	3,087.7	444.0	785.3	1,858.4	–
Lease liabilities	116.2	220.4	13.3	12.6	37.1	157.4

1 Refer to note 2 for prior period restatement.

FOREIGN CURRENCY RISK MANAGEMENT

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments for the purchase of overseas sourced products on a rolling 18 month basis. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

FOREIGN CURRENCY SENSITIVITY ANALYSIS

The Group's principal foreign currency exposures are to US dollar which it uses to purchase inventory and euros due to the Group holding a bank loan in euros. The table below illustrates the hypothetical sensitivity of the Group's reported profit (2024: loss) and closing equity if a 10% increase and decrease in the US dollar/sterling exchange rates and euro/sterling exchange rates at the reporting date, assuming all other variables remain unchanged. The sensitivity rate of 10% represents the directors assessment of a reasonable possible change, based on historic volatility.

	Income Statement		Equity	
	2025 £ m	2024 £ m	2025 £ m	2024 £ m
Sterling strengthens by 10% against USD	1.5	0.9	1.5	0.9
Sterling weakens by 10% against USD	(1.8)	(1.2)	(1.8)	(1.2)
Sterling strengthens by 10% against euro	1.9	2.4	1.9	2.4
Sterling weakens by 10% against euro	(2.3)	(3.0)	(2.3)	(3.0)

32 FINANCIAL RISK MANAGEMENT AND IMPAIRMENT OF FINANCIAL ASSETS CONTINUED

INTEREST RATE RISK MANAGEMENT

The Group is exposed to interest rate risk, as entities in the Group borrow funds at floating interest rates. The Group treasury team is responsible for monitoring exposure to this risk and securing sufficient liquidity to meet foreseeable needs.

INTEREST RATE SENSITIVITY ANALYSIS

The Group uses securitisation to fund a significant portion of our receivables book and have a rolling three-year funding programme with a fixed margin over SONIA. The table below illustrates the hypothetical sensitivity of the Group's reported profit (2024: loss) and closing equity to a 3.0% increase or decrease in the SONIA rate, assuming all other variables were unchanged. The sensitivity rate of 3.0% represents the directors assessment of a reasonably possible change based on historical movements.

In preparing the analysis the following assumptions have been made:

- For floating rate assets and liabilities, the amount of the asset or liability outstanding at the reporting date is assumed to have been outstanding for the whole period.
- Fixed rate financial instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of this analysis.

	Income Statement		Equity	
	2025 £ m	2024 £ m	2025 £ m	2024 £ m
SONIA rate increase 3.0%	(44.8)	(45.1)	(44.8)	(45.1)
SONIA rate decrease 3.0%	44.8	45.1	44.8	45.1

CAPITAL RISK MANAGEMENT

Capital components

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Board manages the Group's debt structure through diversifying the debt portfolio, while maintaining a strong credit rating and sufficient headroom. The largest debt facility held by the Group is the securitisation facility, which is renewed on an annual basis, at which point the facility is reviewed to ensure the significance and terms of the facility are fit for purpose. It is the expectation, in the event of change of control, that the Group's capital structure is reviewed.

	2025 £ m	Restated ¹ 2024 £ m
Total borrowings	2,262.0	2,448.5
Less: cash and cash equivalents	(40.3)	(174.3)
Net debt	2,221.7	2,274.2
Equity	(368.0)	153.9

1 Refer to note 2 for prior period restatement.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 24, cash and cash equivalents disclosed in note 20 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained deficit as disclosed in the statement of changes in equity. Changes from the prior period are disclosed in the relevant notes.

Notes to the consolidated financial statements continued

33 LEASES

AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2025 £ m	Restated¹ 2024 £ m
Right-of-use assets:		
Land and buildings	88.5	93.2
Plant and equipment	3.2	3.9
	91.7	97.1

The amounts included within lease liabilities are as follows:

	2025 £ m	Restated¹ 2024 £ m
Lease liabilities:		
Current	5.7	6.1
Non-current	109.1	110.1
	114.8	116.2

1 Refer to note 2 for prior period restatement.

The maturity of lease liabilities is included in note 32.

Additions to the right-of-use assets during the financial period ending 28 June 2025 were £3.9m (2024: £1.8m).

Short term lease expense is disclosed in note 7.

AMOUNTS RECOGNISED IN THE CONSOLIDATED INCOME STATEMENT

	2025 £ m	Restated¹ 2024 £ m
Depreciation charge of right-of-use assets:		
Land and buildings	7.6	7.0
Plant and equipment	1.6	1.6
	9.2	8.6
Interest expense on lease liabilities	8.6	7.8

1 Refer to note 2 for prior period restatement.

AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS

	2025 £ m	2024 £ m
Total cash outflow for leases	14.0	12.9

LEASING ACTIVITIES

The Group enters into leases for a range of assets, principally relating to property. These property leases, which consist of office buildings and warehouses, have varying terms, renewal rights and escalation clauses, including periodic rent reviews.

34 RELATED PARTY TRANSACTIONS

SUMMARY OF TRANSACTIONS WITH ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INTEREST

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

	2025 £ m	Restated¹ 2024 £ m
Purchase of services		
Yodel Delivery Network Limited²	-	(49.8)
Arrow XL Limited³	-	(27.5)
Trenport Property Holdings Limited	(0.1)	(0.1)
Shop Direct Holdings Limited	(7.5)	(7.5)
Douglas Insurance (Gibraltar) Limited⁴	-	(0.9)
Societe Le Marchant	-	(1.0)
	(7.6)	(86.8)

- 1 Refer to Note 2 for prior period restatement.
- 2 In the prior year, Yodel Delivery Network Limited exited the Group and ceased to be a related party. Prior year purchases of services have been restated and presented up until the date that Yodel Delivery Network Limited left the Group.
- 3 In the prior year, Arrow XL Limited exited the Group and ceased to be a related party. Purchases of services have been restated and presented up until the date that Arrow XL Limited left the Group.
- 4 The related party note has been restated to include a payment made in the prior year to Douglas Insurance (Gibraltar) Limited which was not previously disclosed.

At the reporting date, the Group had the following balances outstanding with its fellow related parties:

	2025 £ m	2024 £ m
Amounts due from related parties		
Shop Direct Holdings Limited	-	509.1
Trenport Property Holdings Limited	-	8.3
LW Corporation Limited	-	-
Logistics Group Holdings Limited	-	3.3
	-	520.7

	2025 £ m	2024 £ m
Amounts due to related parties		
VGL FinCo Limited	23.3	20.5
	23.3	20.5

As at 28 June 2025, the Group and Company has receivable balances of £513.2m, £8.3m and £3.3m due from related parties, Shop Direct Holdings Limited (2024: £509.1m), Trenport Property Holdings Limited (2024: £8.3m) and LW Corporation Limited (2024: £nil) respectively. These are all non-interest bearing and repayable on demand. The Company intends to undertake a distribution in specie of these receivables post the publishing of this report.

Notes to the consolidated financial statements continued

34 RELATED PARTY TRANSACTIONS CONTINUED

SUMMARY OF TRANSACTIONS WITH ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INTEREST CONTINUED

The directors note that under IFRS 9, the receivable balances must be assessed for recoverability across a range of different scenarios, including previously disclosed potential changes to the Group's ownership structure. In order to take account of the necessary accounting standard and the intended distribution in specie process, a decision has therefore been taken to recognise a non-cash one-off Expected Credit Loss ('ECL') impairment provision of £524.8m at the balance sheet date (2024: £nil), prior to the effecting of this distribution to VGL Finco Limited, the immediate parent of the Company.

The directors consider that the outstanding balances will be satisfied, under the tripartite agreement signed by the shareholder and the Lenders of SDHL Group Facilities, via a non cash distribution in specie rather than through a cash transfer. No ECL impairment provision was booked last year on the basis that the receivable balance was expected to be settled in full via a cash movement. If any cash in relation to the outstanding balance was to be received, it would result in a corresponding and equal reduction in the impairment provision.

We note that these impairments are a non-cash, one off adjustment and that they have not impacted on the positive going concern assessment within these accounts. The adjustment does not relate to the Group's core trading activity, is not expected to recur, and pertain solely to historic relationships with the wider SDHL and Shareholder Group.

More broadly, the directors note that in the event of any change of control, it has been designed to be conducted in an orderly manner and ensure the Company is not exposed to the debt arrangements higher up in the SDHL Group structure.

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.

	2025 £ m	2024 £ m
Amounts recognised directly in equity		
VGL FinCo Limited	1.7	4.5
	1.7	4.5

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

Key management personnel compensation has been disclosed in note 10.

35 CONTINGENT LIABILITIES

On 10 March 2025, the Group received closure notices from HMRC confirming the enquiry into the tax treatment of a deduction taken in the FY22 tax return following the change of accounting policy in respect of cloud computing costs with no adjustment required to the submitted tax returns. The directors are satisfied this matter is closed and no obligation shall arise in respect of the enquiry.

At 29 June 2024, the Group had a constructive obligation in relation to property lease guarantees which totalled a maximum potential exposure of £53m. These amounts would only become payable if the relevant parties failed to meet their contractual obligations. In June 2025, an agreement was entered into indemnifying the lease guarantor against any potential losses relating to the property lease guarantees.

36 AUDIT EXEMPTION

The Company is entitled to exemption from audit for its subsidiaries under Section 479A of the Companies Act 2006 for the 52 week period ended 28 June 2025. The directors have applied this exemption for the following subsidiaries:

Company name	Company number
Littlewoods Limited	00262152

The Very Group Limited will guarantee all outstanding liabilities that these subsidiaries are subject to as at the period ended 28 June 2025 in accordance with Section 479C of the Act, as amended by the Companies and Limited Liability Partnerships (Accounts and Audit Exemptions and Change of Accounting Framework) Regulations 2012.

The directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

37 PARENT AND ULTIMATE PARENT UNDERTAKING

The Company's immediate parent is VGL Finco Limited. The smallest consolidated set of accounts which contain The Very Group Limited results are Shop Direct Holdings Limited.

The most senior parent entity producing publicly available financial statements is Shop Direct Holdings Limited. These financial statements are available upon request from Acre House, 11-15 William Road, London, NW1 3ER.

The ultimate controlling party is the Sir David Barclay and Sir Frederick Barclay Family Settlements.

38 EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Subsequent to 28 June 2025, it was decided that the Group's operations in Hong Kong, Source Direct International Limited ("SDIL"), would cease and transfer to Shop Direct Group Sourcing Limited.

On 9 July 2025, the Irish securitisation facility was extended to July 2028. There has been no change to the total commitment amount of €35.0m.

Financial statements continued

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

AS AT 28 JUNE 2025

The Very Group Limited (Registration number: 04730752)

		28 June 2025	Restated ¹
	note	£ m	29 June 2024 £ m
Assets			
Non-current assets			
Right-of-use assets	41	34.8	41.5
Investments in subsidiaries	42	899.2	624.7
Net investment in lease ²	44	67.7	42.7
Deferred tax assets	43	2.8	6.5
Amounts due from related parties	44	843.6	1,556.8
		1,848.1	2,272.2
Current assets			
Net investment in lease ²	44	32.1	24.7
Total assets		1,880.2	2,296.9
Equity			
Share capital	49	200.0	200.0
Capital contribution reserve	48	1.7	4.5
Retained earnings		246.1	191.9
Total equity		447.8	396.4

		28 June 2025	Restated ¹
	note	£ m	29 June 2024 £ m
Non-current liabilities			
Amounts due to related parties	46, 48	23.3	20.5
Loans and borrowings	45	83.2	50.0
Lease liabilities	47	100.2	104.7
		206.7	175.2
Current liabilities			
Amounts due to related parties	46	1,112.4	1,564.6
Other payables		4.0	1.7
Loans and borrowings	45	103.0	151.1
Lease liabilities	47	6.0	7.7
Current tax liability		0.3	0.2
		1,225.7	1,725.3
Total liabilities		1,432.4	1,900.5
Total equity and liabilities		1,880.2	2,296.9

1 Refer to note 39 for prior period restatement.
2 Net investment in leases have been represented to separate the balances from amounts due from related parties.

The profit after taxation for the 52 week period ended 28 June 2025 attributable to the Company amounted to £51.4m (Restated 2024¹: loss of £12.0m). The Company has taken advantage of Section 408 of the Companies Act 2006 and has not published its own income statement.

The financial statements of The Very Group Limited, registered number 04730752, have been approved by the Board and authorised for issue on 21 October 2025 and signed on its behalf by:


E Fry
Director

STATEMENT OF CHANGES IN EQUITY FOR THE COMPANY
52 WEEK PERIOD ENDED 28 JUNE 2025

	Share capital £ m	Retained earnings £ m	Capital Contribution Reserve £ m	Total £ m
Balance at 2 July 2023 (as previously reported)	200.0	207.8	–	407.8
IAS 8 correction ¹	–	(1.2)	–	(1.2)
Restated balance at 2 July 2023 ¹	–	206.6	–	406.6
Restated total comprehensive loss for the period ¹	–	(12.0)	–	(12.0)
Dividends paid to parent company	–	(3.8)	–	(3.8)
Movement in capital contribution reserve	–	1.1	4.5	5.6
Restated balance at 29 June 2024¹	200.0	191.9	4.5	396.4

	Share capital £ m	Retained earnings £ m	Capital Contribution Reserve £ m	Total £ m
Restated balance at 30 June 2024 ¹	200.0	191.9	4.5	396.4
Loss for the period	–	(675.0)	–	(675.0)
Dividends received from liquidated subsidiaries	–	726.4	–	726.4
Total comprehensive income for the period	–	51.4	–	51.4
Dividends paid to parent company	–	–	–	–
Movement in capital contribution reserve	–	2.8	(2.8)	–
At 28 June 2025	200.0	246.1	1.7	447.8

1 Refer to note 39 for prior period restatement.

39 MATERIAL ACCOUNTING POLICIES
BASIS OF ACCOUNTING

The Very Group Limited (“the Company”) is a company incorporated in the United Kingdom under the Companies Act. The Company is the parent undertaking of the Group and also prepares consolidated financial statements. The separate financial statements of the Company are presented as required by the Companies Act 2006. The financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) ‘Reduced Disclosure Framework’ as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of a cash-flow statement and certain disclosure requirements in respect of related party transactions with wholly owned subsidiaries, capital management disclosures, financial instruments and leases. Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements. The accounts are drawn up to the Saturday nearest to 30 June, or to 30 June where this falls on a Saturday. In the current financial period this was the 52 week period to Saturday 28 June 2025 (2024: 52 week period to Saturday 29 June 2024).

There are no critical judgements or estimates.

INVESTMENTS

Investments in subsidiary undertakings are included in the balance sheet at cost on acquisition and are assessed for indicators of impairment on an annual basis. Where appropriate, an impairment loss is recognised in the profit or loss.

IMPAIRMENT

The Company’s accounting policies in respect of impairment of property, plant and equipment, intangible assets and financial assets are consistent with those of the Group.

The carrying values of investments in subsidiary undertakings are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. The recoverable amount of an investment in a subsidiary undertaking is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The investment in Douglas is a key judgement area, in line with the Douglas goodwill balance. Related sensitivities on the Douglas goodwill balance are included in note 14.

The Company’s impairment policies in relation to financial assets are consistent with those of the Group, with additional consideration given to amounts owed by Group undertakings. Except for certain loans due in greater than one year, all outstanding receivable balances are repayable on demand and arise from funding provided by the Company to its subsidiaries. The Company deems it unlikely that net receivers of funding would be able to repay loan balances in full at the end of the reporting period if the debt was called upon and in such circumstances the counterparty would either negotiate extended credit terms with the Company or obtain external financing to repay the balance. As such, the expected credit loss is either considered immaterial based on discounting the loan over the extended payment term, or has been calculated by applying a default loss rate based on the actual or proxy credit rating of the counterparty. No change in credit risk is deemed to have occurred since initial recognition for amounts not repayable and therefore a 12-month expected credit loss has been calculated based on the assessed probability of default.

Notes to the company financial statements continued

39 MATERIAL ACCOUNTING POLICIES CONTINUED

Prior period restatement

Lease adjustment

The Company financial statements include a prior year adjustment in relation to lease accounting for a lease held by the Group. In May 2021, the term on this lease was extended at which point, in accordance with IFRS 16 ‘Leases’, the lease should have been remeasured. This extension was not reflected in the lease calculations, which continued to be based on the original lease agreement.

In accordance with IAS 8 ‘Accounting Policies, Changes in Accounting Policies and Errors’, this omission has been classified as a prior period error and corrected retrospectively. The adjustment results in a grossing up of the net investment in lease, amounts owed by related parties and lease liability, increasing net liabilities by £1.2m as at 29 June 2024 and £0.7m as at 28 June 2025.

Interest adjustment

The Company financial statements include a prior year adjustment in relation to an adjustment that was incorrectly processed. In accordance with IAS 8 ‘Accounting Policies, Changes in Accounting Policies and Errors’, this omission has been classified as a prior period error and corrected. This adjustment results in the restated loss for the 52 week period ended 28 June 2025 reducing to £12.0m and net liabilities reducing by £3.6m as at 29 June 2024. This relates to an intragroup transaction and has no impact on the consolidated Group position.

The prior period comparatives have been restated in accordance with IAS 8 ‘Accounting Policies, Changes in Accounting Policies and Errors’ and have impacted the Company primary financial statements as follows:

COMPANY STATEMENT OF FINANCIAL POSITION

	As previously reported £ m	Lease adjustment £ m	Interest adjustment £ m	As restated £ m
As at 29 June 2024				
Net investment in lease	–	42.7	–	42.7
Amounts owed by related parties	1,586.4	(29.6)	–	1,556.8
Total non-current assets	2,259.1	13.1	–	2,272.2
Total assets	2,283.8	13.1	–	2,296.9
Amounts due to related parties	1,568.2	–	(3.6)	1,564.6
Total current liabilities	1,728.9	–	(3.6)	1,725.3
Lease liabilities	90.4	14.3	–	104.7
Total non-current liabilities	160.9	14.3	–	175.2
Total liabilities	1,889.8	14.3	(3.6)	1,900.5
Accumulated deficit	(189.5)	1.2	(3.6)	(191.9)
Equity attributable to owners of the Company	(394.0)	1.2	(3.6)	(396.4)

40 PROFIT OF THE COMPANY

The profit on ordinary activities after taxation for the 52 week period ended 28 June 2025 attributable to the Company amounted to £51.4m (Restated¹ 2024: loss of £12.0m). Within the profit for the current period is £3.9m intercompany dividend income received from The Very Group Ireland Limited (2024: £nil) and £5.0m intercompany dividend income received from Douglas Insurance Limited (2024: £nil). During the period additional dividends were received from liquidated subsidiaries as follows: £287.1m intercompany dividend income received from LW Finance Limited (2024: £nil), £416.9m intercompany dividend income received from LW Limited (2024: £nil) and £22.4m intercompany dividend income received from Source Direct International Limited (2024: £nil). The Company has taken advantage of Section 408 of the Companies Act 2006 and has not published its own income statement.

The Company has no employees (2024: none).

The auditor’s remuneration for audit and other services is disclosed in note 11 to the consolidated financial statements.

For the Company, the auditor’s remuneration for the period was £50,000 (2024: £100,000).

1 Refer to note 39 for prior period restatement.

41 RIGHT-OF-USE ASSETS

	Plant & equipment £ m
Cost	
At 29 June 2024 and 28 June 2025	70.4
Depreciation	
At 29 June 2024	28.9
Charge for the period	6.7
At 28 June 2025	35.6
Carrying amount	
At 28 June 2025	34.8
At 29 June 2024	41.5

Notes to the company financial statements continued

42 INVESTMENTS
GROUP SUBSIDIARIES

Details of the Group's subsidiaries as at 28 June 2025 are as below.

The full address of Skyways House is Speke Road, Liverpool, L70 1AB and the full address of Pearl Assurance House is 319 Ballards Lane, Finchley, London, N12 8LY. Unless otherwise stated, all companies are registered in England and Wales.

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2025	2024
Shop Direct Home Shopping Limited	Retail	Skyways House, L70 1AB	100%	100%
Shop Direct Licensing Limited	In liquidation	Pearl Assurance House, N12 8LY	100%	100%
Littlewoods Clearance Limited*	In liquidation	Pearl Assurance House, N12 8LY	100%	100%
Source Direct International Limited*	Merchandise sourcing	One Pacific Place, Hong Kong	100%	100%
Shop Direct Ireland Limited	Retail	Cape House, Westend Office Park, Dublin	100%	100%
Very Shopping Ireland Limited	Dormant	Cape House, Westend Office Park, Dublin	100%	100%
Very Digital Ireland Limited	Dormant	Cape House, Westend Office Park, Dublin	100%	100%
Veryie Limited	Dormant	Cape House, Westend Office Park, Dublin	100%	100%
The Veryie Group Ireland Limited	Dormant	Cape House, Westend Office Park, Dublin	100%	100%
Shop Direct Group Sourcing Limited	Merchandise sourcing	One Pacific Place, Hong Kong	100%	100%
LW Finance Limited*	In liquidation	Pearl Assurance House, N12 8LY	100%	100%
LW Investments Limited	In liquidation	Pearl Assurance House, N12 8LY	100%	100%
Littlewoods Limited*	Intermediate holding company	Skyways House, L70 1AB	100%	100%
Shop Direct Group Financial Services Limited*	Intermediate holding company	Skyways House, L70 1AB	100%	100%
Littlewoods Retail Limited	In liquidation	Pearl Assurance House, N12 8LY	100%	100%
Shop Direct Finance Company Limited	Financial services	Skyways House, L70 1AB	100%	100%
Douglas Insurance Limited*	Insurance company	Finch House, Isle of Man, IM1 2PS	100%	100%
Primevere Equipment Ltd	Equipment Leasing	Skyways House, L70 1AB	100%	100%
The Very Group Funding PLC*	Funding	Skyways House, L70 1AB	100%	100%
Shop Direct Limited	Dormant	Skyways House, L70 1AB	100%	100%
Shop Direct Financial Services Limited	Dormant	Skyways House, L70 1AB	100%	100%
Business Express Network Limited	In liquidation	Pearl Assurance House, N12 8LY	100%	100%
Littlewoods Direct Recoveries Limited	In liquidation	Pearl Assurance House, N12 8LY	100%	100%
Woolworths Limited	Dormant	Skyways House, L70 1AB	100%	100%
Woolworths Holdings Limited	Dormant	Skyways House, L70 1AB	100%	100%

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2025	2024
Very Group Holdings Limited	Dormant	Skyways House, L70 1AB	100%	100%
Very Group International Limited	Dormant	Skyways House, L70 1AB	100%	100%
Very Group Finance Limited	Dormant	Skyways House, L70 1AB	100%	100%
Very Group Financial Services Limited	Dormant	Skyways House, L70 1AB	100%	100%
VG Consumer Finance Limited	Financial services	Skyways House, L70 1AB	100%	100%
Very Group Retail Limited	Dormant	Skyways House, L70 1AB	100%	100%
00739600**	In liquidation	Skyways House, L70 1AB	100%	N/A
00044307***	In liquidation	Skyways House, L70 1AB	100%	N/A

* indicates direct investment of The Very Group Limited.
** reinstated by court order on 8 October 2024.
*** reinstated by court order on 23 October 2023.

SUMMARY OF THE COMPANY INVESTMENTS

	2025 £ m	2024 £ m	2023 £ m
Investments in subsidiaries	899.2	624.7	632.0

Subsidiaries	£ m
Cost	
At 1 July 2023 and 29 June 2024	1,254.4
Additions	439.3
At 28 June 2025	1,693.7
Provision	
At 1 July 2023	622.4
Impairment	7.3
At 29 June 2024	629.7
Impairment	164.8
At 28 June 2025	794.5
Carrying amount	
At 28 June 2025	899.2
At 29 June 2024	624.7
At 1 July 2023	632.0

The additions in the year relate to subsidiaries in the Group that have been transferred to direct ownership under the Company.

Notes to the company financial statements continued

43 DEFERRED TAX

Deferred tax movement during the period:

	At 30 June 2024 £ m	Recognised in income statement £ m	At 28 June 2025 £ m
Accelerated tax depreciation	6.5	(3.7)	2.8
Net tax assets	6.5	(3.7)	2.8

Deferred tax asset recognition is based on entity only future taxable profits with deferred tax assets expected to reverse in future periods.

The Company has recognised deferred tax assets in respect of accelerated tax depreciation to the extent that it is probable that there will be future taxable profits against which these can be utilised. The Company has considered their carrying value at each reporting date and concluded that, based on management’s long-term plan, sufficient taxable profits will be generated in future years to recover such recognised deferred tax assets. These estimates are based on forecast future taxable profits.

The Company regards the deferred tax asset in relation to tax losses and other temporary differences as recoverable based on its best estimate of future sources of taxable income.

44 AMOUNTS DUE FROM RELATED PARTIES

	2025 £ m	Restated ¹ 2024 £ m
Non-current:		
Amounts owed by subsidiaries	843.6	1,047.7
Net investment in lease	67.7	42.7
Amounts owed by parent	–	509.1
	911.3	1,599.5
	2025 £ m	2024 £ m
Current:		
Net investment in lease	32.1	24.7
	32.1	24.7

1 Refer to note 39 for prior period restatement.

As at 28 June 2025, the Group and Company has a receivable balance of £513.2m due from related parties, Shop Direct Holdings Limited (2024: £509.1m). This is non-interest bearing and repayable on demand. The Company intends to undertake a distribution in specie of this receivable post the publishing of this report. The directors note that under IFRS 9, the receivable balance must be assessed for recoverability across a range of different scenarios, including previously disclosed potential changes to the Group’s ownership structure.

In order to take account of the necessary accounting standard and the intended distribution in specie process, a decision has therefore been taken to recognise a non-cash one-off Expected Credit Loss (‘ECL’) impairment provision of £513.2m at the balance sheet date (2024: £nil), prior to the effecting of this distribution to VGL Finco Limited, the immediate parent of the Company. The directors consider that the outstanding balance will be satisfied, under the tripartite agreement signed by the shareholder and the Lenders of SDHL Group Facilities, via a non cash distribution in specie rather than through a cash transfer.

No ECL impairment provision was booked last year on the basis that the receivable balance was expected to be settled in full via a cash movement. If any cash in relation to the outstanding balance was to be received, it would result in a corresponding and equal reduction in the impairment provision.

We note that this impairment is a non-cash, one off adjustment and that it has not impacted on the positive going concern assessment within these accounts. The adjustment does not relate to the Group’s core trading activity, is not expected to recur, and pertain solely to historic relationships with the wider SDHL and Shareholder Group. More broadly, the directors note that in the event of any change of control, it has been designed to be conducted in an orderly manner and ensure the Company is not exposed to the debt arrangements higher up in the SDHL Group structure.

45 LOANS AND BORROWINGS

The underlying currency of the secured revolving credit facility is Pound Sterling. Details of the terms of the facility are included in note 24.

	2025 £ m	2024 £ m
Non-current loans and borrowings at amortised cost		
External loans	83.2	50.0
	83.2	50.0

	2025 £ m	2024 £ m
Current loans and borrowings at amortised cost		
Secured revolving credit facility	95.5	149.3
External loans	7.5	1.8
	103.0	151.1

The borrowings are repayable as follows:

	2025 £ m	2024 £ m
Within one year	103.0	151.1
In the first to second year	83.2	50.0
	186.2	201.1

46 AMOUNTS DUE TO RELATED PARTIES

	2025 £ m	2024 £ m
Non-current:		
Amounts due to related parties	23.3	20.5
	23.3	20.5

	2025 £ m	Restated ¹ 2024 £ m
Current:		
Amounts due to subsidiaries	1,112.4	1,564.6
	1,112.4	1,564.6

1 Refer to note 39 for prior period restatement.

Notes to the company financial statements continued

46 AMOUNTS DUE TO RELATED PARTIES CONTINUED

Amounts due to related parties represent the interest free loan from VGL FinCo Limited, see note 48 for further information. Amounts due to subsidiaries are unsecured, interest free and repayable on demand.

47 LEASES

AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

	2025 £ m	2024 £ m
Right-of-use assets:		
Plant and equipment	34.8	41.5
	34.8	41.5

The amounts included within lease liabilities are as follows:

	2025 £ m	Restated ¹ 2024 £ m
Lease liabilities:		
Current	6.0	7.7
Non-current	100.2	104.7
	106.2	112.4

¹ Refer to note 39 for prior period restatement.

Additions to the right-of-use assets during the financial period ending 28 June 2025 were £nil (29 June 2024: £nil). The total cash outflow for leases during the financial period ending 28 June 2025 was £12.1m (29 June 2024: £11.8m).

Note that the above lease liability value for the parent company includes the assets leased by The Very Group Limited from Primevere Equipment Limited. Within the consolidated Group results for the year, this lease has been eliminated following the acquisition of Primevere Equipment Limited.

AMOUNTS RECOGNISED IN THE INCOME STATEMENT

The Income Statement includes the following amounts relating to leases:

	2025 £ m	Restated ¹ 2024 £ m
Depreciation charge of right-of-use assets:		
Plant and equipment	6.7	6.7
Interest expense on lease liabilities	5.6	4.6

¹ Refer to note 39 for prior period restatement.

48 RELATED PARTY TRANSACTIONS

SUMMARY OF TRANSACTIONS WITH ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INTEREST

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in the note. There are no transactions between the Company related parties who are not members of The Very Group Limited. At the reporting date, the Company had the following intercompany loans outstanding with its fellow Group companies outside of The Very Group Limited:

	2025 £ m	2024 £ m
Amounts due from related parties		
Shop Direct Holdings Limited	-	509.1
	-	509.1

	2025 £ m	2024 £ m
Amounts due to related parties		
VGL FinCo Limited	23.3	20.5
	23.3	20.5

As at 28 June 2025, the Group and Company has a receivable balance of £513.2m due from related parties, Shop Direct Holdings Limited (2024: £509.1m). This is non-interest bearing and repayable on demand. The Company intends to undertake a distribution in specie of this receivable post the publishing of this report. The directors note that under IFRS 9, the receivable balance must be assessed for recoverability across a range of different scenarios, including previously disclosed potential changes to the Group's ownership structure.

In order to take account of the necessary accounting standard and the intended distribution in specie process, a decision has therefore been taken to recognise a non-cash one-off Expected Credit Loss ('ECL') impairment provision of £513.2m at the balance sheet date (2024: £nil), prior to the effecting of this distribution to VGL Finco Limited, the immediate parent of the Company. The directors consider that the outstanding balance will be satisfied, under the tripartite agreement signed by the shareholder and the Lenders of SDHL Group Facilities, via a non cash distribution in specie rather than through a cash transfer.

No ECL impairment provision was booked last year on the basis that the receivable balance was expected to be settled in full via a cash movement. If any cash in relation to the outstanding balance was to be received, it would result in a corresponding and equal reduction in the impairment provision.

We note that this impairment is a non-cash, one off adjustment and that it has not impacted on the positive going concern assessment within these accounts. The adjustment does not relate to the Group's core trading activity, is not expected to recur, and pertain solely to historic relationships with the wider SDHL and Shareholder Group. More broadly, the directors note that in the event of any change of control, it has been designed to be conducted in an orderly manner and ensure the Company is not exposed to the debt arrangements higher up in the SDHL Group structure.

Notes to the company financial statements continued

48 RELATED PARTY TRANSACTIONS CONTINUED

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. The lease liabilities disclosed in note 46 include £37.2m (2024: £43.9m) due to Primevere Equipment Limited.

	2025 £ m	2024 £ m
Amounts recognised directly in equity		
VGL FinCo Limited	1.7	4.5
	1.7	4.5

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.

1 Refer to note 39 for prior period restatement.

49 SHARE CAPITAL

	2025 £ m	2024 £ m
Allotted, called-up and fully paid:		
Ordinary shares of £1 each	200.0	200.0

The shares have attached to them full voting, dividend and capital distribution (including winding up) rights, they do not confer any rights of redemption.

50 EVENTS AFTER THE REPORTING PERIOD

Subsequent to 28 June 2025, it was decided that the Group's operations in Hong Kong, Source Direct International Limited ("SDIL"), would cease and transfer to Shop Direct Group Sourcing Limited ("SDGSL"). Therefore, the Company investment in SDIL has been fully impaired as the value in use is deemed to be £nil. As part of this change, the ownership of SDGSL has transferred to The Very Group Limited.

Company information

DIRECTORS

A S Barclay
H M Barclay
R Feather
B P Fletcher (resigned 30 September 2025)
T A Franklin
J T Humphries
D W Kershaw
R A Mayfield
M McMenemy (resigned 23 August 2024)
P L Peters
S A Winton
P O'Donnell (appointed 6 August 2024)
N T Beighton (appointed 29 August 2024)
N Zahawi (appointed 13 September 2024)
E S T Fry (appointed 1 October 2025)

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