

Driving innovation for customers

Annual Report and Accounts FY26



The
Very
Group



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

With annual revenue of £2.1bn, The Very Group is a market-leading powerhouse in digital retail and financial services.

We are here for the millions of online shoppers in the UK and Ireland – and especially for families. We combine over 2,000 brands across Electrical, Home, Fashion and more, with a simple online experience and flexible ways to pay provided via our Very Pay platform.

1.4m

Daily website visits

4.1m

Group-wide active customers across the UK and Ireland

41.1m

Items delivered annually

> Find out more

theverygroup.com

> Find out more

Very Pay



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FY26 highlights



Financial highlights

for the 52 week period ended 27 June 2026

Group revenue

£2,085.8m

(-0.1% YoY) – stable top line performance despite a challenging market, including growth in our main brand Very UK.

FY22	£2,148.3m
FY23	£2,147.0m
FY24	£2,125.3m
FY25	£2,087.4m
FY26	£2,085.8m

Adjusted EBITDA margin

15.2%

(+0.5%pts YoY)

FY22	13.6%
FY23	12.1%
FY24	12.5%
FY25	14.7%
FY26	15.2%

Adjusted EBITDA

£317.5m

(+3.4% YoY) – record earnings performance driven by higher margin retail sales and a strong financial services performance.

FY22	£291.4m
FY23	£260.7m
FY24	£264.9m
FY25	£307.1m
FY26	£317.5m

Operating costs as % of revenue

22.1%

(-0.2%pts YoY)

FY22	23.2%
FY23	24.0%
FY24	23.2%
FY25	22.3%
FY26	22.1%

Group Very Finance revenue

£464.5m

(+7.1% YoY) – significant growth in financial services revenues as flexible payment options remain popular with customers.

> **Find out more**
KPIs page 12

Operational highlights

for the 52 week period ended 27 June 2026

3.5m

Very UK total active customers

2,000+

Brands across Fashion, Home, Electrical and more

14 minutes

Fastest order processed at Skygate distribution centre

43.9

Our best ever Group net promoter score (NPS)

4/5

Glassdoor rating¹

41.1m

Items delivered

¹ Glassdoor provides an external rating of employee satisfaction.

Our business at a glance



Representing 89% of Group revenue (FY25: 88%), 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.

> Find out more
theverygroup.com

Very UK NPS

44.3
(+1.3 YoY)

Very UK retail sales¹

£1,392.2m
(-0.2% YoY)

Very UK revenue

£1,856.7m
(+1.3% YoY)

Very UK total active customers

3.5m
(-2.2% YoY)



Very UK is supported by 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 amongst Ireland's largest pureplay digital retailers and has traded in the country for over 40 years.



Ireland

Littlewoods & Very Ireland combined revenue²

£229.1m
(-10.1% YoY)

Combined retail sales^{1,2}

£205.8m
(-10.4% YoY)

Very Pay

All of our brands are backed by our regulated financial services proposition. Very Pay offers customers flexible ways to pay that work for them, including buy now, pay in three, buy now pay later or pay monthly.



1 Retail sales is on a management accounts basis and therefore excludes certain 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

FY26 has been another year of growth and innovation for The Very Group, with continued improvements to our proposition to deliver greater value for our customers.

Driving innovation for customers

Guided by our purpose, our customers remain at the heart of everything we do at The Very Group. In my prior year review of FY25, I noted a number of significant updates we were making to our proposition to enhance the customer experience.

As highlighted in the case study on pages 10 to 11, this innovation has continued throughout FY26, with even more steps taken to strengthen our proposition and deliver greater value for families.

FY26 at times presented a demanding environment, marked by trading pressures in key markets and wider external challenges. Despite this, the financial results presented in this year's report – including a record EBITDA margin driven by structural improvements in gross margin and operating cost diligence – are evidence that the improvements we are making to our operations are delivering sustainable value.

During the year we also achieved our highest ever net promoter score (NPS), the Group's internal measure of customer satisfaction, meaning our families are responding well to the changes we are making.

These achievements reflect the hard work of our people, whose capability, resilience and commitment to the business reinforce my confidence in the years ahead. On behalf of the Board, I would like to recognise and commend the continued dedication of all our colleagues, whose contribution remains fundamental to the Group's long-term success.

Outlook

We know that households continue to face challenges, with persistent economic headwinds and evolving market conditions shaping consumer behaviour.

At The Very Group, we have a proven track record of adapting to meet customer demand through changing times. Our differentiated business model – combining a leading digital retail offering with flexible payment options – continues to resonate strongly with families, particularly when budgets are under pressure.

Our performance in FY26 means we enter the new financial year with strong momentum and a clear strategy to deliver our goals, underpinned by the experience and expertise to navigate uncertainty.

We look ahead with confidence in the strength and relevance of our business model and our ability to continue meeting the evolving needs of our customers.

Nadhim Zahawi
Chair

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Our performance in FY26 means we enter the new financial year with strong momentum and a clear strategy to deliver our goals.

Nadhim Zahawi
Chair

Financial review
> Read more on pages 13 to 16

Governance
> Read more on pages 47 to 48

CEO's review of the year

This year, we have remained focused on what matters most to our customers while strengthening our unique proposition which combines multi-category digital retail with flexible ways to pay.

Against a backdrop of continued pressure on household budgets, we have worked hard to provide the flexibility, quality and service our families expect, staying true to our purpose of helping them get more out of life. This customer-focused approach has enabled us to strengthen our business and deliver another year of strong financial performance.

Across FY26, we have continued to enhance our proposition, with notable progress in the re-platforming of our websites and migrating all of our systems to the Cloud. We have also introduced lockers for deliveries and returns, providing greater convenience and flexibility for our families.

Importantly, we have delivered these improvements while maintaining a strong focus on cost discipline, with more than £100m of costs taken out of the business over the three years since FY23.

Alongside these proposition enhancements, we have continued to evolve our established financial services offering, making strong progress in developing new and tailored products that better meet the individual needs of our customers.

None of this would be possible without the passion and dedication of our colleagues across the Group. I would like to thank every one of them for their outstanding contribution. Their hard work and unwavering focus on our customers have enabled us to build on our momentum, continue transforming our business and deliver sustainable growth for our stakeholders.

Change of ownership

During the year, The Very Group underwent a significant change of control, with Carlyle assuming ownership of the Group and its subsidiaries.

We are delighted to welcome Carlyle as our shareholder. This marks an important milestone for The Very Group as we enter the next phase of our growth, building on our strong foundations and continuing to innovate for our customers.

Sustained earnings growth

The Group's financial performance for the 52 weeks ended 27 June 2026 demonstrates that our strategy to strengthen our proposition is delivering.

Against a challenging and unpredictable market backdrop, we achieved the strongest earnings performance in the Group's history, supported by disciplined execution across both our retail and financial services businesses.

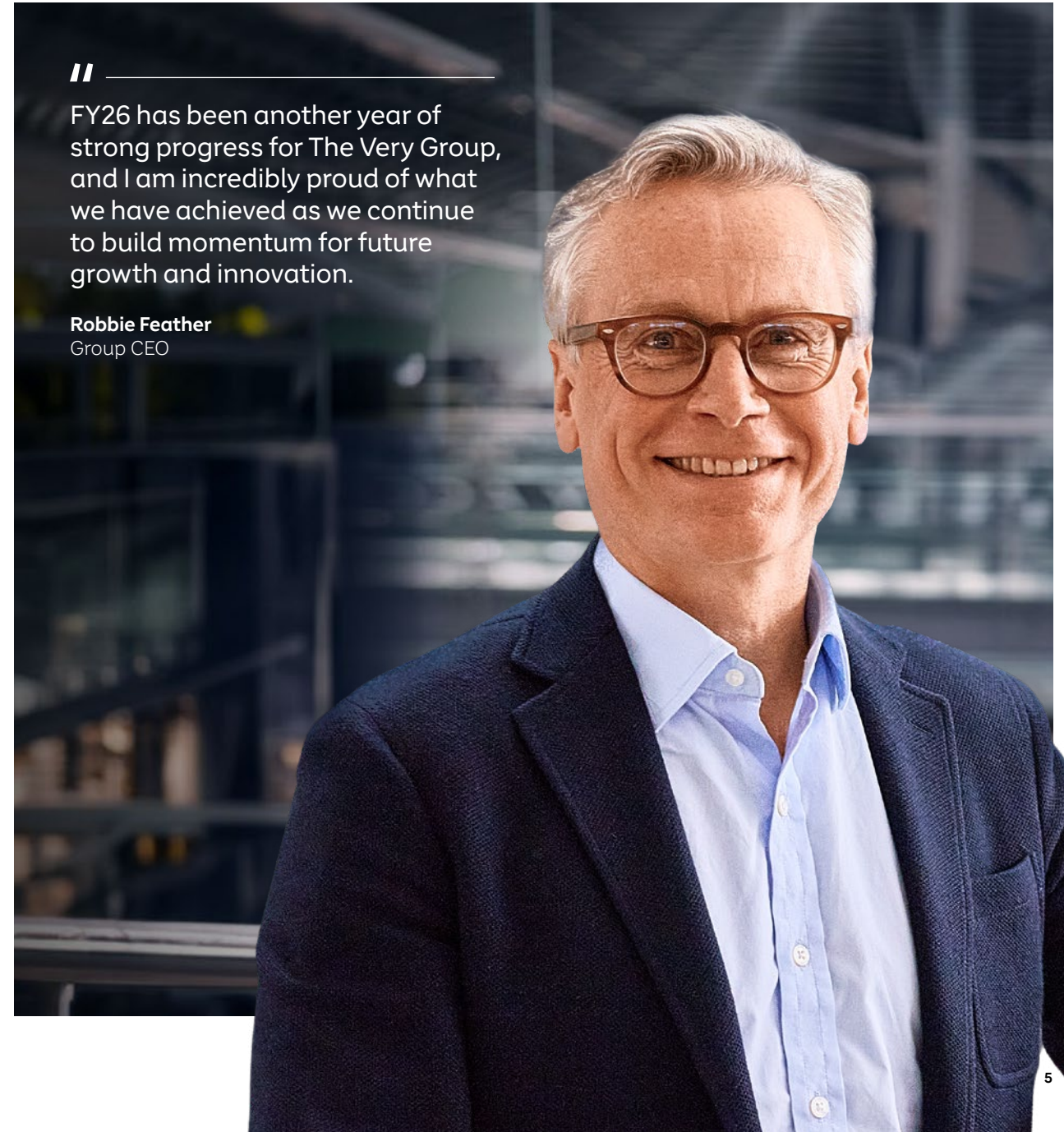
Performance was underpinned by top-line growth of 1.3% in our flagship brand Very UK, with revenue increasing to £1,856.7m (FY25: £1,832.5m). Within this, we delivered growth in strategically important, higher-margin retail categories such as Home and Beauty, supporting our ongoing focus on improving sales mix.

Revenue from our financial services offering, Very Finance, increased by 7.1% year on year to £464.5m (FY25: £433.6m), reflecting the continued appeal of our flexible payment options and the differentiated proposition they provide to customers.

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FY26 has been another year of strong progress for The Very Group, and I am incredibly proud of what we have achieved as we continue to build momentum for future growth and innovation.

Robbie Feather
Group CEO



CEO's review of the year continued

This was supported by growth in the average Very UK debtor book, which increased by 3.8% to £1,547.3m (FY25: £1,490.4m), demonstrating the sustained demand for our flexible ways to pay.

Together, improvements in retail sales mix and an increased financial services yield drove a significant improvement in gross margin, which increased by 0.8%pts to 37.4% (FY25: 36.6%).

Combined with continued discipline in managing operating costs, this enabled us to deliver an Adjusted EBITDA margin of 15.2%, an increase of 0.5%pts from the prior year (FY25: 14.7%), representing the best earnings performance in the Group's history.

While our financial performance is a key measure of success, it is equally important that the changes we are making continue to resonate with our customers. In FY26, we achieved our highest-ever net promoter score (NPS) of 43.9, demonstrating that customers are responding positively to our strengthened proposition.

This gives us confidence that the foundations we are building today will support our ambition to deliver sustainable growth over the long-term, as we continue to evolve our offer, enhance the customer experience and build deeper relationships with our families.

+0.5%pts

Improvement in Adjusted EBITDA margin

43.9

Group net promoter score

> **Financial review**
Read more on pages 13 to 16

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 continues to shape our business strategy, which in FY26 remained focused upon three core value pillars – ease, choice and understanding.

Ease: creating a brilliant customer experience

Our multi-year technology transformation project continued to progress and by the end of FY26, over 95% of all customer traffic was being routed through our new Skyscape 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 InPost lockers across both our delivery and returns network, giving customers access to 15,000 additional collection and drop-off points.

This has enhanced the flexibility and convenience of the shopping experience, making it even simpler for customers to receive and return their orders at a time that works for them.

Choice: bringing the best brands to our customers

This year we have added more than 80 new brands to our retail offering. Across our categories we have introduced names such as Estée Lauder, Salomon and Dusk. We also saw the return of Nike to our websites in spring 2026, further boosting our established sports proposition.

What's more, across FY26 we relaunched our own brand proposition under a single label – The Very Collection. Containing a 23,000 option assortment across Fashion and Home, The Very Collection brings seasonal newness and trend-led design with competitive pricing.

Understanding: turning data into insights and action

In FY26, we formally launched our intelligence-based financial services initiative, Sigma.iQ, which uses a wide range of data insights to personalise customers' payment options and deliver a tailored homepage featuring the offers most relevant to their individual needs.

We also began trialling our new financial services products, namely instalment plans or "Very Plans", informed by our growing understanding of what customers want from our flexible payments proposition.

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

An evolving business strategy

As we move into FY27 we are introducing a new strategic framework across the business, which builds on our previous values while recognising the distinct actions we need to take to meet our ambition and fulfil our purpose. This will be reflected in three new strategic pillars – even stronger 'retail + credit' proposition, broader appeal to win new families and new growth avenues. You can read more about our new strategy on pages 8 to 9.

Summary and outlook

FY26 has been another year of strong progress for The Very Group, and I am incredibly proud of what our colleagues have achieved as we continue to build momentum for future growth and innovation.

While we expect the external environment to remain challenging, we enter the year ahead with confidence. The investments we have made in our technology, data and digital capabilities have created a more agile business, enabling us to respond quickly to changing customer needs and market conditions.

We enter FY27 with a refreshed strategic framework and a strong business model, and we remain focused on making the decisions that best serve our customers and support our purpose of helping families get more out of life.

Robbie Feather
Group CEO

Our business model

We are a digital retailer and responsible financial services provider operating across the UK and Ireland. We sell products across a range of categories, including Fashion, Electrical, Home, Beauty and more.

What we do

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



How we do it

Increasingly personalised marketing experience

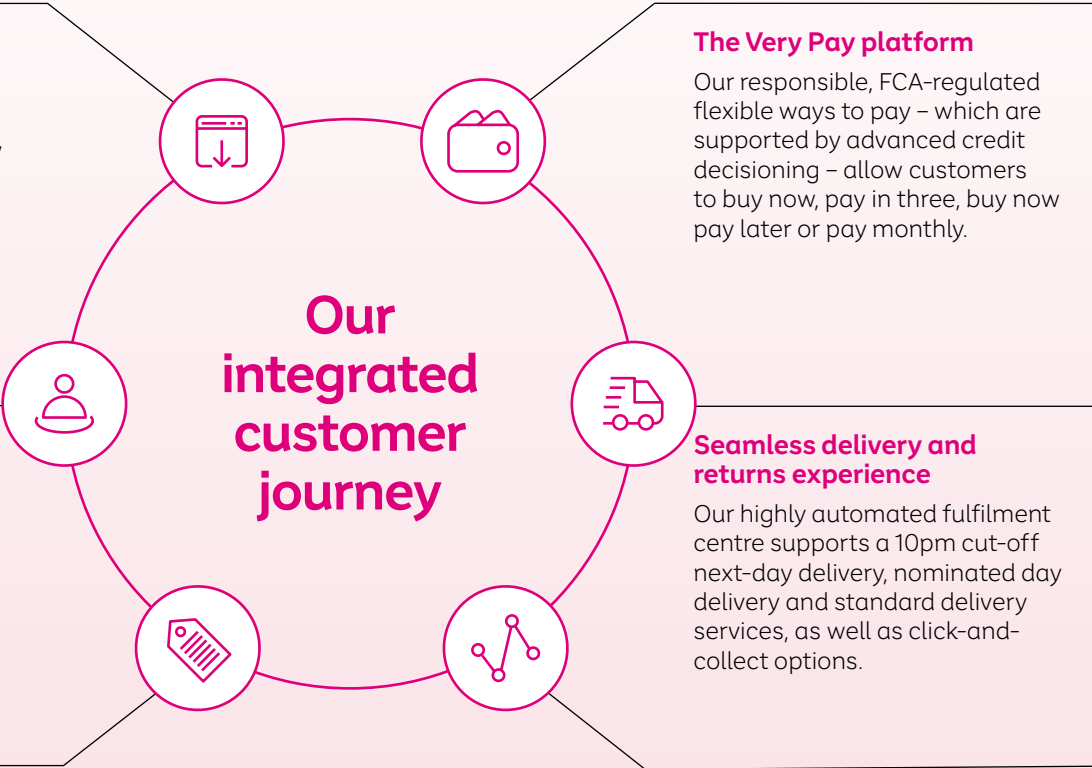
Serving up timely, relevant marketing messages to customers, increasingly enabled by data, machine learning and AI.

User centric ecommerce platform

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

Curated multicategory offering

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



The Very Pay platform

Our responsible, 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 a 10pm cut-off next-day delivery, nominated day delivery and standard delivery services, as well as click-and-collect options.

Ongoing engagement to drive higher retention

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

Creating value

For our customers

43.9

(FY25: 42.3)

Group net promoter score in FY26

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

For our people

4/5

(FY25: 4/5)

Glassdoor rating

> **Read more** in the People and culture section on pages 17 to 18.

For our communities

11,658

(FY25: 14,154)

Workers supported in our supply chain via training and education projects in FY26

> **Read more** in the Sustainability section on pages 22 to 34.

For the environment

66%

(FY25: 66%)

Reduction in Scope 1 & 2 emissions compared with FY21 baseline

> **Read more** in the Sustainability section on pages 22 to 34.

For our financial stakeholders

£317.5m

(FY25: £307.1m)

Adjusted EBITDA in FY26

> **Read more** in the Financial review on pages 13 to 16.

1 The most recently available GHG emissions reported covers the period July 2024 to June 2025. The comparator reported in FY25 covers the period July 2023 to June 2024.

Our strategy

Our purpose is to help families get more out of life, and that reflects what we have been doing for over 100 years.

In this time, the way customers shop has evolved, and so have we, evolving from a brick-and-mortar store to a purely online retailer. Our strategy has changed too, ensuring we are always focused on what is necessary to achieve our ambitions, and this year in particular we have seen further progression in our strategic thinking.

Over the last few years, including across FY26, our strategy focused on ease, choice and understanding. This saw us build the core foundations that will underpin the next phase of growth, and in the table below, we have highlighted some of our key achievements against this framework.

Our FY26 accomplishments – the foundations for our new strategic evolution		
Ease	Choice	Understanding
Skyscape migration By the end of FY26, over 95% of traffic was being routed through our new Skyscape platform, with migration fully completed shortly after year end. Skyscape is a game-changer for how we can improve the customer experience, particularly when partnered with the optimisation and personalisation platforms introduced shortly after the year end. This positions us well for one of our key objectives in the new financial year. You can read about Skyscape in our case study on pages 10 to 11. Enhanced delivery options Reflecting on our longer-term delivery strategy, this year we stepped up investment in our delivery options. This brings together our core logistic systems and the customer experience in a way that not only allows faster introduction of new services, but enables us to control them in real-time for an optimised experience. This capability has supported the introduction of lockers into our fulfilment operation, which you can read more about on pages 10 to 11.	Elevating our proposition We continually curate our assortment, and this year we welcomed more than 80 brands across our portfolio. We established sports nutrition as a new pillar of growth, introducing brands such as Science in Sport and Optimum Nutrition, whilst the return of Nike and brands such as Salomon and Monterraín bolstered the wider category. Elsewhere in the portfolio we introduced brands such as Estée Lauder, DUSK and Scoville. To complement our partner brands, in FY26 we also relaunched our own brand proposition under a single label – The Very Collection. You can read more on pages 10 to 11.	Sigma.iQ and Very plans In FY26 we formally introduced Sigma.iQ, a suite of Financial Services-intelligence-led initiatives that use credit, affordability and payment behaviours to display monthly cost and a personalised homepage with the most relevant offers for customers. In addition, we began testing for a new suite of Very Pay products, namely instalment plans or “Very Plans”, informed by our growing understanding of what customers want from our flexible payments proposition.



Our strategy continued

Introducing our new strategic pillars for FY27

Outside the accomplishments detailed on the previous page, we also used FY26 to develop the next stage of our strategy and a clear plan for growth.

In addition to continuing to better serve our existing four million customers, our ambition is to unlock the millions more families we have not yet reached.

For this, we have introduced new strategic framing – still with families at its heart – but more clearly recognising the distinct actions we need to take to meet our ambition and fulfil our purpose.

So while the values of ease, choice and understanding remain important to our customers and will continue to shine through in our actions, our strategy for FY27 will reflect the new pillars set out below.

We already have a number of initiatives in the pipeline that will broaden our commercial appeal, help us win new families and unlock further opportunities for growth.

Our new strategic priorities		
Even stronger 'retail + credit' proposition	Broader appeal to win new families	New growth avenues
Be the destination for family shopping, with brilliant product, flexible payment options and a straightforward customer experience	Strengthen awareness and consideration to win new families and keep families choosing us first	Use our unparalleled customer insight and data to unlock new customer and brand opportunities, driving new revenue streams
Underpinned by:		
Save to invest		
Our continuous focus on embracing technology and AI, unlocking efficiencies in time and cost that can be reinvested into the business to accelerate growth.		



A customer centric digital journey

We are a family of digital retail brands and a team of people passionate about delivering an outstanding experience for our customers.

Over the last 12 months, we have made great progress in improving the online shopping journey, with initiatives covering every aspect of the business. From transforming our digital customer experience and embedding AI across the business, to expanding our product proposition and giving customers greater choice over delivery, our teams have continued to innovate with our customers in mind.

Skyscape

Over the last 18 months, we have embarked on our biggest technology transformation to date, migrating our customer-facing website to a modern, flexible commerce architecture.

As at the end of FY26, we have migrated more than 95% of customer traffic onto our new platform, Skyscape. This has included some of the most technically complex and critical customer journeys, including product discovery across search, browse and recommendations, product pages, checkout and My Account.

A key part of the transformation has been embedding AI-powered discovery capabilities into the customer journey. By using real-time clickstream data, we can personalise search, browse and recommendations, helping customers find what they are looking for more quickly while creating a more relevant shopping experience.

During FY26, Skyscape has enabled us to modernise the customer experience, improve operational efficiency and increase engineering velocity, while creating a scalable platform designed to support long-term growth, continuous innovation and resilience during peak trading periods.

The impact of this investment can be seen across customer engagement, platform performance, engineering efficiency and operational scalability. We have delivered improvements in site performance and search conversion, alongside an increase in product page visits driven by enhanced auto-suggest functionality. Together, these improvements are helping to deepen customer engagement and have contributed to our record customer satisfaction score.

Artificial intelligence

As a digital retailer, we have been using AI behind the scenes for some time, including as a fundamental part of our retail decisioning systems. This helps us forecast demand more accurately and plan our ranges accordingly, ensuring we have the right products available at the right time to give customers greater choice when they shop with us.

Over the last 12 months, our approach to AI has developed significantly, with a growing focus on how it can enhance both the customer experience and the way our colleagues work.

A fundamental part of this journey is bringing our colleagues with us. Our progress would not be possible without the expertise, creativity and judgement of our people, and human input remains essential. We see AI as an enabler of efficiency: a tool that can automate or simplify tasks, freeing up colleagues to focus their time on the areas where human insight, strategy and creativity make the greatest difference.



A customer centric digital journey continued



Elevating our proposition

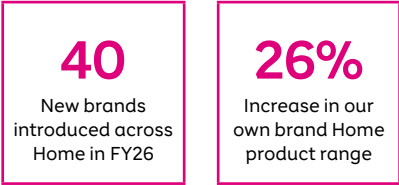
As an online department store, we are always investing in our proposition to ensure we are offering customers a great range of products across multiple categories at competitive prices. We spend time listening to the families we serve to understand how we can help them get more out of life.

With this in mind, we launched our new multi-category own brand proposition, The Very Collection. The proposition launched with Fashion in September 2025, bringing together our much-loved V by Very and Everyday brands under one revitalised range.

In spring 2026, we extended The Very Collection into Home, increasing our own brand product range in the category by 26% year on year.

The Very Collection Home takes a fresh approach to modern living, combining elevated design with everyday practicality.

Home has remained a strategic priority throughout the year and we have continued to strengthen our offer by introducing brands that we know our customers will love. In FY26 alone, we introduced 40 new brands across Home, including DUSK.com, Royalcraft and Vonhaus, giving customers even greater choice across the category.



c.15,000
Lockers nationwide for customers to collect parcels

Delivering more choice

We know the families we serve lead busy lives, so convenience is an important part of the experience we provide. From bringing thousands of brands together under one roof to providing flexible delivery options and returns, we continue to look for ways to make shopping with us easier.

This year, we partnered with InPost UK to give customers greater choice and control over how they receive their parcels. For the first time, customers can collect their orders from InPost's nationwide network of 15,000 lockers. Alongside our standard delivery service, the partnership also offers a next-day delivery option for customers who need their orders sooner.

The integration builds on the successful rollout of InPost Lockers for returns earlier in the year. Since introducing the new returns option, more than 30% of our returns have been processed through the InPost Locker network, demonstrating the growing demand for convenient, flexible ways to shop with us.

Looking ahead

Across technology, AI, our product proposition and fulfilment, the investments we have made through the year have helped us build a more connected and customer-focused shopping experience. Skyscape gives us a stronger digital foundation, AI is creating new opportunities to improve personalisation and efficiency, our evolving proposition is giving customers greater choice, and our delivery and returns options are making it easier to shop around busy lives.

Together, these developments put us in a strong position to continue improving the customer experience, while building the capabilities and flexibility needed to innovate and grow for the long-term.

Key performance indicators

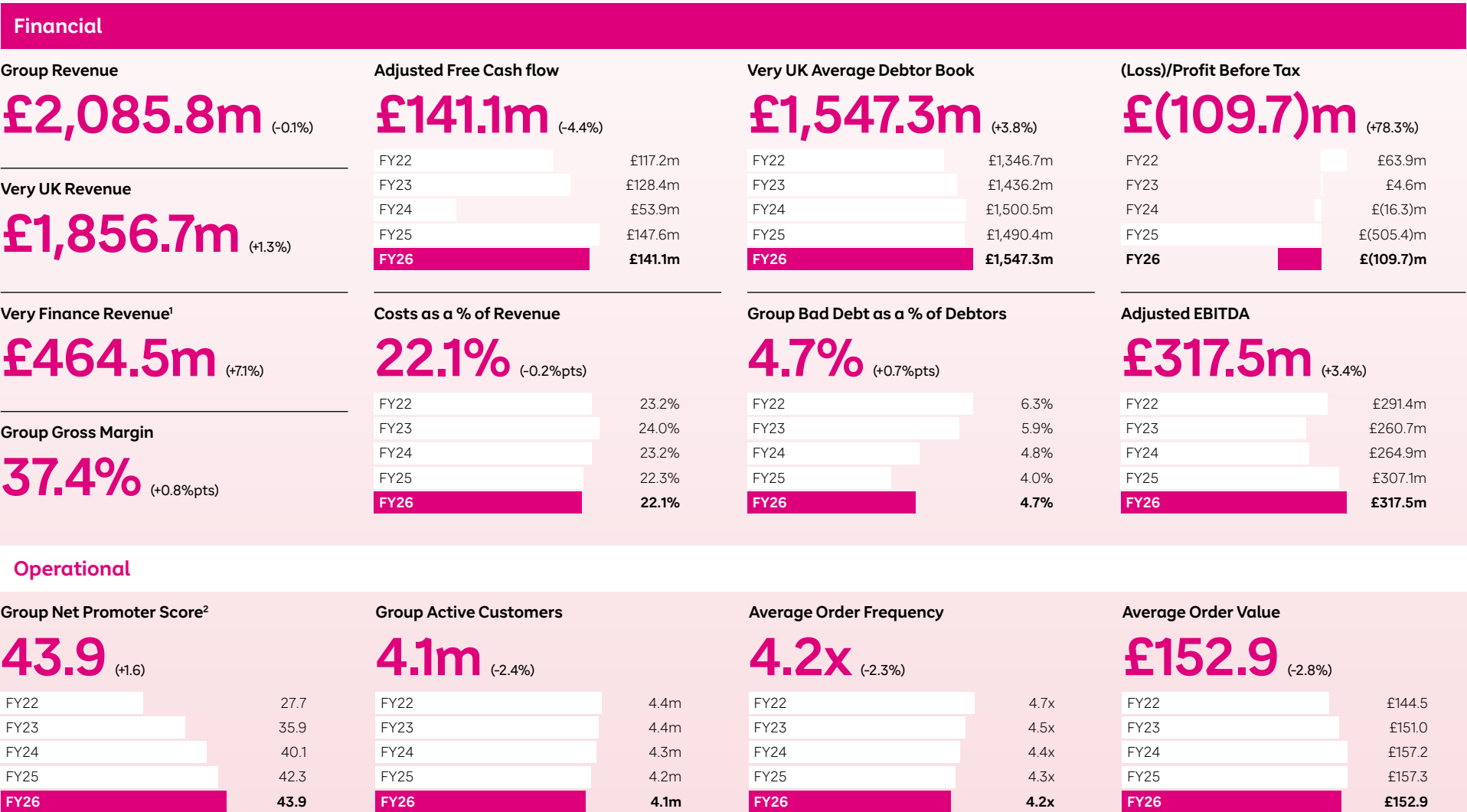
The Board uses a range of key performance indicators (KPIs) to measure the progress against our economic value model and wider business strategy.

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 13 to 16).

1 Very Finance Revenue represents the financial services performance of all Group brands (Very UK, Very Ireland, Littlewoods), see notes 4 and 5 of the financial statements for further revenue disclosures.

2 Net Promoter Score is an internal measure of customer satisfaction.



Financial review

FY26 has been another year of significant positive financial progress for The Very Group. Our continued focus on delivering for customers with operational excellence has driven strong margins and record earnings, reinforcing our position as a UK leader in digital retail and financial services.

Looking at some key financial results from the year, our robust topline performance, paired with a strengthened gross margin and ongoing operating cost control, generated the highest earnings margin the Group has ever achieved, with our Adjusted EBITDA margin improving 0.5%pts year on year to 15.2% (FY25: 14.7%).

In absolute terms, Adjusted EBITDA for the year was £317.5m (FY25: £307.1m), which is comfortably within the full year guidance set of £310-320m for FY26.

Below EBITDA, as a result of higher interest on borrowings across the year, net pre-exceptional finance costs increased 16.0% to £235.3m (FY25: £202.8m).

This, paired with one-off exceptional items of £136.9m (FY25: £548.8m), generated a loss before tax of £109.7m for the year (FY25: £505.4m). More detail on exceptional items can be found in note 6.

During the year, we made significant progress in improving the Group's financial position. In particular, we successfully extended and renewed our key debt facilities, securing long-term funding for the Group for the next four financial years.

This included the refinancing of all note classes within our UK securitisation facility, with improved margins and maturities extended to February 2029. Our £150m revolving credit facility was also renewed, extending its maturity to February 2030.

Finally, following a £150m reduction in Group debt, the maturity of our senior secured notes was extended to August 2030.

Collectively, our increased earnings and reduced debt levels have contributed to a marked improvement in the Group's leverage position, significantly strengthening our financial position in FY26.

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I am pleased to present our financial results for FY26 which include a record earnings performance and significant reduction in the Group's leverage.

Edward Fry
Chief Financial Officer

Financial review continued

Sales

We present a robust topline performance for FY26 which includes growth in our flagship brand Very UK, despite ongoing challenges in the market.

Group revenue remained broadly stable versus the prior year, declining just 0.1% to £2,085.8m (FY25: £2,087.4m).

Within this, our main brand Very UK, which accounts for 89% of sales (FY25: 88%), achieved revenue growth of 1.3% to £1,856.7m (FY25: £1,832.5m), including a strong financial services performance and a resilient retail result.

Group revenue also reflects Very Ireland, which saw revenue decrease by 7.6% to £58.6m (FY25: £63.4m) and Littlewoods, which declined 11.0% to £170.5m (FY25: £191.5m) year on year.

Retail

Our retail business remains resilient in a highly competitive market, with a slight decline in Very UK retail sales of 0.2% year on year to £1,392.2m (FY25: £1,395.3m).

Within this, we saw growth in higher-margin categories such as Home and Beauty helping to offset softer performances in other categories, demonstrating the strength of our multi-category retail model.

Very UK retail sales mix

	FY26 £m	FY25 ¹ £m	Variance £m	Variance %
Fashion & Sports	374.9	392.9	(18.0)	(4.6)%
Electrical	644.1	646.7	(2.6)	(0.4)%
Home	202.9	190.7	12.2	6.4%
Toys & Beauty	170.3	165.0	5.3	3.2%
Very UK	1,392.2	1,395.3	(3.1)	(0.2)%

Across FY26, our Home division has been an area of strategic focus, generating growth of 6.4% to £202.9m (FY25: £190.7m) at the Very UK level. This was underpinned by strong sales in home accessories and bedroom furniture.

Also for Very UK, we saw growth of 3.2% in Toys and Beauty to £170.3m (FY25¹: £165.0m), driven primarily by strong performances in boys toys and fragrance.

Electricals saw a fall in sales of 0.4% year on year to £644.1m (FY25: £646.7m), driven by significant gaming releases in the prior year that have not been repeated in FY26.

Finally, in a challenging market, Fashion & Sports decreased 4.6% to £374.9m (FY25¹: £392.9m), however within this we saw 9.7% growth in our sports offering.

In spring 2026 we also re-onboarded Nike across our websites, offering further growth opportunities for the category as we look ahead to the next financial year.

Very Finance

Across FY26, Very Finance revenue grew 7.1% to £464.5m (FY25: £433.6m) as our flexible payment methods continued to prove popular with customers.

Financial services revenue is driven by the size of the average debtor book and in FY26, we saw the Very UK debtor book grow 3.8% year on year to £1,547.3m (FY25: £1,490.4m), in part due to changes made to customer minimum payment rates in 2025.

Group revenue

	FY26 £m	FY25 ¹ £m	Variance £m	Variance %
Fashion & Sports	453.3	480.5	(27.2)	(5.7)%
Electrical	706.0	718.5	(12.5)	(1.7)%
Home	247.8	237.9	9.9	4.2%
Toys & Beauty	190.9	188.2	2.7	1.4%
Total retail sales	1,598.0	1,625.1	(27.1)	(1.7)%
Other retail income ²	23.3	28.7	(5.4)	(18.8)%
Total retail revenue	1,621.3	1,653.8	(32.5)	(2.0)%
Very Finance revenue	464.5	433.6	30.9	7.1%
Total Group revenue	2,085.8	2,087.4	(1.6)	(0.1)%

1 The category 'Toys, Gifts and Beauty' has been updated to 'Toys and Beauty', and gift sales are now presented within 'Fashion and Sports', in line with internal reporting. The comparator has been restated accordingly.

2 Other retail income comprises delivery income, vouchers and discounts and other revenue adjustments.

We have also seen a further improvement in debtor book yield, with interest income as a percentage of the Group book growing 1.2%pts to 24.3% (FY25: 23.1%).

Linked to the performance of the debtor book is the Group bad debt position, and in FY26 bad debt as a percentage of the Group average debtor book rose by 0.7%pts to 4.7% (FY25: 4.0%), also partly due to the minimum payment updates.

Importantly, notwithstanding economic conditions, there are no signs of distress in the debtor book, and bad debt levels remain significantly lower than we have seen historically, and well within our credit risk appetite.

Costs and earnings

We saw significant gross margin improvement in the year, rising 0.8%pts to 37.4% (FY25: 36.6%), corresponding to gross profit of £779.5m (FY25: £764.3m).

This performance reflects the successful execution of key strategic changes we set out to deliver within the retail sales mix, with a greater share of retail sales coming from higher-margin categories such as Home, alongside increased profitability in financial services.

Effective cost-control is a long-established competency of the Group and this continued throughout FY26, with operating costs as a percentage of revenue reducing by 0.2%pts to 22.1% (FY25: 22.3%).

Financial review continued

Income statement

	FY26 £m	FY25 £m	Variance £m	Variance %
Very UK	1,856.7	1,832.5	24.2	1.3%
Very Ireland	58.6	63.4	(4.8)	(7.6)%
Littlewoods	170.5	191.5	(21.0)	(11.0)%
Group revenue	2,085.8	2,087.4	(1.6)	(0.1)%
Gross profit	779.5	764.3	15.2	2.0%
% margin	37.4%	36.6%	N/A	0.8%pts
Distribution expenses	(163.9)	(164.8)	0.9	0.5%
Administrative expenses	(296.4)	(300.0)	3.6	1.2%
Depreciation and amortisation	(58.9)	(55.6)	(3.3)	(5.9)%
Other operating income	2.2	2.3	(0.1)	(4.3)%
Operating profit before exceptional items	262.5	246.2	16.3	6.6%
Net finance costs	(235.3)	(202.8)	(32.5)	(16.0)%
Profit before tax and exceptional items	27.2	43.4	(16.2)	(37.3)%
Exceptional administrative and finance items	(136.9)	(548.8)	411.9	75.1%
Loss before tax	(109.7)	(505.4)	395.7	78.3%

Reconciliation to Adjusted EBITDA

	FY26 £m	FY25 £m	Variance £m	Variance %
Operating profit	168.4	215.9	(47.5)	(22.0)%
Adjusted for exceptional administrative items	94.1	30.3	63.8	210.6%
Operating profit before exceptional items	262.5	246.2	16.3	6.6%
Adjusted for pre-depreciation and amortisation	58.9	55.6	3.3	5.9%
Pre-exceptional EBITDA	321.4	301.8	19.6	6.5%
Adjusted for:				
Fair value adjustments to financial instruments	(6.1)	5.9	(12.0)	(203.4)%
Foreign exchange translation movements	1.0	(1.2)	2.2	(183.3)%
IAS 19 pension adjustments	1.2	0.6	0.6	100.0%
Adjusted EBITDA	317.5	307.1	10.4	3.4%

This was achieved despite inflation and ongoing propositional investment and was driven by various cost savings initiatives across the business.

Breaking this down, our distribution costs (excluding depreciation) decreased by 0.5% to £163.9m (FY25: £164.8m) and as a percentage of revenue remained flat year on year, reflecting the optimisation of our fulfilment operations.

Administrative costs (excluding depreciation and amortisation) also decreased 1.2% year on year to £296.4m (FY25: £300.0m), decreasing 0.2%pts as a percentage of revenue to 14.2% (FY25: 14.4%).

Our strengthened gross margin and operating cost efficiency contributed to a 3.4% increase in Adjusted EBITDA to £317.5m in FY26 (FY25: £307.1m). This represents an Adjusted EBITDA margin of 15.2% (FY25: 14.7%), a 0.5%pts improvement on the prior year, representing the highest earnings margin the Group has ever achieved.

This earnings result was partially offset by increased net finance costs due to increased interest on borrowings, contributing to profit before tax and exceptional items of £27.2m (FY25: £43.4m), a decrease of £16.2m versus prior year.

Tax

The loss after tax of £113.2m (FY25: loss of £521.5m) includes a tax charge of £3.5m, reflecting current tax of £1.1m and deferred tax of £2.4m.

Financial position

Net liabilities were £376.3m (FY25: net liabilities of £368.0m), capturing the reported loss after tax, the impact of an issue of share capital in the year (see note 22) and pension revaluations (see note 25).

Closing inventory was flat year on year at £126.9m (FY25: £126.8m) as we followed the same strategy as the prior year, building stock levels in advance of expected demand across the first half of FY27.

Trade and other payables have decreased slightly by 1.7% to £531.0m (FY25: £540.0m) due to the timing of payments made to our suppliers.

Advances to customers increased by 2.5% to £1,514.1m (FY25: £1,476.8m), reflecting the increase in average debtor book as previously discussed.

Accompanying this, securitisation borrowings have also increased to £1,528.4m (FY25: £1,485.0m), given its direct connection to the size of the debtor book.

The securitisation borrowings figure also includes £19.9m (FY25: £20.3m) relating to the balance sheet receivables of Shop Direct Ireland Limited.

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 £7.6m (FY25: £7.8m), with £0.6m (FY25: £0.6m) outstanding at the end of the period.

Financial review continued

Reconciliation to Adjusted Free Cash flow

	FY26 £m	FY25 £m	Variance £m	Variance %
Adjusted EBITDA	317.5	307.1	10.4	3.4%
Securitisation interest and management fee	(100.7)	(109.6)	8.9	8.1%
Adjusted EBITDA post securitisation interest	216.8	197.5	19.3	9.8%
Net working capital movement:				
Movement in inventories	(0.1)	(21.8)	21.7	99.5%
Movement in trade receivables	(37.3)	(18.7)	(18.6)	(99.5)%
Movement in prepayments and other receivables	(27.1)	16.3	(43.4)	(266.3)%
Movement in trade and other payables	(21.0)	39.6	(60.6)	(153.0)%
Movement in securitisation facility	43.4	(19.7)	63.1	320.3%
Net working capital movement (post securitisation funding)	(42.1)	(4.3)	(37.8)	(879.1)%
Pension contributions	11.1	–	11.1	100.0%
Capital expenditure	(44.7)	(45.6)	0.9	2.0%
Adjusted free cash flow	141.1	147.6	(6.5)	(4.4)%
Proceeds from new debt facility	54.1	40.0	14.1	35.3%
Repayment of senior secured notes	(44.1)	–	(44.1)	(100.0)%
Adjusted free cash flow (post refinancing)	151.1	187.6	(36.5)	(19.5)%
Interest paid (excluding securitisation interest)	(57.2)	(84.0)	26.8	31.9%
Income taxes received/(paid)	1.5	(1.0)	2.5	250.0%
Cash impact of exceptional items	(33.9)	(33.3)	(0.6)	(1.8)%
Management fees	(3.1)	(7.5)	4.4	58.7%
Cash paid to Parent Company	–	(4.0)	4.0	100.0%
(Repayments of)/draw downs of finance leases	(14.1)	(14.0)	(0.1)	(0.7)%
(Repayments of)/draw downs of bank loans	(7.1)	(6.8)	(0.3)	(4.4)%
Movement in revolving credit facility	(26.7)	(50.0)	23.3	46.6%
Net increase/(decrease) in cash and cash equivalents	10.5	(13.0)	23.5	180.8%

Cash flow

This year we saw an Adjusted Free Cash inflow of £141.1m (FY25: £147.6m inflow), which contributed to free cash flow post-refinancing of £151.1m (FY25: £187.6m). This has generated net cash and cash equivalents of £50.8m (FY25: £40.3m).

On a statutory cash flow basis, we have seen an inflow of £10.5m (FY25: £13.0m outflow), driven by working capital movements and improved profitability.

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

Capital investment

Fixed asset additions for the year totalled £44.7m (FY25: £45.6m) across a number of business-as-usual and strategic investments.

Of this, £20.7m related to our biggest ever tech transformation project, which began in FY22 and was 95% complete at year end. You can read more about this in our case study on pages 10 to 11.

Outlook

The results presented for the 52 week period ended 27 June 2026 demonstrate the strength and resilience of The Very Group and include notable financial highlights, including a record earnings margin, significantly reduced Group debt and the extension of all key debt facilities out to 2029 and beyond.

Whilst the economic environment still presents challenges, our results for FY26 provide good momentum for us to deliver our clear plan for future growth, and we are confident that our highly distinctive proposition will continue to prove popular with customers.

Edward Fry

Chief Financial Officer

People and culture

We are a purpose and values-led business powered by a high performance culture and engaged colleagues.

A values-led company

Here at The Very Group, we are a purpose and values-led business that people are proud to work for, and we are just as committed to helping our colleagues get more out of life as we are our customers.

We have worked hard to foster an energising, collaborative, inclusive culture where people can show up as themselves. This has helped us to create a workplace filled with high-performing, goal-driven individuals and teams, with trusted leaders and a focus on learning.

Everything we do is led by our five core values, and by embedding these into everyday life and having a clear value proposition, we've been able to deliver strong colleague advocacy.

At the heart of our culture are five core values:

Proud

Trusted

Together

Innovative

Ambitious

Listening to our people

Twice a year, colleagues are invited to share feedback on their experience of working at Very. Through our Voice survey, we explore key themes including career progression, wellbeing, recognition and inclusion.

Our most recent survey achieved an 86% participation rate, providing robust insight into the colleague experience. We complement this with our 16 colleague-led groups across the business that host listening sessions, explore feedback in greater depth and help shape meaningful improvements – we call these our People Labs.

Our industry-leading colleague advocacy score of 7.7/10 demonstrates strong workplace engagement, while feedback consistently highlights that colleagues believe there is an inclusive culture, take pride in working for the organisation and feel their work is recognised and rewarded. By listening to our colleagues, we are able to ensure they have a genuine voice in decisions that affect them, which allows us to continually evolve our approach.

7.7/10

Colleague advocacy score in latest colleague survey

4.4/5

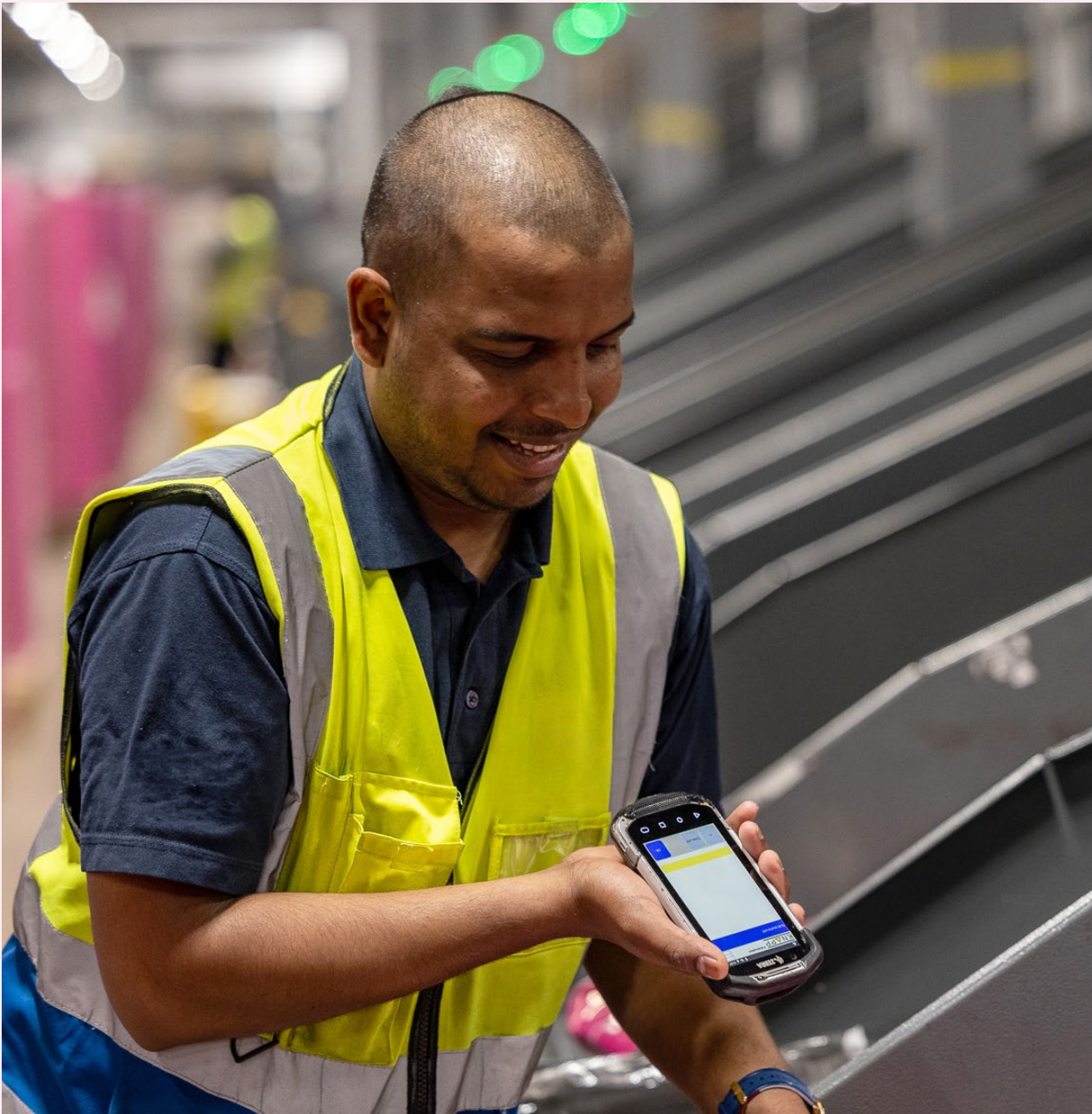
Glassdoor D&I rating

4/5

Overall Glassdoor rating

40

Mental health first aiders



People and culture continued

Our D&I commitments

Race and ethnicity

Fostering a greater sense of belonging and representation for colleagues from ethnic minority backgrounds and making sure they have opportunities and support to grow and develop.

Disability

Ensuring colleagues with disabilities feel supported and included, with the access, adjustments and tools they need to thrive.

Gender and sexuality

Championing equality at every life stage by creating opportunities for women to thrive, supporting LGBTQ+ colleagues and driving active allyship across the business.

Social mobility and early careers

Opening up opportunities for underrepresented and early career talent and empowering them to build meaningful careers at Very.

Neurodiversity

Build awareness, deepen understanding and foster a supportive, neuroinclusive environment where neurodivergent colleagues can thrive and do their best work.

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

Evolution of our commitments

At the end of 2025, our Diversity & Inclusion (D&I) ambitions evolved to set the course for an even more inclusive future. We worked closely with colleagues and leaders from across the business to identify the focus areas that'll help to drive the biggest impact and help everyone thrive at Very. By listening to, and acting on, colleague feedback, we've been able to evolve our commitments to influence our ambition to create a culture of everyday inclusion.

Through our commitment to D&I, we are dedicated to building a culture of everyday inclusion, and these refreshed commitments aim to do exactly that. Our efforts are reflected in our Glassdoor D&I rating, achieving 4.4 out of 5. This means that, for the fifth year running, we have outperformed our industry peers, demonstrating our ongoing efforts in supporting our colleagues.

Throughout the year, we have made progress across the board when it comes to D&I. From being accredited as a menopause friendly employer by Henpicked: Menopause in the Workplace, launching neurodiversity awareness e-learning for all colleagues through to introducing the 'Zen Den', a dedicated wellbeing and quiet space, at our Speke HQ.

Day-to-day, our nine colleague-led networks have continued to spearhead our D&I efforts. In fact, they play a fundamental part of how we shape inclusion through colleague insight, awareness, policy influence and culture change. They also bring our efforts to life through initiatives and events to engage and support colleagues across all sites.

Growing potential

Throughout the year, we have introduced a number of new initiatives to not only help colleagues reach their full potential, but to also support early careers in an increasingly competitive industry.

We rolled out our brand-new marketing graduate scheme, which saw us welcome four passionate creatives to our award-winning marketing function. This is our second in-house graduate scheme alongside our long-standing programme in finance.

In tandem, we also invested in the development of our colleagues. We understand that progression and professional growth looks different to everyone, so we offer a range of opportunities for growth while empowering colleagues to take ownership of their development and progression. From launching LinkedIn Learning to colleague-led AI workshops, we are committed to building a workplace where everyone has the opportunity to grow, succeed and achieve their full potential.

But we appreciate there's much more that can be done to reduce youth unemployment and expand opportunity for the next generation and it's why we are campaigning on the issue. Retail has always been the industry where a young person can start with few qualifications, limited experience and build a lasting career either in the industry or outside with the skills they obtain. This matters to us but we are concerned that the ladder of opportunity is out of reach for many. It's more expensive than ever to bring in young talent, it's become complicated to manage a workforce and too many local and national employment training schemes are making the system difficult to navigate and less impactful.

There is a significant opportunity for government and retail to work together to benefit young people, businesses, and the wider economy and we have three asks:

- 1 Simplify and align the current landscape of youth employment policy and support, so the scale of opportunities offered can grow, youth employment is commercially viable for employers and both employers and young people can engage with clearer, more effective routes into work.

- 2 Establish a joint government and retail taskforce to accelerate partnerships with Job Centre Plus, the Youth Guarantee, and relevant industry and local programmes, with a focus on delivery and measurable outcomes.

- 3 Work together across retail and government to ensure the implementation of employment reforms supports, rather than discourages, entry-level recruitment.

We are committed to playing our part and are ready to expand partnerships that bring more young or disadvantaged people into work.

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 Team 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. This is facilitated through a number of methods, including through our mental health first aiders which we now have across all sites who have completed comprehensive mental health training and can now provide confidential support and guidance to colleagues.

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.

Stakeholder engagement



Customers

Our customers are at the heart of our business. We have been serving families for over 100 years, and today, we help over four million customers each year.

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 them in control of their budgets.
- Seamless delivery and returns processes.
- Confidence that Very acts responsibly in all matters.

How we have engaged

- Through a wide range of research and analysis, our customer team ensured that the Board and Executive Team remained close to our customers. Our net promoter score was reported to the Board monthly.
- We enhanced our Very Plans proposition by introducing more tailored payment options for different customer groups.
- The Board and Executive Team spent considerable time discussing and approving the Company's strategy which will have a notable customer experience impact in the medium to long-term.
- Introduced InPost Locker returns and subsequently expanded the service to include locker deliveries, improving convenience for customers.



Colleagues

Our colleagues are integral to delivering our strategy and creating value for our customers. We are committed to fostering an inclusive, collaborative and high-performing culture where colleagues are supported to develop and succeed.

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.
- Opportunity for recognition, development and career progression.
- Understanding the Group's strategic direction and their place within it.

How we have engaged

- The Executive Team regularly communicated with colleagues on corporate objectives, trading performance and market conditions through a variety of engagement activities, including site visits, live and virtual head office 'balcony briefings' that provided opportunities for direct Q&A as well as monthly video updates from the Group CEO.
- During FY26, 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 Team and Board. More information can be found in the People and Culture section on pages 17 to 18.
- Executive Team members actively sponsor and engage with colleague-led networks. Our Chief People Officer and FS CEO jointly sponsor D&I, whilst our Chief Commercial and Customer Officer sponsors Mind, our mental health network and our Chief Operations and Technology Officer sponsors SAVE, our sustainability network, supporting a range of colleague-led events and initiatives.
- The Executive Team hosted Very Con, bringing colleagues together to hear updates on the Group's strategic direction and priorities, listen to customer insights, and celebrate exceptional colleague contributions through the employee-nominated Sparkle awards, which recognise individuals who have made a significant impact across the business.

Stakeholder engagement continued

 Communities and the environment

We recognise the importance of operating responsibly and making a positive contribution to the communities in which we operate. We are committed to minimising our environmental impact and embedding sustainable practices across the business.

What matters to them

- Focus on sustainability and ethical business.
- Diverse and inclusive approach that mirrors the local community.
- Delivering a meaningful social impact.
- Protecting the environment and reducing our environmental footprint.

How we 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 is responsible for ensuring the Group sets and delivers a strategy to navigate its environmental and social impacts.
- Colleague engagement with the Group's charity partner, National Literacy Trust, through a colleague-led fundraising campaign that has raised £220,714 in FY26, demonstrating colleagues' commitment to supporting local communities and improving literacy outcomes.

 Suppliers

Our ongoing success depends on suppliers being able to operate efficiently and effectively. We value strong, collaborative relationships with our suppliers, recognising their critical role in delivering quality products, services and innovation.

What matters to them

- A long-term and collaborative relationship.
- 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 we have engaged

- The Board and Executive Team understand the importance of the Group's suppliers in achieving the Group's long-term plans. Our Executive Team, finance and retail teams engage with suppliers on a regular basis and key matters are shared with the Executive Team and the Board.
- Members of the Executive Team regularly meet with suppliers to maintain dialogue and relationships, while suppliers receive regular email updates on the Group's financial performance from our Chief Financial Officer.
- During FY26, members of the Executive Team 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 FY26 benefit customers, growth and, therefore, suppliers.

Stakeholder engagement continued

Investors and lenders

We maintain open and transparent relationships with our investors and lending partners, recognising their vital role in supporting the Group’s long-term financial strength, strategic ambitions and sustainable growth.

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 we have engaged

- The Board regularly engages with our investors, whilst our Executive Team meet with lenders on a regular basis.
- 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, with the Group’s Investor Relations team managing an investor mailbox.



Sustainability

Introduction

Our 2030 ESG objectives provide a strong foundation for achieving our longer-term ambitions, including our journey towards net zero.

Given the nature of our business, our greatest opportunity to create positive impact lies within our product journey, from the sourcing of materials and manufacturing processes we rely on, to the people involved at every stage of bringing products to our customers.

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.

Our 2030 ESG strategy is focused on deepening our understanding of our supply chain and identifying opportunities to drive positive environmental and social outcomes.

As our business, stakeholder expectations and the external landscape continue to evolve, so too will our strategy. We will regularly review and refine our priorities to ensure they remain relevant, impactful and aligned to the needs of our customers, colleagues, suppliers, investors and wider communities.

The sustainability commitments and initiatives outlined in this report reflect our ambition to make better choices for the future of both people and planet.

As we continue to strengthen our ESG framework, enhance our capabilities and engage with stakeholders, we believe we can play an increasingly important role in creating lasting value, making the lives of our customers, colleagues and those who help us serve them safer and more sustainable.

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 34.

ESG risk

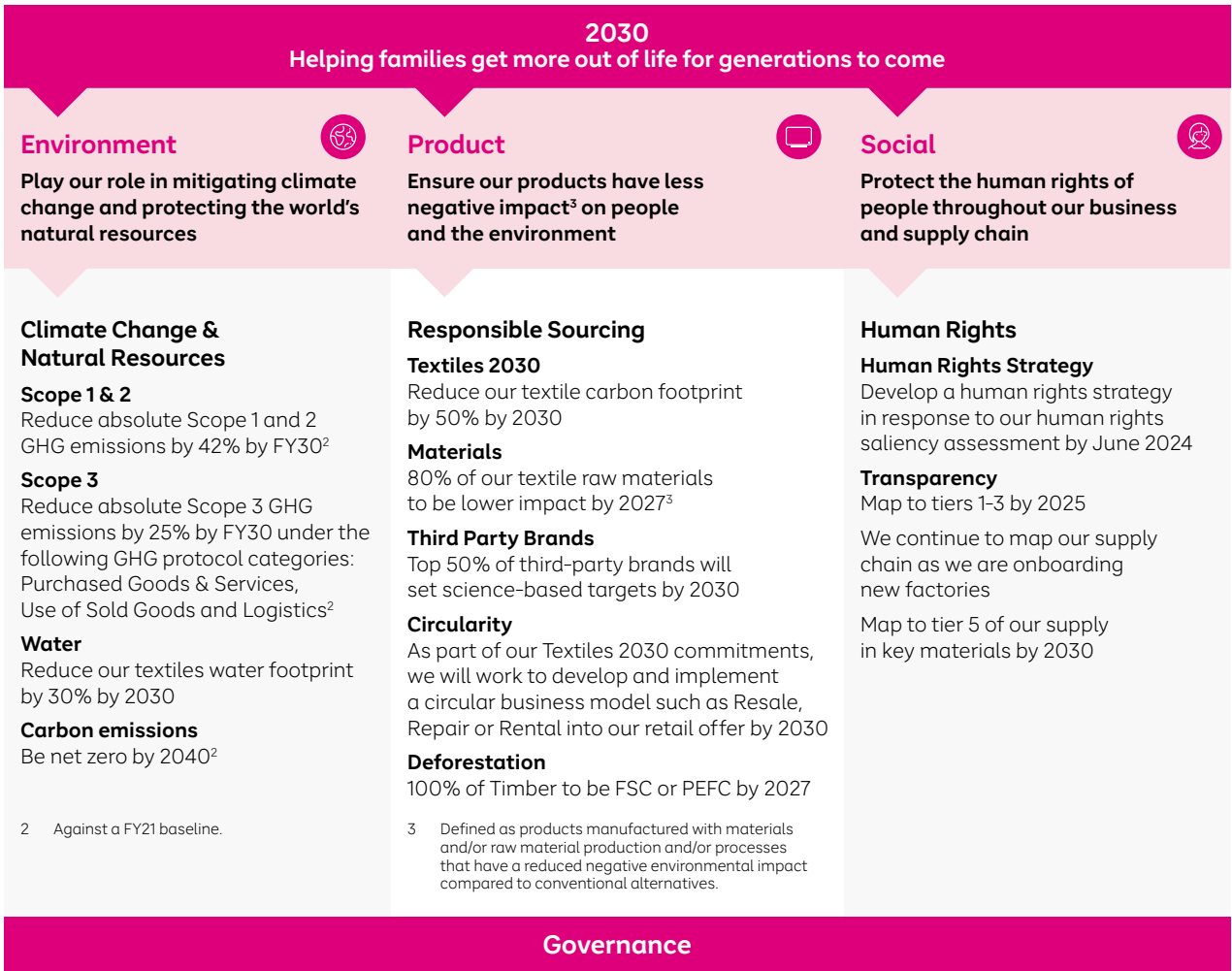
During FY23 we undertook a full materiality assessment of the business to help identify key ESG risks. These risks are reflected in our 2030 strategy and support the decisions of the ESG Committee. They also underpin the recognition of ESG as a principal risk within the enterprise risk management process. More details can be found on pages 37 to 41.

As part of those 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 climate-related impacts has continued to inform how we manage risks across our operations and supply chain. Extreme heat is recognised as an increasingly significant human rights risk within global supply chains, with the potential to affect worker health, wellbeing and productivity. During the year, we strengthened our approach to managing heat stress within our supply chain. More details can be found on page 33.

Our sustainability strategy



Sustainability continued

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 29% since FY21
Reduce our textile water footprint by 30%	2030	Through the UK Textiles Pact, run by WRAP, we estimate a reduction of 11.7% versus FY20 baseline ¹ , driven through the purchase of Better Cotton ² and reduced volumes
Be net zero ³	2040	This year we continue to partner with climate technology platform Watershed to continue to improve our carbon accounting and identify focus areas for decarbonisation across our business

1 As calculated with UK Textiles Pact impact calculator.
2 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.
3 Defined as a 90% reduction in emissions versus the FY21 baseline, as per the SBTi standard.

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 FY26.

Our disclosures comply with the UK-mandated climate-related financial disclosure provisions under sections 414C, 414CA and 414CB of the Companies Act 2006.

We have voluntarily aligned our disclosures under the TCFD key pillars, allowing for better comparability to many other businesses already reporting under TCFD.

> Please see the Non-financial and sustainability information statement on pages 42 to 43 for more details on how the disclosures align



Sustainability continued

Our ESG Committee and governance

ESG is integrated into governance, risk management and decision-making rather than treated as a standalone initiative. Material ESG risks are reflected in the 2030 strategy.

We have an ESG Committee supported by a business wide defence model architecture to ensure standards, policies and commitments are met.

We report transparently and make disclosures that reflect our reality and are compliant to regulation.

Board and ESG oversight

Our ESG Committee is a formal committee of the Board and ensures sustainability is at the heart of business decisions.

The ESG Committee provides oversight and guidance on policies, annual report disclosures and the Modern Slavery Statement, recommending these to the Board for formal approval. The Board receives a verbal update from the ESG Committee Chair following each Committee meeting.

For more information about the ESG Committee and ESG governance, please refer to page 23 for our Task Force on Climate Related Financial Disclosures (TCFD) report, and pages 47 to 55 for our corporate governance report.

What oversight looks like in practice

- Regular reporting on progress against targets, ensuring disclosures are transparent.
- UK climate-related financial disclosures are aligned (voluntarily) to the TCFD (see page 23 for more about TCFD).
- Compliance with relevant regulations and legislation through frequent horizon scanning. Reporting changes through to key stakeholders and ensuring timely updates to the ESG Committee.
- Conducting factory visits to identify any risks or issues, and working with suppliers to implement corrective action plans.
- Supply chain audit findings inform targeted remediation by risk, geography and commodity.
- Providing regional updates where unrest or extreme weather events occur and may impact our supply chain.



Sustainability continued

Strategy

Working with external consultants back in FY23 and in conjunction with our risk management processes see pages 37 to 41, we 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.

That 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. Pages 26 and 27 set out these risks in more detail along with the Group's view on business resilience in the short-term.

We continue to embed our findings across our operations. 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 Team meetings.

The business continues to include a measurable ESG goal as part of its overall strategic objectives. Progress against this target helps 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 and again in FY26, as part of a broader ESG progress assessment.

We intend to review the scenarios and assessment in our FY27 Annual Report, as we seek voluntary alignment to the new UK SRS Standards 1 and 2.

The scenarios considered are:

Net zero 2050	Delayed transition	Current policies
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.	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.	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:

S

Short-term

0-12m

M

Medium-term

1-10y

L

Long-term

11-27y

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)



Sustainability continued

Key: **S** Short-term **M** Medium-term **L** Long-term
Negligible (<£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. This is not anticipated to materialise and our mitigations would enable us to enhance resilience ahead of crystallisation.	- Improving energy efficiency across sites, reducing emissions through our work to reach net zero. - 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 on to the Group. The Group has successfully hedged against energy prices over the past 4 years and continues to work to mitigate the impact of energy price increases due to conflict in the Middle East. The Group's continued focus on cost management supports resilience against rising prices.	- 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 L (net zero 2050/delayed transition) (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. This risk has crystallised through continued volatility in raw material costs. However, existing mitigation measures help the business remain resilient and effectively manage the impacts of ongoing market fluctuations.	- Increase recycled content in products. - Develop circularity programmes. - Cost impacts shared with internal teams when setting budgets to raise awareness. - Explore alternative sourcing solutions.	S L M L (net zero 2050) (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 ⦿ ⦿

Sustainability continued

Key: **S** Short-term **M** Medium-term **L** Long-term
 Negligible (<£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.	
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.	
Opportunity			
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.	
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.	
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.	

Sustainability continued

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.

We believe the Group’s business model remains resilient under all three scenarios, although exposure to physical supply-chain disruption increases materially under the current policies scenario.

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 pages 37 to 41.

Risks and opportunities are assessed at a Group level with input provided by teams across the business (and geographies) who collaborate as required based on the particular risk or opportunity. The Group’s established processes are used to identify available controls to reduce risk as part of an established Risk Control Self-Assessment framework.

Climate related risks are identified by considering the outputs of our materiality assessment conducted in conjunction with Datamaran in FY23, see page 25, as well as through work undertaken with external consultants Accenture in FY23.

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 continue to be monitored at least annually 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. Progress against our Strategic Commitments is reviewed at least quarterly.

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.

Greenhouse gas (GHG) emissions

	Latest reported ² tonnes CO ₂ e	FY21 tonnes CO ₂ e (baseline)
Scope 1	917	1,721
Scope 2 (market-based data ¹)	0.76	985
Scope 3	1,410,837	1,994,643
Total carbon	1,411,754	1,997,349

1 Market-based Scope 2 emissions are those calculated based on a specific purchase contract or agreement for energy.
2 The most recently available GHG emissions reported covers the period July 2024 to June 2025 (FY25).

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 Group, 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.

In 2024 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.

Overall, we have maintained good progress in our own operations and have greater visibility in Scope 3 enabling more decarbonisation levers to be addressed before 2030.

Due to our commitment to improve data quality, our most recent footprint now has a >5% data improvement and as such we will consider the position of our baseline alongside the release of the new SBTi net zero corporate standard.

Sustainability continued

Scope 1 and 2

Our combined Scope 1 and 2 (market-based) emissions reduced 66%¹ (1,789 tonnes CO₂e) against our FY21 baseline and our progress is -1.3% on FY24. We have maintained our Scope 1 and 2 sites on renewable electricity. The footprint now reflects our small car fleet as hybrid from fossil fuel, therefore Scope 2 is now +0.76 tCO₂e vs FY24.

Of note in FY25, our Aintree site became fully operational, as it became home to Hello Studio. A correction of refrigerants data also impacted Scope 1. To further support our progress towards decarbonisation, we focused on the reduction of fuel and energy consumption across our sites.

At Wrexham Distribution Centre, the transition from gas-powered forklift trucks to electric models was completed, alongside the installation of energy efficient heat mats for colleagues, chosen over the standard halogen heaters.

Operations teams were successful in attaining ISO 14001 environmental management system accreditation, demonstrating our commitment to continual environmental improvement.

Annual site reviews will support the continued development and effectiveness of the environmental management system, further supporting our net zero journey.

Scope 3

Within Scope 3, our progress against FY21 remains positive at -29% due to a combination of background decarbonisation, reduced units, and data improvements.

Our most material categories remain Purchased Goods and Services (PG&S), Use of Sold Product and Logistics. Our branded footprint makes up 80% of our PG&S category.

We recognise the importance of colleague training in fostering environmentally conscious behaviours and this year we conducted training with the majority of branded buying colleagues, sharing the benefits of SBTi target setting.

We developed an Onboarding Questionnaire, sent to all new third-party brands, to enable monitoring of alignment to the SBTi. We note the number of brands aligned to the SBTi standard remains broadly level to FY25. In FY26 we funded carbon awareness training for 71 own brand manufacturing suppliers. This represented 57% of our total key & strategic² manufacturing supplier base.

We educated attendees on the science behind climate change, introduced how to calculate their manufacturing carbon footprint and advised how to enact a low-carbon culture. This introductory training was further enhanced with key and strategic suppliers where we trained 53% in The Very Group's approach to carbon footprint data collection. This continues to be our focus for FY27 as we aim to strengthen data quality in this area.

FY25 Scope 3 delivered -9% versus FY24. This was largely due to data improvements within the Use of Sold category, as we updated the energy efficiency ratings to more accurately reflect sold items. Alongside this, the UK grid fed into background decarbonisation.

Water

We are continuing to further our understanding of our impact on water whilst simultaneously seeking to reduce our usage. As signatories to the UK Textiles Pact, coordinated by WRAP (Waste Reduction and Prevention), we have an ambition 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 FY25 textile product water footprint to be 11.7% lower than our FY20 baseline.

¹ The most recently available GHG emissions report covers the period July 2024 to June 2025 (FY25) and the comparator July 2023 to June 2024 (FY24).

² Key & Strategic suppliers are the largest own brand manufacturing suppliers to The Very Group.



Sustainability continued

Product

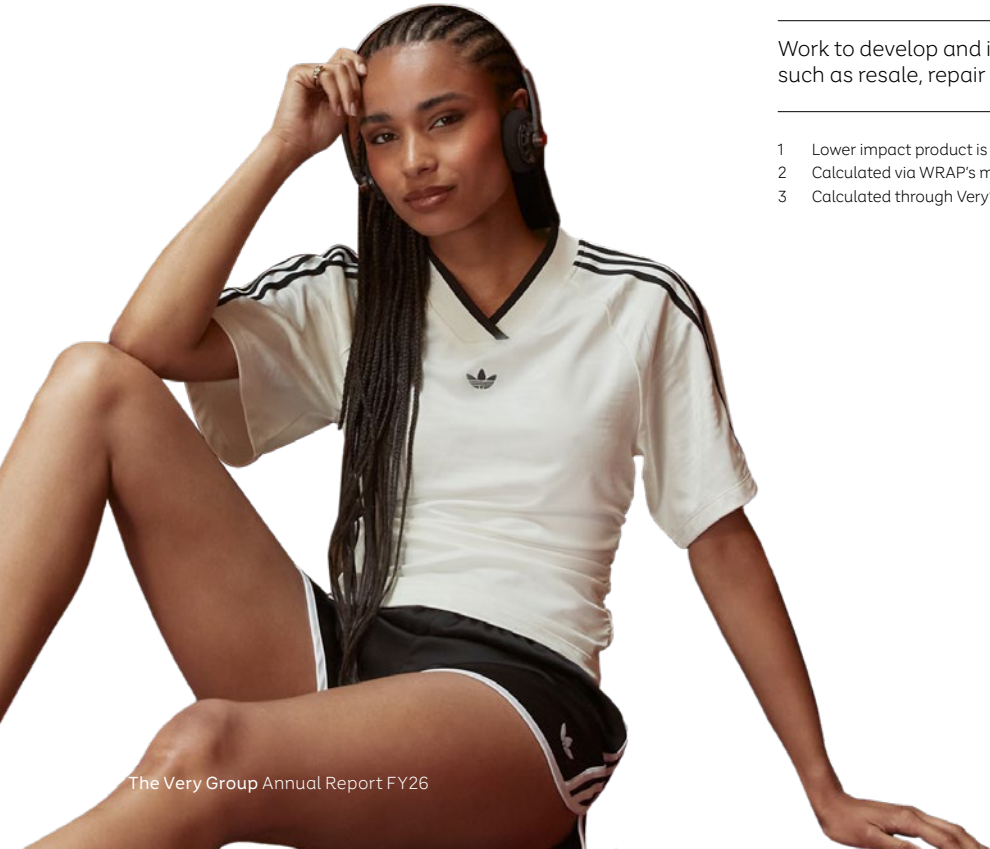
Goal:
Ensure our products have less negative impact on people and the environment

Relevant UN SDGs:



Targets	Target date	Progress so far
80% of our textile raw materials to be lower impact ¹	2027	Estimated 52% of textile raw materials to be lower impact as at FY25 ²
100% of timber to be FSC or PEFC	2027	Approximately 93% FSC & PEFC in our furniture for Autumn-Winter 2026
Reduce our textile carbon footprint by 50%	2030	Through the UK Textiles Pact, run by WRAP, we estimate a decrease of 15.7% versus the FY20 baseline ³ largely due to a reduction in intake volume
Top 50% of third-party brands will set science-based targets	2030	By spend, 40% 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

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



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 reducing 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 when we set an 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 profit.

Our reporting on cotton is compiled at the end of each calendar year, and as such, the most recent data in this annual report covers the period of January to December 2025.

In this period, we sourced 96% of our cotton as BCI cotton under the mass balance approach¹ and are excited to achieve this milestone. Through the fees we pay for sourcing BCI Cotton, we contribute to the funding of field-level projects and farmer capacity strengthening through the BCI Growth and Innovation Fund (GIF).

The estimated impact of this is outlined below:

- Our sourcing of BCI Cotton in 2025 supported farmers participating in GIF-funded projects to save an estimated 19,296m³ of water over the last growing season.
- Our sourcing of BCI Cotton in 2025 supported farmers participating in GIF-funded projects to avoid an estimated 63kg of pesticide active ingredient over the last growing season.
- Farmers participating in GIF-funded projects increased their net income per cotton hectare by an estimated 14.7% over the last three growing seasons.²
- Our sourcing of BCI Cotton in 2025 supported farmers participating in GIF-funded projects to avoid an estimated 3,903kg of synthetic nitrogen over the last growing season.

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 continued industry collaboration with UK Textiles Pact and the Circularity Working Group with industry peers, we have contributed to the development of a voluntary durability testing framework for textiles, applying a commercial lens to the opportunities this could unlock.

This voluntary framework can serve as a robust in-house engineering tool, a foundation for consumer-facing claims, and a sector-level measurement standard. By extending product lifespans, we can reduce the volume of clothing sent to landfill.

This remains a priority for us, and we will continue to explore opportunities for integration within our own brand clothing range.

Circular production

Reverse Resources is a software-as-a-service (SaaS) platform that tracks, traces and connects industrial textile waste from garment factories directly to recyclers, in a transparent and measurable way.

Through this partnership, we supported three factories in Bangladesh to recycle their textiles waste and supported a project in Pakistan which aimed to establish long-term traceable waste management. This has allowed our suppliers to collect and report on 19 tonnes of cotton textile waste, mechanically recycling 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 FY26, through the continued partnership with Traid, our customers donated 97 parcels helping to divert 407kg of unwanted clothes and shoes from landfill.

Our delivery partner, Arrow XL, provides a similar service for furniture and electricals. Across FY26 we collected 5,540 bed and mattress units and 43,245 waste electrical and electronic equipment, all of which were sent to recycling.

Deforestation

This year we made great progress in our zero-deforestation ambition. At year end, we have achieved 93% of our products FSC and PEFC certified timber materials in our own brand furniture, with our first PEFC products going live over FY26. This equates to at least 75% of our sales across FY26 through sustainably sourced timber.

Challenges surrounding the final 7% of products include certification availability in some key sourcing regions and we are continuing to source new products as FSC and PEFC as we continually update our ranges.

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 Farmers experience net income 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). However external variations like prices or weather have a large influence.

Sustainability continued

 Social

Goal:

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

Relevant UN SDGs:



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

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 1,800 factories across 29 countries.

We 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 continue to utilise the findings from our human rights saliency assessment, undertaken in FY24 to implement 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.

Transparency

The complexity of supply chains means it can be difficult to determine how and where products are made, but we are committed to building full transparency from tiers 1 to 5 in key materials; cotton, polyester, viscose and timber.

We work closely with our suppliers to identify at least tier 2 and 3 suppliers at onboarding and request ongoing transparency, continuing our efforts to maintain our achievements against our FY25 target. To further demonstrate our commitment to transparency, we publish our tier 1 and 2 factory list on our corporate site and the Open Supply Hub every six months.

Factory due diligence

As part of our approach to human rights due diligence in our supply chain, we conduct ethical audits and risk assessments in tier 1 and priority tier 2 factories, extending our commitment to safeguarding workers across critical areas of the value chain. The assessments are conducted on a semi or unannounced basis, either by our in-house team or third parties.

This year we have partnered with Fair Working Conditions in Pakistan, and Leadership & Sustainability in Türkiye, to support us in two key sourcing regions. In response to any issues or risks detected we collaborate with stakeholders to develop and implement remediation plans.



Sustainability continued

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 17 to 18, we believe strongly in the importance of quality training and education.

We have delivered training to more than 2,000 individuals within our direct supply chain across Bangladesh, China, India, Malaysia, Pakistan and Türkiye, 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 sixth phase, the SITGSC programme continues to make meaningful progress in improving the lives of garment and textile workers across five districts in South India.

Training has been provided on workers' pre-departure awareness, financial literacy, gender-based violence, health awareness, and other important topics, benefiting thousands of workers to date.

Workers at two of our participating factories benefited from attending medical camps which focused on Obstetrics and Gynaecology, particularly as the majority of the factory workers are women.

To equip our suppliers with practical tools for meeting our standards, we conducted 17 dedicated training sessions covering heat stress management and prevention, grievance mechanisms, compliance requirements, and lower-tier disclosures.

We continue to conduct risk responsive training and engagement with suppliers in specific sourcing regions or as a part of remediation procedures to address root causes and drive continuous improvement. Sessions are delivered in Bangla, Chinese and English ensuring accessibility and clarity across key supplier regions.

We have also delivered training to key internal stakeholders to support us in delivering our human rights strategy and mapping commitments.

For example, we partnered with the Centre for Child Rights in Business to deliver training for our ESG and sourcing colleagues on the risks of child labour and the steps we can take to prevent and remediate, driving meaningful change in our supply 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

ETI and Royal Holloway, Heat Stress Intervention Research Study, India

Extreme heat is an increasingly significant human rights risk across global supply chains, impacting worker health, wellbeing and productivity. To better understand and address this challenge, we partnered with the Ethical Trading Initiative (ETI) and Royal Holloway, University of London, to conduct research at a garment factory in Noida, India. The project aimed to quantify heat stress exposure among workers using robust scientific data, including internal body temperature monitoring, and to identify practical interventions that could reduce risk and improve working conditions.

The study demonstrated that heat stress was a material concern requiring intervention, with women impacted more due to naturally higher core body temperatures. Following the introduction of targeted mitigation measures, including enhanced cooling through fans, target-based work allocation and heat-optimised working schedules, exposure to elevated temperatures fell, highlighting the effectiveness of simple changes.

The findings have informed our wider approach to heat stress management across our supply chain. During the year, we developed Heat Stress Readiness Guidance, delivered multilingual supplier training, integrated heat-related criteria into our factory due diligence programme and launched supplier self-assessments to monitor implementation, with a focus on Bangladesh, India, Sri Lanka and Pakistan due to their increased vulnerability to extreme heat.

As women make up a significant proportion of the workforce in these regions, we have also included considerations for women and additional risks associated with pregnancy and menopause in our guidance and training, helping suppliers adopt more inclusive approaches to heat risk management. Insights from the research have also been shared through industry forums, helping to drive collective action and contribute to the development of future global standards on worker protection in a warming climate.

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 SITGSC project trains and raises awareness on health, nutrition and stress management. The project also organises medical camps at participating factories and within local communities to expand their reach including to homeworkers. The medical camps provide workers with free health assessments, following which they can be given advice, prescribed medication or referrals for further assessments and support.
- We have continued our partnership with Ethical Supply Chain Programme (ESCP), for the Happy Summer Holiday programme in two of our factories in China. The programme provides employer-funded childcare for employees, supporting parents by helping children to develop new skills and bring families together over the summer.
- We conducted research in a factory in India to determine the impacts of heat stress on workers. This research informed our heat stress prevention and support guidance for suppliers and implementation training for our supply chain in South Asia.

Achieve gender equality and empower all women and girls

- SITGSC equips women with essential skills to empower and help them address challenges they face. The teams support local and migrant women to address grievances through local resource centres and TIMBY, a digital information management and reporting platform designed to aid human rights monitoring and deliver grievance mechanisms. Gender-based violence and harassment prevention training reached 6,213 people across participating factories this year.
- We are committed to advancing gender equality and creating an environment where women can thrive in their careers. Through our Women in Leadership programme, we support female talent development and help build pathways into senior leadership roles.
- Our colleague-led Women at Very (WAVE) network provides mentoring and peer support to help women navigate career and life stages.
- We have further strengthened support through initiatives such as Return & Rise, supporting those returning from maternity leave, and through achieving Menopause Friendly Accreditation, recognising our commitment to creating an inclusive and supportive workplace.
- We continue to demonstrate transparency and accountability through the publication of our annual Gender Pay Gap Report.

Promote inclusive and sustainable economic growth, productive employment and decent work for all

- Our ethical audit programme further supports the identification and remediation of issues within factories.
- Our work with initiatives and partnerships in locations such as Bangladesh, China, India and Pakistan help workers develop employment skills and support better conditions and empowerment in the workplace.
- We conducted responsible recruitment training for our suppliers in China ahead of the summer months when risk of exploitation increases. The team provided clear guidance for suppliers to reduce risks of child labour and exploitation of young workers, discrimination against temporary workers and modern slavery.
- In Malaysia, we advocate for the implementation of the Supplier Pays Principle, promoting employer-paid recruitment practices to protect migrant workers from debt bondage and unfair fees.

Reduce inequalities

- In India, our SITGSC project aims to improve labour conditions for migrant workers and their families in the garment and textile supply chain. The project provides access to rights awareness training, health support and grievance mechanisms. This year we introduced Alternative Learning Centres which provide young children of migrant workers education, in cases where they are unable to access formal schooling.
- To empower workers voices and drive meaningful change, we have implemented grievance mechanisms across our key sourcing regions China, Türkiye and Malaysia, and promote the use of the International Accord helpline in Bangladesh and Pakistan.
- In the UK we have partnered with the National Literacy Trust (NLT) to connect 4,000 early years children with the literacy skills they need to succeed.

Ensure sustainable consumption and production patterns

- We are participating with three factories in two ETI programmes focused on Just Transition in Bangladesh. The projects aim to support factories on their transition to renewable energy and environmental sustainability while mitigating challenges occurring within the intersection between climate change and workers' rights.
- We have committed to be net zero and have science-based targets. We are part of the UK Textiles Pact, run by WRAP, and are reducing water consumption within the production of own brand denim.

Take urgent action to combat climate change and its impacts

- We have committed to be net zero by 2040 and have established science-based targets. We are exploring decarbonisation initiatives across Scope 1 and 2.
- Within our supply chain we provided carbon awareness training reaching 71 suppliers, to help factories understand and mitigate their impact on climate change.
- Our colleague network Sustainability (SAVE) at Very provides our employees with more opportunities and ideas to drive change. Supporting Earth Day in April, we provided cross-functional storytelling showcasing a range of ESG topics from waste management, net zero awareness and investment options within pensions. Collaborative in-person sessions were held with our partners including Aviva, Viola and BCI.

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 2026¹.

Reporting boundary

The reporting boundary for the Energy and Carbon Report is the UK-based elements of The Very Group Limited and its subsidiaries (principally comprising Shop Direct Home Shopping Limited and Shop Direct Finance Company Limited).

Data completeness

All The Very Group's electricity and gas invoices have been entered into a fully managed energy database up to 30 June 2026¹, 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 2026¹.

The following figures show the consumption and associated emissions for The Very Group in FY26, 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 2026 version 1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for the reporting period 1 July 2025 to 30 June 2026¹.

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 4.53% of reported consumption.



¹ The reporting period for the Streamlined energy and carbon report (SEC) runs from 1 July 2025 to 30 June 2026, whereas the Very Group Limited financial statements cover the 52 week period ending 27 June 2026, as described on page 74.

Streamlined energy and carbon reporting continued

Energy and carbon report commentary:

Year on year changes

Emissions from Natural Gas, Other Fuels & Refrigerants have increased by 2.9% in FY26 compared to FY25. Natural gas consumption at Skygate has increased year on year, contributing to the overall increase in emissions.

In addition, the portfolio in FY26 reflects the Covent Garden site being held for the full reporting period for the first time since its occupancy.

Electricity emissions have decreased by 24.2% in FY26 compared to FY25. Electricity emissions have decreased despite a 2.5% year on year increase in consumption, driven by increased activity at Skygate.

This reduction in emissions is largely driven by a 26.0% decrease in the UK grid-supplied electricity emissions factor.

Transport emissions have decreased by 29.8% in FY26 compared to FY25. This decrease is due to reduced transport activity, with fewer miles travelled at the overall company level and at the individual company car level.

The primary intensity metric of tCO₂e/£m revenue, decreased by 15% in FY26 compared to FY25, driven by lower total emissions as outlined above.

Energy efficiency measures in FY26

A number of efficiency measures were introduced during the year:

1. Further photocells were installed at Skyways House, completing the blinds replacement project which began in FY25. This improves daylight-responsive lighting controls and reduces electricity consumption.
2. A new HVAC system was installed at the London office to improve the working environment, increase energy efficiency and reduce associated emissions.
3. The Sustainability at Very (SAVE) programme was launched to promote sustainable behaviours through colleague engagement, intranet resources, supplier sessions and practical energy-saving guidance.
4. Full ISO 14001 (Environmental Management) certification was achieved across all The Very Group locations, strengthening environmental management.
5. The transition to electric material handling equipment was completed in December 2025, with only 10% of the fleet now using Liquefied Petroleum Gas, significantly reducing fossil fuel use and associated emissions.
6. An additional five electric vehicle (EV) charging points have been installed at Skyways House, bringing the total to 10 with an equal kWh output. FY26 shows lower uptake, resulting in a 5% reduction in associated usage costs.
7. Heat mats were installed at Wrexham instead of additional halogen heaters, providing targeted warmth while reducing future energy consumption and running costs.

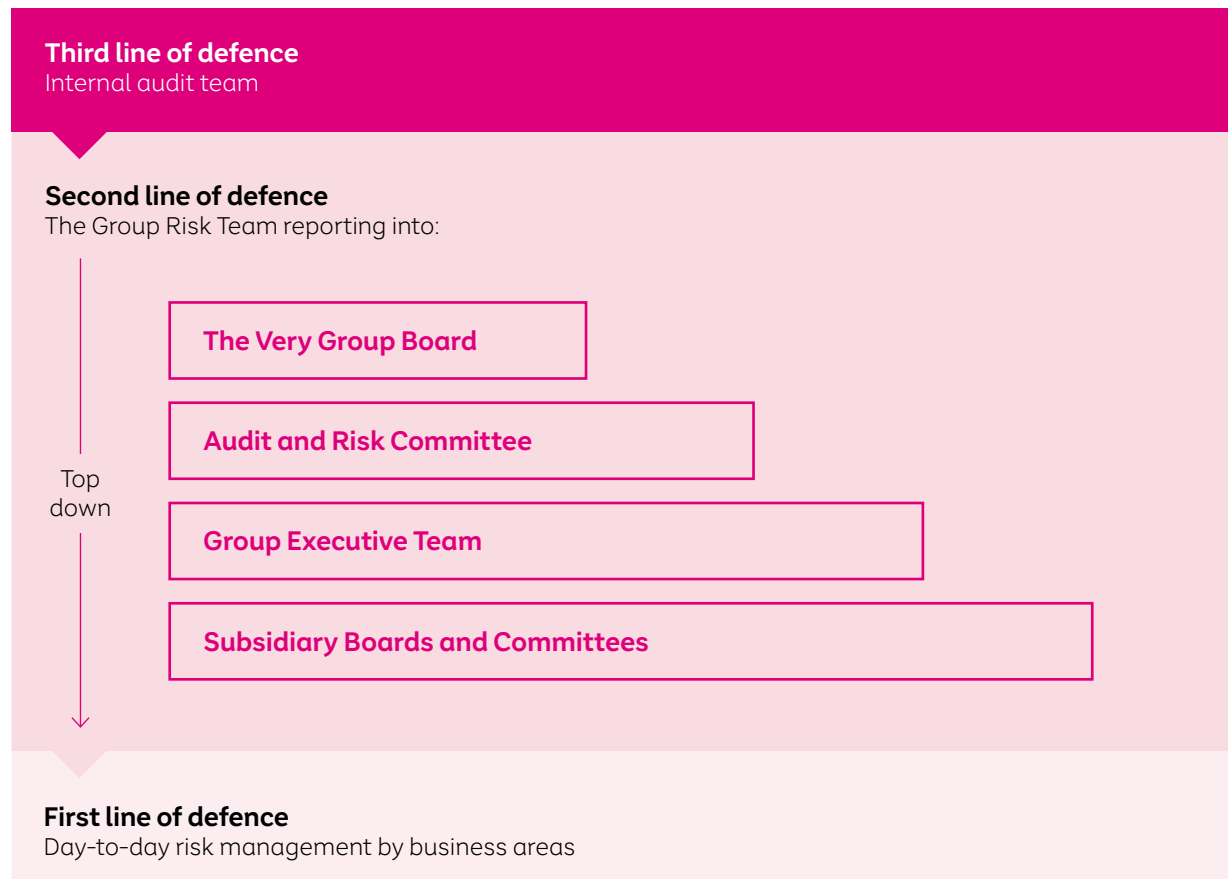
Utility and Scope ¹	FY26 Emissions (kWh)	FY25 Emissions (kWh)
Scope 1 Total	5,115,353	4,963,050
Natural Gas and Other Fuels (Scope 1)	5,040,385	4,797,131
Transportation (Scope 1)	74,968	165,919
Scope 2 Total	9,950,510	9,711,138
Grid Supplied Electricity (Scope 2)	9,950,510	9,711,138
Scope 3 Total	210,653	275,293
Transportation (Scope 3)	210,653	275,293
Total	15,276,516	14,949,481
Utility and Scope ¹	FY26 Emissions (tCO ₂ e) Location based	FY25 Emissions (tCO ₂ e) Location based
Scope 1 Total	994.76	986.63
Natural Gas and Other Fuels (Scope 1)	974.33	945.47
Transportation (Scope 1)	18.86	38.30
Refrigerants (Scope 1)	1.57	2.86
Scope 2 Total	1,303.12	1,718.87
Grid Supplied Electricity (Scope 2)	1,303.12	1,718.87
Scope 3 Total	51.04	61.27
Transportation (Scope 3)	51.04	61.27
Total	2,348.92	2,766.76
Intensity metric ¹	FY26	FY25
tCO ₂ e/FTE	1.04	0.79
tCO ₂ e/£m revenue	1.13	1.33

¹ Emissions figures and intensity metrics have been rounded to two and three decimal places respectively. Any calculations have been conducted using complete, unrounded figures.

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.

Lines of defence



The Group continues to see the benefit of its ERM approach. In FY26, the programme continued to help us to identify and monitor emerging risks, support effective decision-making and maintain business resilience.

Risk Governance

The Group Board has 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 and Risk Committee report on pages 56 to 60.

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 exploit 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 nine principal risk categories as follows:

- **Financial and liquidity:** The risk that we are unable to meet our obligations as they fall due or are adversely hit by market rate or price movements.
- **Credit risk:** The risk of loss caused by the failure of a customer to meet their contractual obligations and repay their borrowings.
- **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.

- **Operations 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.
- **Third Party risk:** The risk which arises from a supplier, joint venture or outsourcing agreement.
- **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 macroeconomic environment, driven by ongoing geopolitical uncertainty in the Middle East, and its potential impacts on both customers and the wider business, has continued to contribute to market volatility and uncertainty.

Despite these challenges, the Group's business model has demonstrated resilience throughout the year, as well as during previous periods of economic and market stress. As a result, the overall risk profile has remained broadly consistent with FY25.

The external risk of cybersecurity attacks continues to be prevalent. 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

Key risks

Beneath the principal risk categories, 31 key functional risks have been identified, along with potential risk scenarios which could give rise to the risks materialising. The functional key risks are tracked and reported to the Group Audit and Risk Committee, and the risks that have been a particular focus during the year are outlined below.

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.	Edward Fry, 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 bad debt. During the year, the Group successfully extended and renewed its key debt facilities, securing long-term funding for the next four financial years. The financial and liquidity risk has remained unchanged from FY25. Mitigants Liquidity is carefully controlled by the Treasury function and reviewed at Board 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 February 2026, the Group concluded the extension of the long-standing securitisation programme, which now expires in February 2029. Also in February 2026, the Group's £150m revolving credit facility was renewed, extending its maturity to February 2030. Additionally, the Group successfully fulfilled the deleveraging condition set out in the terms of the Group senior secured notes. As a result, the notes' coupon rate has been reduced from 13.25% to 9.75%, with maturity extended to August 2030. The Group's overall debt has been reduced by £150m, significantly improving leverage.	

Risk management and principal risks continued

Key:  Increased  No change  Decreased

Key risks	Exec owner	Risk scenarios	Commentary	Risk rating
Principal Risk Category: Credit risk				
External fraud Financial or reputational loss due to external fraudulent activities.	Nick McBrien, SDFC CEO	1. Failure to identify and respond to evolving fraud typologies. As a result fraudsters are able to open and utilise financial services.	Overview Fraud remains a significant operational and financial crime risk facing The Very Group. The increasing digitisation of financial products and services, combined with sophisticated criminal networks and evolving fraud techniques, has resulted in heightened fraud threats across customer onboarding, account management, payments, lending and digital channels. Mitigants We maintain a multi-layered fraud prevention framework designed to protect customers and the business from financial crime and fraudulent activity. Throughout FY26 we have minimised the risk through robust customer authentication, fraud detection systems, transaction monitoring and ongoing surveillance of emerging fraud threats.	
Bad debt Financial loss arising from customers failing to meet their credit obligations.	Nick McBrien, SDFC CEO	1. Deterioration in customer affordability, driven by adverse economic conditions, ineffective credit risk management, or changes in customer behaviour results in increased customer arrears, defaults and write-offs across The Very Group's Financial Services portfolio.	Overview We employ a range of credit risk mitigants to manage our customers' affordability risk, minimise bad debt levels and ensure lending remains within the Group's risk appetite. Mitigants We use credit scoring and robust decisioning models and continuously monitor portfolio performance and customer behaviour. We stress test our credit portfolio against adverse economic scenarios and incorporate macroeconomic assumptions into provisioning and forecasting models. Credit risk decisions are subject to oversight through the Group's tiered committee structure, ensuring appropriate governance, challenge and ratification in line with approved policies and risk appetite.	
Principal Risk Category: Technology				
Cybersecurity The risk of unauthorised access resulting in a loss of service or data.	Sean Hallows, Chief Operations and Technology Officer	1. Malware/ransomware attack resulting in data loss or disruption to commercial operations. 2. Phishing attempts that deceive employees into disclosing sensitive information. 3. DDOS attack that results in an inaccessible system. 4. Vulnerabilities exploited within the legacy estate resulting in a successful attack.	Overview In recent years we have seen a number of key retail players significantly impacted by cyber incidents and we remain vigilant given this heightened risk of exposure. Cybersecurity 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 We continue 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, which is exceptional in the market. AI remains a key emerging threat; however the consideration of security and governance is incorporated within the Group-wide AI Policy, which ensures 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: Strategy				
Macro-economic Adverse impact from economic conditions such as inflation, recession or currency fluctuations.	Edward Fry, Chief Financial Officer	1. A deterioration in macroeconomic conditions, including elevated inflation, higher interest rates, increased unemployment and declining consumer confidence, reduces customer spending and weakens household affordability.	Overview The UK economy remains challenging, with persistent cost-of-living pressures, elevated interest rates and ongoing geopolitical uncertainty continuing to affect our consumers and our business. While inflation has eased from previous peak levels, affordability remains under pressure and consumer confidence is fragile. Mitigants The Chief Financial Officer leads a team of professionals who actively monitor macroeconomic risks and their potential impact on the business. Timely, data-driven decisions are made in line with established policies and risk appetite. Longer-term plans are regularly reviewed and adjusted to reflect changing market conditions, with sensitivity analysis and scenario planning used to assess the potential impact of different macroeconomic outcomes and ensure the business remains resilient.	
Strategic change Failure to adapt or execute strategic initiatives in response to market or internal drivers.	Robbie Feather, Group CEO	1. Failure to successfully design, implement or embed strategic change initiatives. As a result, anticipated benefits are not realised, operational performance is impacted and the business is unable to achieve its strategic objectives.	Overview During the year we have made significant strategic advancements delivering customer facing change in response to an increasingly competitive market. A specific team will continue to drive improvements to the customer proposition. Mitigants Our agile transformation framework enables the rapid delivery of strategic change through effective prioritisation, governance and execution. Increased integration between Retail and Financial Services has ensured that change is managed holistically. Progress against key milestones is closely monitored, with programmes regularly reviewed and challenged to ensure delivery remains on track, risks are identified early and intended business outcomes are achieved within agreed timelines.	
Principal Risk Category: Third party				
Supply chain Disruption to operations or customer delivery.	Sean Hallows, Chief Operations and Technology Officer	1. Disruption in our supply chain due to adverse macroeconomic conditions, geopolitical events, climate change or loss of resilience in our supply chain.	Overview Ongoing geopolitical uncertainty in the Middle East, driven by escalating tensions involving the US, Israel and Iran, continues to present potential risks to the Group. These include disruption to global supply chains and increased fuel and transportation costs. Mitigants The business is closely monitoring the geopolitical situation to assess any emerging risks and potential implications for the Group's risk profile. 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. This risk has been managed and mitigated by forward-looking intelligence and ensuing appropriate impact mitigation plans are in place.	

Non-financial and sustainability information statement

Reporting requirement	Location	Policies
Environmental and social matters	Sustainability report – page 22 CFD disclosures – see index overleaf Risk management – page 37 ESG Committee report – page 63 Stakeholder engagement – page 19 Section 172 statement – page 44	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 policy for supply chain Young worker and child labour policy
Our people	People and culture – page 17 Stakeholder engagement – page 19 Section 172 statement – page 44 Remuneration and Nomination Committee report – page 61	Diversity and inclusion report Health and Safety policies
Human rights	Sustainability report – page 22	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
Anti-bribery and corruption	Audit and Risk Committee report – page 56	Anti-bribery and corruption and conflict of interest policy
Risk management	Risk management – page 37	Enterprise Risk Management Framework
Business model	Page 7	N/A
Non-financial KPIs	Page 12	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 table 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	22 to 24
Strategy	a) Describe climate risks and opportunities identified by the organisation over the short, medium and long-term b) Describe the impact of climate 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	25 to 27
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	28
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	28

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 incorporated by cross-reference and in the table below:

S.172 Principle	Where to find more information	Page
A The likely consequences of any decision in the long-term	Our strategy	8
B The interests of the Company's employees	People and culture	17
C The need to foster the Company's business relationships with suppliers, customers and others	Stakeholder engagement	19
D The impact of the Company's operations on the community and environment	Sustainability	22
E The desirability for high standards of business conduct	Our approach to governance	49
F The need to act fairly between members of the Company	Board activity	53

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 of how it manages the business of the Company. Throughout the year, the Board considered its s.172 responsibilities when overseeing the Company's activities and making decisions on strategic matters.

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 following page illustrates examples of principal 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.

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 s.172.

Information

Our Board directly and indirectly engages with stakeholders, see pages 19 to 21.

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 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 customers, suppliers 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	Re-financing of the Group's debt facilities	Strategy
The Board and Executive Team received updates on outcomes of the Voice colleague survey and considered the feedback to understand colleague sentiment and identify areas for improvement.	The Board considered and approved the refinancing of the Group's debt facilities, taking into account the long-term financial stability of the business, continued access to funding, and the interests of colleagues, customers, suppliers and shareholders.	Review and approval of the Group's five-year strategy.
Consideration of s172 factors		
B This activity helped management understand colleagues' concerns and act to further improve the working environment.	A The Board carefully considered the long-term strategic benefits of the refinancing, including its impact on the Group's capital structure, liquidity and financial flexibility.	A The Board considered how the strategic priorities and AI-enabled initiatives would support sustainable growth, strengthen competitiveness and create long-term value for the business.
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.	B In reaching its decision, the Board recognised that a strengthened financial position would provide greater certainty for colleagues by supporting the continued delivery of the Group's strategic objectives and creating a stable platform for future investment in the business and its people.	B The Board considered the impact of the strategy on colleagues, including opportunities to develop new skills, adapt to evolving ways of working and support the future capability needs of the business.
E The Board recognised that listening to colleagues and responding to their feedback reinforces an open, inclusive and accountable culture. The Executive Team received updates on actions taken following the survey, demonstrating the commitment to continuous improvement and colleague engagement.	C The Board considered the importance of maintaining strong relationships with the Group's lenders and other financial stakeholders throughout the process.	C The Board assessed how the strategy would enhance the customer experience, strengthen relationships with key stakeholders and support the delivery of products and services that meet changing customer needs.
F This activity promoted engaged and satisfied colleagues, which supported company success and, in turn, benefitted its members.	F The Board carefully considered the interests of the Company's shareholders ensuring that decisions supported the long-term success of the Company while maintaining the appropriate balance between the interests of all members.	F The Board took into account whether the strategy would support the delivery of sustainable long-term returns and value creation for shareholders while balancing the interests of wider stakeholders.

The Very Group's Strategic Report was approved by the Board on 15 October 2026 and signed on its behalf by:



Edward Fry
Director

Governance

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Chair's introduction

Our governance approach

I am pleased to introduce our governance report for the 52 week period ended 27 June 2026 which sets out our framework and how the Board and its Committees have delivered on their objectives to support the delivery of long-term sustainable growth. On pages 44 to 45, we describe how we have adhered to matters set out in Section 172 (1) of the Companies Act 2006.

As a Board, our responsibilities are well defined: to set the strategic direction, oversee risk and ensure that our purpose, culture and values inform decision-making across the Group. We approach this with sincerity and remain committed to transparency and accountability, both through the Board's own activities and through the work of the Committees.

Given the size, structure and stage of growth in our business, the Board considers that applying its own corporate governance arrangements remains the most appropriate approach for the 52 week period ended 27 June 2026. These arrangements are designed to provide effective oversight and accountability while supporting the agility required at this point in our development.

Change of control

During the year, the Group underwent a significant change of ownership following the completion of a transaction in which Carlyle became the Group's new owner. This transaction strengthens the Group's capital position and provides greater financial flexibility to support its long-term growth ambitions.

The transaction also brought to a close the Barclay family's two decades of stewardship, during which the business transformed from a catalogue retailer into one of the UK's leading online retail and financial services platforms. On behalf of the Board, I would like to thank the Barclay family for their significant contribution to the Group's development.

Appointment of Chief Financial Officer and Executive Team changes

Leadership succession was a central focus as we continue to shape the Executive Team. Following Ben Fletcher's resignation in September 2025, Edward Fry assumed the role of Interim Chief Financial Officer. He provided strong financial leadership and demonstrated the capability and judgement needed for the role. This culminated in his appointment as permanent Chief Financial Officer, marking an important milestone in strengthening the Executive Team and ensuring continuity through a period of transition.

In addition, Sam Wright's role expanded to bring the customer and commercial functions together to enable us to trade the business more dynamically and ensure we deliver our strategic priorities with excellence.



The successful transition in ownership marks the beginning of a new chapter for the Group, underpinned by strong governance and a clear focus on long-term sustainable growth.

Nadhim Zahawi
Chair



Chair's introduction continued

Board changes and Committee composition

The change of ownership was accompanied by changes to the composition of the Board, with a number of Directors stepping down following completion of the transaction. This represented an important milestone for the Group and marked the beginning of a new chapter for the business.

On behalf of the Board, I would like to express my sincere gratitude to each of them for the commitment and valuable experience over many years.

In addition, there was a change arising from the resignation of Jacqui Humphries in December 2025. The Board recognises Jacqui's significant contribution, insight and expertise that she brought throughout her tenure and we wish Jacqui every success in the future.

While no new Directors were appointed during the period, Nick Beighton, already an experienced member of the Board, assumed the role of Chair of the Remuneration and Nomination Committee, ensuring continuity and strong leadership in this important area of governance.

Further information on his skills and experience can be found in Nick's biography on page 52.

Purpose, values and culture

The Board plays an active role in shaping and championing the Group's purpose. That purpose both reflects who we are today and the future we are building, helping families have the lives they deserve through leading brands, a seamless digital experience and the support of our Very Pay platform.

Supporting a collaborative and inclusive culture is a core focus for the Board, and we monitor colleague sentiment closely through channels such as the Voice colleague survey.

Alongside this, the Executive Team maintains regular, open dialogue with all colleagues through in-person and digital 'balcony briefings', Q&A sessions and ongoing communications across email and digital platforms.

Further detail on our approach to culture, colleague wellbeing and diversity and inclusion can be found in the People and Culture section on pages 17 to 18.

Looking ahead, the Board remains focused on supporting the delivery of the Group's strategic priorities, maintaining strong governance and creating sustainable long-term value for our stakeholders.

I would like to thank my fellow Directors, the Executive Team and all colleagues for their continued dedication and commitment throughout what has been a significant year for the Group.

Nadhim Zahawi
Chair

15 October 2026



Our approach to governance

The Board

Led by the Chair, the Board promotes the sustainable success of the Group, 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 53 to 55.

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 size, composition and skills of the Board and any Committees. Refer to pages 61 to 62.

Audit and Risk Committee

Oversees the integrity of financial reporting and the audit process, the effectiveness of the Group's risk management and internal control systems and the performance of the audit functions. Refer to pages 56 to 60.

ESG Committee

Responsible for defining the Group's strategy that navigates The Very Group's environmental and social impacts. Additionally oversees the Group's social and environmental obligations, including climate-related matters, and is responsible for monitoring progress towards our commitments. Refer to pages 63 to 64.

Treasury Committee

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

Executive Team

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

Division of responsibilities

Our governance framework sets out clear roles and responsibilities across the organisation, supported by the policies, procedures and delegated authorities that enable effective decision-making and constructive challenge. This structure is designed to safeguard long-term value for the Group and its stakeholders, and we continue to review and refine our processes as part of our commitment to strong corporate governance.

In line with the Group's ownership structure and composition of the Board, a defined schedule of matters reserved for Board approval is in place, ensuring that key decisions receive appropriate oversight and stewardship.

Meetings

Board and Committees	Number of meetings held in FY26
The Board	9
Remuneration and Nomination Committee	3
Audit and Risk Committee	5
ESG Committee	4
Treasury Committee	12



Our approach to governance continued

Board roles and responsibilities		
Nadhim Zahawi	Chair	The Chair is responsible for leading the Board, ensuring its effectiveness in setting the Group's strategic direction, overseeing governance and promoting constructive challenge and informed decision-making. - Leads the Board and ensures its effectiveness - Fosters an open and constructive Board culture, encouraging appropriate challenge - Builds strong relationships between the Board, Executive Team and shareholders, supporting effective stakeholder engagement - Promotes high standards of corporate governance
Robbie Feather	Group CEO	The Group CEO is responsible for delivering the Group's strategy, managing the day-to-day operations of the business and promoting a culture that supports sustainable long-term success. - Leads the operational management of the Group and executes the strategy agreed by the Board - Creates and implements the business plan and budget as approved by the Board - Develops and leads the Executive Team, ensuring the Group has the capability and resources to deliver its strategic priorities - Models and promotes the Group's purpose, values and culture, fostering an environment that supports high performance and accountability
Edward Fry	Chief Financial Officer	The Chief Financial Officer is responsible for the Group's financial leadership, ensuring the integrity of financial reporting, maintaining a robust financial control environment and supporting the delivery of the Group's strategic and commercial objectives. The Chief Financial Officer also plays a key role in capital allocation, treasury, risk management and engagement with shareholders, lenders and other financial stakeholders.
Tim Franklin Richard Mayfield Nick Beighton Paul O'Donnell	Non-Executive Directors	The Non-Executive Directors are pivotal in promoting high standards of corporate governance by providing independent oversight, constructive challenge and objective judgement. Drawing on their diverse skills, experience and external perspectives, they support effective decision-making, oversee the delivery of the Group's strategy and ensure that risk, governance and the interests of stakeholders are appropriately considered.

Key Board reserved activities

- The topics outlined below include some of the matters which are required to be brought to the Board for consideration:
- The Group's corporate and strategic business strategies
 - Annual and interim financial results, bondholder reports and trading updates
 - Monitor risk management and internal controls
 - Decide on acquisitions and disposals, as well as major capital expenditure and significant investment decisions
 - Monitor progress against the Group's colleague engagement objectives



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

Nadhim, who is a patron of economic think tank the Adam Smith Institute, became a 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, Nadhim 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 Group CEO of The Very Group in 2024 after joining the business in 2021 to lead the Group's retail business. As CEO Robbie has managed The Very Group's smooth transition to new ownership whilst steering the Group to achieve its highest ever EBITDA margin. In tandem, the business is going through its biggest tech transformation to enhance the digital customer experience. 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.

Edward Fry
Chief Financial Officer



Appointed: 1 October 2025

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

Board biographies continued

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

Non-Executive Directors: Deputy Chair and Board Committee Chairs

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 2022 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-Executive Board roles 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.

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.

Nick Beighton

Chair of Remuneration and Nomination Committee



Appointed: 29 August 2024 

Nick brings over 25 years of retail and consumer leadership experience spanning high street, multi-brand and luxury fashion. He spent twelve years at ASOS PLC as Chief Financial Officer, Chief Operating Officer and Chief Executive Officer, leading the business through significant international growth and digital innovation. Earlier, he held senior roles at retailer Matalan and leisure business Luminar, and served as CEO of MatchesFashion, a luxury multi-brand fashion platform. He is a Fellow of the Institute of Chartered Accountants and holds an Honorary Doctorate in Business Administration (Hon DBA). Since leaving executive life, Nick has built a portfolio career of Non-Executive Director and Chairman appointments, alongside advisory relationships with leading private equity firms.

Executive Leadership – Chair of ESG Committee

Sarah Willett

Chief People Officer and Chair of ESG Committee

Appointed: 9 September 2024

Sarah serves as Chief People Officer and was 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 Group's long-term strategy.

Other Directors

Paul O'Donnell

Director

Appointed: 6 August 2024

Aidan Barclay

Director

Appointed: 2 May 2003

Resigned: 7 November 2025

Phillip Peters

Director

Appointed: 2 May 2003

Resigned: 7 November 2025

Howard Barclay

Director

Appointed: 2 May 2003

Resigned: 7 November 2025

Stuart Winton

Director

Appointed: 3 June 2013

Resigned: 7 November 2025

David Kershaw

Corporate Finance Director

Appointed: 22 February 2010

Resigned: 7 November 2025

Ben Fletcher

Director

Appointed: 1 September 2020

Resigned: 30 September 2025

Jacqui Humphries

Director

Appointed: 8 April 2019

Resigned: 31 December 2025

Board activity in FY26

The Board carries out its responsibilities through a structured annual schedule of Board and Committee meetings, supplemented by additional meetings when required to address business priorities. The Directors also participate in Board Performance Review sessions, during which they review a monthly performance report, receive updates on key strategic priorities and discuss the Group's operational and financial performance. These sessions support the Board's ongoing oversight of the business between formal Board meetings.

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, cash flow and liquidity were areas of specific focus all year. This year the Board also oversaw the successful refinancing of the Group's bond and revolving credit facility (RCF).

Internal control and risk management

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

ESG

The Board received regular updates on our sustainability targets and strategic objectives related to ESG.

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 17 to 18).

Change of Control

Following the completion of the Group's change of control transaction in November 2025, the Board provided oversight of the successful transition to the Group's new ownership structure.

Refinancing and Capital Structure

The Board reviewed and approved the Group's refinancing activities, strengthening the capital structure, extending debt maturities and improving the Group's long-term financial flexibility.

Strategy and Business Performance

The Board reviewed, challenged and approved the Group's new five-year strategy, ensuring it supports the Group's long-term ambitions and provides a clear framework for sustainable growth and value creation.



> You can read about specific strategic decisions taken by the Board in the **s.172 statement** on pages 44 to 45.

Board activity in FY26 continued

Opportunity and risk

The Board is focused on creating long-term value for the Group while carefully assessing and managing the risks we face. Robust procedures are in place to identify, monitor and mitigate risk, and the Board reviews short-term operational and trading matters as part of its regular oversight, supported by weekly Executive Team meetings.

The Executive Team considers medium and longer-term opportunities through its planning cycle and in discussions with shareholders, ensuring that strategic priorities remain aligned with market developments and customer needs. Each year, the Executive Team agrees a capital investment plan with the Board and develops five-year strategy plans.

It also evaluates potential new income streams and, with the Board's support, reviews strategic objectives and market positioning to ensure the Group continues to respond effectively to customer expectations and emerging trends.

The Board retains overall responsibility for risk management, with a clear focus on protecting customers, colleagues, the Group's commercial interests and the wider communities we serve.

Day-to-day oversight of key risks and the risk management framework is delegated to the Audit and Risk Committee, which provides challenge and assurance on the effectiveness of our approach.

Our systems of risk management and internal control are designed to reduce the likelihood and impact of risks that could prevent the Group from achieving its objectives. However, as with any system, they can provide reasonable – though not absolute – assurance 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 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.

The Board receives updates from the Group Audit and 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 pages 37 to 41 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.

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, 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 of the financial statements. For further information on the role of the Group's Remuneration and Nomination Committee, please refer to pages 61 to 62.

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. We remain committed to closing this gap by investing in diverse talent pipelines, supporting career progression for women at all levels, and fostering an inclusive culture that enables everyone to thrive.

In our 2025 gender pay report (released in FY26), 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.

Our commitment to increasing the number of women in senior management continues to positively influence our gender pay figures. The overall proportion of women in our workforce has risen to 57%, up from 46% in 2024, reflecting sustained progress in female representation across the organisation.

Board activity in FY26 continued

Although the total number of senior roles has reduced, women now make up a greater share of these positions, rising from 36% in 2024 to 43% in 2025. This improvement has been driven by more women joining our Senior Management Team.

In addition, 67% of our external senior leader hires in 2025 were women, demonstrating our continued focus on strengthening female representation at the most senior levels of the organisation and building a more balanced leadership pipeline. The Board and senior management remain focused on tackling areas that influence the gender pay gap.

You can read more about our D&I commitments in the people and culture section on pages 17 to 18.

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 shareholders.

The Board and the Executive Team 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 44 to 45.

Shop Direct Finance Company

Shop Direct Finance Company Limited (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 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. Together with the Board, these form the Tier 1 Board and Committee structure as detailed below:

- Executive Committee – established by the Group CEO 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 – oversees 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.
- Remuneration and Nomination Committee – responsible for the management and oversight of senior management function (SMF) holder's remuneration, succession planning and the appointment of new SMFs.
- Audit Committee – responsible for considering and reviewing the adequacy and effectiveness of SDFC'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 FCA, 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

Key Committee members and meetings

Member	Attendance
Richard Mayfield, Non-Executive Director (Chair)	5/5
Jacqui Humphries, Non-Executive Director ¹	3/3
Julie Nicholson, SDFC Non-Executive Director	5/5

¹ Jacqui resigned on 31 December 2025.

Role of the Committee

The Audit and Risk Committee is a sub-committee of the Board that provides independent oversight of the Group's financial reporting, internal controls, risk management, compliance and audit processes. The Committee is responsible for ensuring the financial performance of the Group is properly prepared, reviewed and reported.

The Committee focuses on monitoring or reviewing:

- the integrity and fairness of financial statements, narrative statements and reporting
- The Very Group's risk management and internal control arrangements; including the performance of the internal audit function
- the effectiveness, scope, objectivity and independence of the external auditor and the appropriateness of the relationship with the external auditor, including use for non-audit work
- the adequacy and effectiveness of whistleblowing arrangements

Chair's introduction

On behalf of the Board, I am pleased to present the Audit and Risk Committee's report for the 52 week period ended 27 June 2026. This report explains the Committee's role, work and areas of focus during the year.

The Group has continued to operate against a challenging and unpredictable global economic and geopolitical backdrop, with the resulting uncertainty continuing to affect consumers, businesses and markets. Against this environment, our broad product range and flexible payment options have continued to support the needs of our customers.

Our financial results for FY26 demonstrate the strength and resilience of the business and the continued relevance of our proposition.

The impact of the external environment has remained an important consideration for the Committee in overseeing the Group's financial reporting. The Committee's role in assessing the integrity, fairness and accuracy of our financial information remains at the core of the work we do.

During the year, the Committee considered a number of significant areas, including going concern, expected credit losses and impairment which are discussed in further detail later in this report.

In considering going concern, the Committee reviewed business forecasts for 18 months from the reporting date and downside sensitivities, together with the mitigating actions available to management and the Group's funding and liquidity position. The Committee was satisfied that the assumptions and sensitivities applied appropriately reflected the potential downside risks facing the business and that sufficient mitigating actions were available if required.

" The evolving external environment has reinforced the importance of maintaining strong oversight and assurance.

Richard Mayfield
Chair of the Audit and Risk Committee



Audit and Risk Committee report continued

The Committee's assessment was also informed by the work undertaken through the Treasury Committee in relation to cash forecasting, liquidity and operational cash management.

During the year the Group successfully extended its RCF and UK securitisation facilities. In addition, as a result of restructuring debt around the Group and meeting the deleveraging conditions attached to the senior secured notes, the bond facility was extended to August 2030. These developments strengthened the Group's funding position with key facility maturities extending beyond the going concern assessment period. The Committee also considered the financial reporting implications arising from the deleveraging transactions.

The broader risk environment has continued to evolve, with geopolitical uncertainty, supply chain disruption and rapid technological change demonstrating the potential to affect businesses and markets. Cybersecurity remained a particular area of focus, reinforcing the importance of maintaining appropriate resilience and preparedness.

The Committee also considered a number of significant accounting judgements during the year, including the assessment of goodwill and other asset impairments. This included consideration of the assumptions supporting the carrying value of goodwill and the impairment recognised following the decision to deprioritise the Personal Loan initiative.

Against this backdrop, the Committee continued to oversee the Group's risk management and internal control framework, including the identification and management of principal and emerging risks.

Internal audit continues to be the third line of defence in the Group's risk management. The Committee continued to oversee its work during the year, including reviewing audit plans, key findings and progress against agreed remediation plans.

During the year, the Committee reviewed and approved each quarterly internal audit plan and any subsequent material changes, ensuring these were appropriately aligned to the significant risks of the business. We also reviewed the findings and recommendations arising from key audits and monitored progress against agreed remediation plans. The Committee remains satisfied that Internal Audit continues to operate effectively and deliver against its agreed objectives.

Looking ahead, our priorities remain aligned with the responsibilities set out in the Committee's Terms of Reference. We will continue to focus on maintaining high standards of financial reporting and assurance and ensure our approach to risk continues to respond to the evolving external risk landscape. This will include consideration of emerging risks and opportunities associated with the increasing use of AI and its implications for the Group's risk and control environment.

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 five 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 Chief Financial Officer who attended every committee meeting.

Following the resignation of Jacqui Humphries in December 2025, the Board approved a reduced interim membership for the Committee. The Committee comprises of Richard Mayfield (see Richard's biography on page 52) and Julie Nicholson. Julie is a Non-Executive Director of the SDFC Board, Chair of the SDFC Audit Committee and member in the Risk Management and Remuneration Committees of SDFC.

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.

Cybersecurity

The Committee recognises the increasing prevalence of cyber threats, particularly across the retail sector, and the associated risks to the Group. The Committee receives regular updates on the Group's cybersecurity arrangements and the continued enhancement of its general IT controls (ITGC).

The Committee also monitored the findings arising from the external audit of the Group's ITGC and management's progress in addressing these.

Substantial progress has been made in addressing the control weaknesses identified, including the resolution of a number of findings and continued advancement of the remaining remediation actions. Notwithstanding this improvement, the evolving cyber risk landscape remains significant. The Committee will continue to maintain close oversight in this area.

Committee activities during 2025/26

The Committee has reviewed, and discussed with management and the external auditor, the audited consolidated financial statements within the FY26 Annual Report.

We have reviewed the Group's Alternative Performance Measures ("APMs") 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 on the next page and addressed them with our external auditor throughout the external audit process. The issues 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 ongoing uncertain economic conditions or changes in customer behaviour. The net expected credit-loss provision is £182.3m at 27 June 2026 (FY25: £181.7m). 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. The Committee is satisfied the judgements made are reasonable and appropriate.
3. Valuation of Douglas goodwill	The Douglas Cash Generating Unit goodwill ('CGU') resulted from the acquisition of Douglas Insurance Limited in 2008. A monthly insurance product was launched by the Group in 2023. The carrying value of the Douglas CGU goodwill is £51.5m (FY25: £97.0m). Management has prepared a paper outlining their annual impairment review which concluded that the recoverable amount of the Douglas cash generating unit is £51.5m, resulting in a required goodwill impairment of £45.5m. We have assessed the appropriateness of the assumptions made in the value in use calculation, which can be found on page 89. The residual carrying value of the goodwill is supported by forecast future cash flows. The reduction in value in use is driven by a transition from assumptions based on limited historical data in FY25, to assumptions informed by approximately two years of actual performance data, alongside updated market-based valuation inputs and the latest Board approved five-year plan. The Committee has reviewed management's paper, including the reverse stress tests on the most sensitive assumptions included in the model such as monthly product conversion rate, monthly claims incidence, discount rate and forecast growth in electrical sales. We have also considered the challenge from the external audit. Based on this assessment we have concluded the assumptions used for predicting the future cash flows, including discount rates, are reasonable. We consider the impairment recognised to be reasonable and the remaining carrying value of the goodwill is supportable.
4. Revenue recognition	We assessed management's analysis of revenue recognition under IFRS 15, in particular the valuation of the Buy Now Pay Later 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 27 June 2026 were £136.9m (FY25: £548.8m). Management 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.

Matter considered	Background and details
6. Deferred tax	The carrying value of deferred tax assets at 27 June 2026 is £158.9m (FY25: £161.3m). Management prepared a paper to support the recoverability of those assets. The paper demonstrated 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, the Committee concludes that the recognition of deferred tax assets is appropriate.
7. Personal loans	During the year ended FY26, the Group recognised an exceptional impairment charge of £15.6m in respect of capitalised software development costs relating to its Personal Loans platform held within Very Group Consumer Finance Limited (VGCF). Management has prepared a paper to assess the recoverability of the asset. The impairment followed a strategic review undertaken during the year which resulted in the Personal Loans initiative being deprioritised in favour of alternative projects. Management concluded that there is no longer sufficient evidence to support the future economic benefits expected to be derived from the asset and therefore determined that its recoverable amount is nil. Accordingly, a full impairment charge of £15.6m has been recognised. The impairment is presented as an exceptional item as it arises from a one-off strategic decision and is not considered reflective of the Group's underlying trading performance. The Committee has reviewed management's paper and has concluded that the value and recognition of an exceptional impairment is appropriate.
8. Deleveraging	During FY26, the Group completed a series of linked financing transactions to satisfy the deleveraging conditions under the Senior Secured Notes agreement. This resulted in an extension of the bond maturity to August 2030 and a reduction in the coupon from 13.25% to 9.75%. The transactions included the novation of an intercompany payable from Carlyle Group Inc to VGL Finco Limited; a £44m share issue used to partially repay the Senior Secured Notes; payment of the deleveraging event premium; and amendments to certain intercompany loan arrangements. Management prepared a detailed accounting paper outlining the fact pattern of the transactions and the appropriate treatment under IFRS. Having reviewed this paper, the Committee has concluded that the accounting treatment is appropriate and the transactions have been recorded accurately.
9. Oracle Cloud migration	During FY26, The Very Group migrated its core finance platform from Oracle EBS to Oracle Cloud (Fusion) for both Shop Direct Home Shopping Limited and Shop Direct Finance Company Limited. The migration was completed at the end of Period 8, resulting in a dual-system financial year. Management implemented a structured migration programme, including testing, data validation, reconciliations and appropriate project governance. The Committee received regular updates on the migration and was satisfied that appropriate controls were in place to mitigate the risk of financial reporting data being incomplete or inaccurate. The migration was also subject to external audit procedures, with testing completed identifying no material deficiencies in the completeness or accuracy of the data transferred.

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 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 mitigation 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 have 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 37 to 41.

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.

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

The 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; credit risk; technology; cybersecurity; financial controls, change, operations and retail. A principal area of focus has been on strategic change including work conducted on the Oracle Fusion implementation with Internal Audit being an active member of the steering Committee.

Internal Audit has also been focused on better leveraging data analytics to drive value including extending a programme of Continuous Monitoring to automate a wider range of key control tests.

During the year, the Head of Internal Audit attended the Committee meetings, presenting reports and communicating key findings and updates. In addition, the Head of Internal Audit maintained direct access to all Committee members and held monthly meetings with the Chair to support ongoing engagement and oversight.

The function was subject to an independent External Quality Assessment by the Institute of Internal Auditors. The assessment concluded that the function was well-respected and mature, highlighting excellent practices in data analytics and cross-business relationships, and that it generally achieves the Global Internal Audit Standards.

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 whistleblowing procedures ensure all stakeholders can raise concerns confidentially about possible improprieties. They can do this by phone or online to an independently provided service.

During FY26, six matters were reported through the Group’s whistleblowing arrangements. The Committee received regular updates on matters raised, including their investigation, resolution and any actions arising. No significant issues were identified as a result of the matters reported during the year. The Committee continued to oversee the effectiveness of the Group’s whistleblowing arrangements.

External auditor

Audit firm	MHA
Date appointed	6 August 2024
Lead audit partner	Rajeev Shaunak

The 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.

During the year, the Committee approved the re-appointment of MHA (The UK member of Baker Tilly International) to conduct the audit of the 52 week financial period ending 27 June 2026 with Rajeev Shaunak 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.

Audit and Risk Committee report continued

Non-audit services

The Committee is responsible for the pre-approval of all services provided by the external auditor, including non-audit services, in order to safeguard the external auditor's objectivity and independence.

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 £1.2m (FY25: £1.1m) and there were no non-audit fees (FY25: £0.3m). 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 been subject to robust and constructive debate.

These debates not only provide a level of clarity and comfort for the FY26 Report and Accounts, but also guidance to aid the focus of the Committee.

The 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.

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 its third 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 2026/27 financial year.

Looking ahead

The Committee's priorities for FY27 and beyond include:

- Maintaining a continued focus 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
- Maintaining focus on the effectiveness of controls around ITGC, cybersecurity and the emerging risks and opportunities associated with the increasing use of AI.

I would like to thank the management team and colleagues across The Very Group for their contribution to the Committee's work during FY26.

Richard Mayfield

Chair of the Audit and Risk Committee

15 October 2026



Remuneration and Nomination Committee report

Key Committee members and meetings

Member	Attendance
Nick Beighton, Non-Executive Director (Chair) ¹	1/3
Tim Franklin, Non-Executive Director	3/3
Stuart Winton ²	2/3
Jacqui Humphries, Non-Executive Director ³	2/3

1 Nick was appointed on 29 January 2026.
2 Stuart resigned on 7 November 2025.
3 Jacqui resigned on 31 December 2025.

Chief People Officer Sarah Willett and Robbie Feather as Group CEO 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, recommendations for approval and agreed actions.

Role of the Committee

The Remuneration and Nomination Committee is responsible for overseeing executive pay and reward structures to ensure they support the Group'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 to:

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 Group to enable them to discharge their duties and responsibilities effectively.

Effective remuneration, succession planning and Board composition remain central to our role in supporting strong governance.

Nick Beighton
Chair of the Remuneration & Nomination Committee



Remuneration and Nomination Committee report continued

As the newly appointed Chair of the Remuneration and Nomination Committee, it is my privilege to present my first report on the Committee's work. I wish to extend my heartfelt appreciation to Jacqui Humphries as previous Chair, whose leadership and commitment has provided a strong and steady foundation for the years ahead.

Committee composition

During FY26, changes were made to the composition of the Committee on an interim basis in order to operate effectively and maintain appropriate oversight of remuneration matters during a period of transition for the Group.

The changes were implemented to support the continuity of governance and decision-making, while also seeking to avoid placing disproportionate demands on the existing Non-Executive Directors. Whilst the resulting composition does not fully align with typical governance best practice for Remuneration and Nomination Committees, the Board considered the arrangements to be appropriate and proportionate in the context of the Group's current circumstances and governance requirements.

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 Executive 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. The approved remuneration policy is aligned with the Group's strategy, and is regularly reviewed to ensure 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.

Principal activities during the year

1. Reviewing and approving Executive Directors' and Executive Team 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, over the longer-term.
4. Approving key market rate changes for employees, and investment in April 2026 pay review.
5. Evaluating the Executive Directors' and Executive Team performance and succession plans, ensuring sufficient plans are in place to continue the smooth running of the business.
6. Evaluating the Group Leadership Team (GLT) talent pipeline, ensuring sufficient plans are 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:

- 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 targets.
- All colleagues have access to the Group Personal Pension ('GPP') which is designed to help them 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 Team.

When the Remuneration Committee determines the structure and level of remuneration, it considers and benchmarks with market rates. It also takes into account 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 a travel allowance.

Succession planning

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 Group CEO, 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 FY27 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.
- Reviewing and overseeing the implementation of succession plans for the Board, Executive Team and GLT.
- Ensuring that the remuneration arrangements for the wider workforce continue to support delivery of the businesses objectives and consider the wider macroeconomic environment.

Nick Beighton

Chair of the Remuneration & Nomination Committee

15 October 2026

ESG Committee report

Key Committee members and meetings

Member	Attendance
Sarah Willett, Chief People Officer	3/4
Nick McBrien, SDFC CEO	1/4
Sam Wright	2/4
Sean Hallows, Chief Operating Officer	4/4
Rossa Butler, Managing Director – Ireland ¹	1/4
Henry Dummer, Managing Director – Ireland ²	1/4
Edward Fry, Chief Financial Officer ³	2/4

1 Rossa resigned from this Committee on 30 June 2026.
2 Henry was appointed to the Committee on 9 July 2026.
3 Edward was appointed to the Committee on 29 January 2026.

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 purpose of the Committee is to assist the Board in its oversight and is responsible on behalf of the Board for:
- Reviewing and monitoring The Very Group's conduct with regard to its obligations, reputation and opportunity as a responsible and progressive corporate citizen.
 - Overseeing ESG disclosures and external reporting, ensuring accuracy and alignment with legal and regulatory requirements.
 - Overseeing the delivery of The Very Group's ESG Commitments, consistent with the ESG strategy.

On behalf of the ESG Committee, I am pleased to present our report for the 52 week period ended 27 June 2026.

The Committee has continued to make significant progress in embedding our environmental, sustainability and social responsibility practices into the fundamental behaviours of our organisation.

Throughout FY26, the Committee has ensured that The Very Group continues to meet its duties, advancing against our agreed strategic commitments and ensuring the organisation fulfils its role as a responsible business.

On behalf of the Committee, I am encouraged by the progress achieved on our ESG priorities and extend my thanks to all colleagues for their ongoing dedication and support. I look forward to building on this momentum as we deliver the Group's ESG strategy.

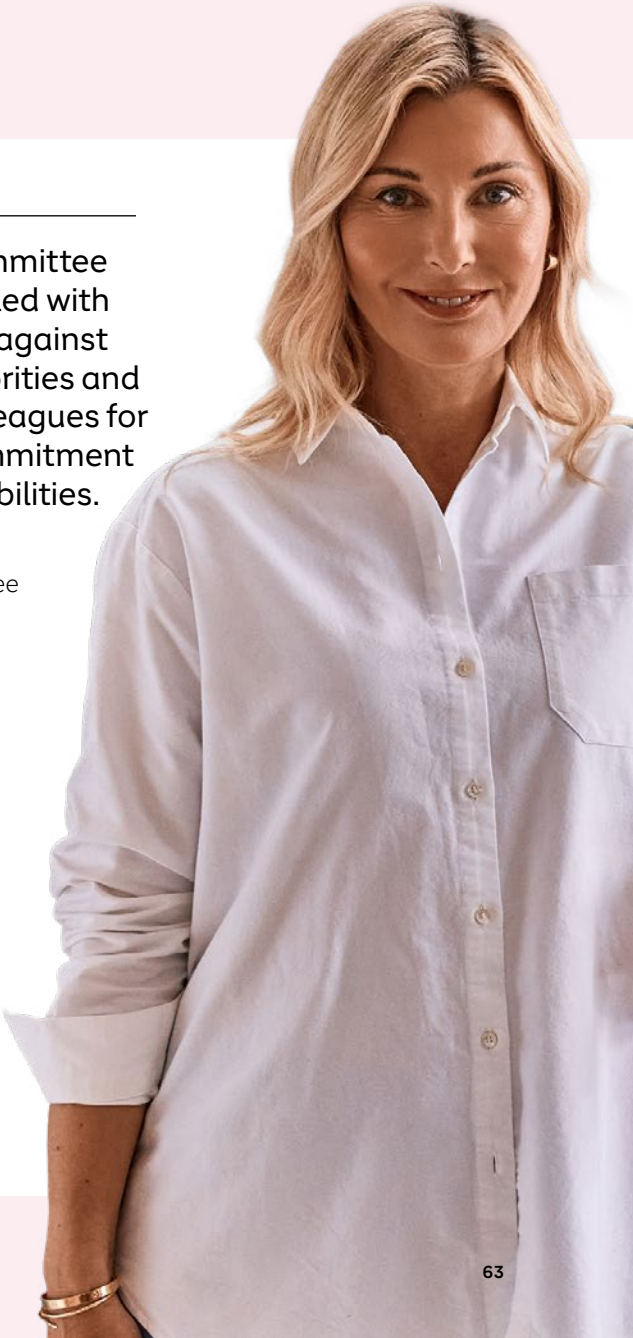
Committee composition

The Committee saw changes in its membership this year. Ben Fletcher resigned as of 30 September 2025, and with Board approval on 29 January 2026, Edward Fry joined the Committee, strengthening its capacity to oversee the delivery of the Group's ESG priorities.

Following Rossa Butler's resignation, Henry Dummer was appointed to the Committee and brings valuable insight from the Irish business and regulatory environment. This helps to ensure the Committee has oversight over local and European requirements and developments.

On behalf of all Committee members, I am thrilled with the progress made against 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



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 teams apply their understanding of ESG to empower colleagues to identify their role in meeting our ongoing commitments.

The Committee oversaw the Group's climate and broader ESG strategy, monitoring progress against the Group's net zero ambitions and wider sustainability targets. This included reviewing the greenhouse gas emissions performance, progress against decarbonisation initiatives, developments in emissions data quality and measurement and actions to improve supply chain engagement and transparency.

The Committee also monitored climate-related risks and opportunities, including horizon scanning for regulatory developments, and received updates on initiatives supporting the Group's long-term environmental objectives. 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.

The National Literacy Trust

The Committee continued to receive updates on the Group's charity partnership with the National Literacy Trust, which supports improvements in early years literacy across Liverpool and the Midlands. During the year, the partnership made strong progress towards our three-year fundraising commitment, with over £220,000 raised to date. Through community engagement initiatives, the programme has reached more than 5,400 children and parents, distributed over 4,200 early years books and trained 101 Literacy Champions including 28 Very colleagues.

I would like to thank the National Literacy Trust, our Charity Champions and all our colleagues who have dedicated their time, energy and enthusiasm to supporting this partnership. Their commitment has been instrumental in the success of the programme to date, and we look forward to seeing its continued positive impact.

Looking ahead

The Committee will continue to support the delivery of the Group's ESG strategy, with particular focus on implementing evolving regulatory requirements, overseeing progress against the Group's sustainability commitments and monitoring the development of the next phase of the ESG strategy to ensure it remains aligned with the Group's long-term business objectives.

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

15 October 2026



Directors' report

for the 52 week period ended 27 June 2026

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 27 June 2026.

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:

- Corporate governance arrangements (included on pages 47 to 55); and
- Energy and carbon reporting (included on pages 35 to 36).

Directors of the Group

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

- R Feather
T A Franklin
R A Mayfield
N T Beighton
P O'Donnell
N Zahawi
B P Fletcher (resigned 30 September 2025)
E S T Fry (appointed 1 October 2025)
A S Barclay (resigned 7 November 2025)
H M Barclay (resigned 7 November 2025)
D W Kershaw (resigned 7 November 2025)
P L Peters (resigned 7 November 2025)
S A Winton (resigned 7 November 2025)
J T Humphries (resigned 31 December 2025)

Dividends

During the year the Group has not paid a dividend (2025: £nil). No further dividends have been proposed as at 27 June 2026 ('the balance sheet date').

Donations

The Group does not make any political donations (2025: £nil).

Directors insurance and indemnities

The Company maintained Directors' and Officers' 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.

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.

Reappointment of auditor

MHA will be reappointed in accordance with section 485 of the Companies Act 2006.
Approved by the Board on 15 October 2026 and signed on its behalf by:



Edward 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.

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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 27 June 2026 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 2 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 49 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 27 June 2026 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards, and;
- 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.

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

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.

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).

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.

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

16 October 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

Financial statements

Consolidated income statement for the 52 week period ended 27 June 2026

	Note	52 week period ended 27 June 2026			52 week period ended 28 June 2025		
		Pre- exceptional items £ m	Exceptional items (note 6) £ m	Total £ m	Pre- exceptional items £ m	Exceptional items (note 6) £ m	Total £ m
Sale of goods		1,621.3	–	1,621.3	1,653.8	–	1,653.8
Interest and similar income		464.5	–	464.5	433.6	–	433.6
Total revenue	4,5	2,085.8	–	2,085.8	2,087.4	–	2,087.4
Cost of sales		(1,176.0)	–	(1,176.0)	(1,199.1)	–	(1,199.1)
Impairment losses on customer advances and receivables	19	(130.3)	–	(130.3)	(124.0)	–	(124.0)
Gross profit		779.5	–	779.5	764.3	–	764.3
Distribution costs		(168.9)	–	(168.9)	(170.6)	–	(170.6)
Administrative costs		(350.3)	(94.1)	(444.4)	(349.8)	(30.3)	(380.1)
Other operating income		2.2	–	2.2	2.3	–	2.3
Operating profit	5,7	262.5	(94.1)	168.4	246.2	(30.3)	215.9
Expected credit losses on amounts due from related parties	6	–	–	–	–	(524.8)	(524.8)
Finance income	6,8	3.2	–	3.2	3.9	6.7	10.6
Finance costs	6,8	(238.5)	(42.8)	(281.3)	(206.7)	(0.4)	(207.1)
Profit/(loss) before tax		27.2	(136.9)	(109.7)	43.4	(548.8)	(505.4)
Tax (charge)/credit	12	(37.7)	34.2	(3.5)	(153.3)	137.2	(16.1)
Loss for the period		(10.5)	(102.7)	(113.2)	(109.9)	(411.6)	(521.5)

The above results were derived from continuing operations.

Consolidated statement of comprehensive income for the 52 week period ended 27 June 2026

	Note	52 weeks to 27 June 2026 £ m	52 weeks to 28 June 2025 £ m
Loss for the period		(113.2)	(521.5)
Items that will not be reclassified subsequently to profit or loss			
Recognition of pension asset following removal of surplus cap	25	11.1	–
Remeasurement on retirement benefit obligations before tax	25	–	(0.3)
Other comprehensive income/(expense) for the period for items that will not be reclassified subsequently to profit or loss		11.1	(0.3)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation losses		(0.3)	(0.1)
Other comprehensive income/(expense) for the period		10.8	(0.4)
Total comprehensive expense attributable to:			
Equity holders of the Group		(102.4)	(521.9)

The notes on pages 74 to 101 form an integral part of these financial statements.

Financial statements continued

Consolidated statement of financial position as at 27 June 2026 (Registration number: 04730752)

	Note	27 June 2026 £ m	28 June 2025 £ m
Assets			
Non-current assets			
Goodwill	14	157.0	202.5
Intangible assets	15	201.8	207.7
Property, plant and equipment	13	54.2	57.8
Right-of-use assets	16	85.6	91.7
Deferred tax assets	12	158.9	161.3
Income tax asset		1.3	2.0
Amounts due from related parties	34	0.1	–
		658.9	723.0
Current assets			
Inventories	18	126.9	126.8
Trade and other receivables	19	289.8	269.3
Advances to customers	19	1,514.1	1,476.8
Derivative financial instruments	17	0.2	–
Cash and cash equivalents	20	50.8	40.3
		1,981.8	1,913.2
Total assets		2,640.7	2,636.2

The notes on pages 74 to 101 form an integral part of these financial statements.

	Note	27 June 2026 £ m	28 June 2025 £ m
Equity			
Share capital	22	294.1	200.0
Merger reserve	23	3.5	3.5
Capital contribution reserve	34	–	1.7
Accumulated losses		(673.9)	(573.2)
Equity attributable to owners of the Company		(376.3)	(368.0)
Non-current liabilities			
Amounts due to related parties	34	97.5	23.3
Loans and borrowings	24	618.7	666.8
Securitisation facility	24	1,528.4	1,485.0
Retirement benefit obligations	25	1.0	1.3
Deferred interest income	29	16.3	18.1
Lease liabilities	33	105.8	109.1
Provisions	26	–	0.4
		2,367.7	2,304.0
Current liabilities			
Trade and other payables	27	531.0	540.0
Insurance contract liabilities	28	5.2	5.6
Loans and borrowings	24	75.3	110.2
Derivative financial instruments	17	–	5.9
Lease liabilities	33	7.2	5.7
Deferred interest income	29	26.8	28.5
Provisions	26	3.8	4.3
		649.3	700.2
Total liabilities		3,017.0	3,004.2
Total equity and liabilities		2,640.7	2,636.2

The notes on pages 74 to 101 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 15 October 2026 and signed on its behalf by:



Edward Fry
Director

Financial statements continued

Consolidated statement of changes in equity for the 52 week period ended 27 June 2026

	Share capital £ m	Accumulated losses £ m	Merger Reserve £ m	Capital Contribution Reserve £ m	Total £ m
At 30 June 2024	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 income	–	(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)

	Share capital £ m	Accumulated losses £ m	Merger Reserve £ m	Capital Contribution Reserve £ m	Total £ m
At 28 June 2025	200.0	(573.2)	3.5	1.7	(368.0)
Issue of share capital	94.1	–	–	–	94.1
Loss for the period	–	(113.2)	–	–	(113.2)
Remeasurement on retirement benefit obligations before tax	–	–	–	–	–
Recognition of pension asset following removal of surplus cap	–	11.1	–	–	11.1
Foreign currency translation losses	–	(0.3)	–	–	(0.3)
Total comprehensive expense	94.1	(102.4)	–	–	(8.3)
Movement in capital contribution reserve	–	1.7	–	(1.7)	–
At 27 June 2026	294.1	(673.9)	3.5	–	(376.3)

Financial statements continued

Consolidated statement of cash flows for the 52 week period ended 27 June 2026

	Note	52 weeks to 27 June 2026 £ m	52 weeks to 28 June 2025 £ m
Cash flows from operating activities			
Loss for the period		(113.2)	(521.5)
Adjustments for:			
Depreciation of property, plant and equipment, and right of use assets	7	13.8	15.1
Amortisation of intangible assets	7	45.1	40.5
Financial instrument net (gains)/losses through profit or loss	17	(6.1)	5.9
Impairment charge for intangible assets	6	15.6	–
Impairment of goodwill	6	45.5	–
Finance income	8	(3.2)	(10.6)
Finance costs	8	281.3	207.1
Expected credit losses on amounts due from related parties	6	–	524.8
RDEC tax credit	7	(2.3)	(3.4)
Income tax charge	12	3.5	16.1
Decrease in provisions	26	(0.9)	(3.0)
Adjustments for pensions	25	1.2	0.6
Operating cash flows before movements in working capital		280.3	271.6
Increase in inventories	18	(0.1)	(21.8)
Increase in advances to customers	19	(37.3)	(18.7)
(Increase)/decrease in trade and other receivables		(22.3)	19.8
(Decrease)/increase in trade and other payables		(22.5)	38.4
Cash generated by operations		198.1	289.3
Income taxes received/(paid)		1.5	(1.0)
Interest paid		(161.0)	(201.1)
Proceeds received from pension plans		11.1	–
Net cash inflows from operating activities		49.7	87.2
Cash flows from investing activities			
Acquisitions of property plant and equipment	13	(1.5)	(0.2)
Acquisitions of intangible assets		(43.2)	(45.4)
Amounts due from related parties	34	–	(4.1)
Net cash outflows from investing activities		(44.7)	(49.7)

	Note	52 weeks to 27 June 2026 £ m	52 weeks to 28 June 2025 £ m
Cash flows from financing activities			
Payments of lease liabilities (principal)	33	(14.1)	(14.0)
Issue of share capital	22	94.1	–
Proceeds from/(repayments of) securitisation facility drawdowns	21	43.4	(19.7)
Repayments of secured revolving credit facility	21	(26.7)	(50.0)
Repayments of bank loans	21	(7.1)	(6.8)
Repayments of senior secured notes	21	(44.1)	(575.0)
Proceeds from senior secured notes		–	575.0
Proceeds from external loans		–	40.0
Repayments of intercompany loans		(40.0)	–
Net cash inflows/(outflows) from financing activities		5.5	(50.5)
Net increase/(decrease) in cash and cash equivalents		10.5	(13.0)
Net cash and cash equivalents at beginning of period	20	40.3	53.3
Net cash and cash equivalents at end of period	20	50.8	40.3

The notes on pages 74 to 101 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

for the 52 week period ended 27 June 2026

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 one of the UK's largest digital retailers 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

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 27 June 2026 (2025: 52 week period ended Saturday 28 June 2025).

These financial statements are presented in Pound Sterling ("£") rounded to the nearest million ("£'m"). Foreign subsidiaries are translated into sterling and foreign operations are included in accordance with the policies set out herein.

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 Group's ownership structure.

As at 27 June 2026, as set out in notes 20 and 21, the Group had cash and cash equivalents of £50.8m (2025: £40.3m) and net debt, including lease liabilities of £2.3bn (2025: £2.4bn). As at 27 June 2026 the Group's committed lending facilities comprise £577.4m of Senior Secured Notes ("SSNs"), a revolving credit facility ("RCF") of £150.0m of which £73.3m was drawn down at year end, an inventory financing arrangement of £63.0m, a securitisation facility of £1.8bn in the UK and €35.0m in Ireland and an undrawn Irish overdraft of €11.0m. The Group also has incremental support through access to subordinated shareholder funding.

During the financial year, the Group refinanced its key debt facilities, extending all note classes within the Group's UK securitisation facility to February 2029 and renewing the Group's revolving credit facility to February 2030. In addition, the Group satisfied the deleveraging condition set out in the terms of the Senior Secured Notes, resulting in a reduction of the coupon rate and an extension of the maturity date to August 2030. As part of the deleveraging event, the principal of the Senior Secured Notes was repaid in part, reducing from £621.4m to £577.4m.

The Group's covenants linked to these debt facilities remain unchanged post-refinancing. The Group's covenants 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 cash flow forecasts for the 18 months from the reporting date of these financial statements which extends beyond the minimum period required by IAS 1. These forecasts have been based on the Group's latest trading expectations and incorporate assumptions about the following:

- future expectations surrounding retail sales growth;
- ability of financial services customers to meet their payment plans;
- application of cost saving measures to mitigate inflationary pressures; and
- the utilisation of committed facilities and the renewal of an uncommitted facility.

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 and covenant compliance. The reasonable downside sensitivity scenarios take into account a combination of a reduction in retail revenue, a reduction in customer payment rates, an increase in gross write-offs, a reduction in cost savings and the non-renewal of an uncommitted facility, which is mitigated by the potential use of subordinated shareholder funding. Under the reasonable downside scenarios, the Group would maintain sufficient headroom throughout the going concern period and would remain compliant at all covenant test dates with utilisation of undrawn facilities.

The directors have assessed these actions as achievable and, if required, they would provide sufficient additional headroom to maintain liquidity and covenant compliance throughout the going concern assessment period.

Ownership structure

In November 2025 global investment firm Carlyle became the Group's owner by acquiring 100% of the share capital of VGL Midco Limited, an intermediate holding company of the Group. Carlyle has been highly supportive of The Very Group throughout its involvement and supports the ongoing business strategy of the Group.

Notes to the Consolidated Financial Statements continued

2 Material accounting policies continued

Going concern continued

Conclusion

The rigour of the forecasting process and the downside sensitivities applied to those, as well as the mitigants available to the business, means the Directors are confident in the Group's ability to continue as a going concern and have adequate resources to continue in operation for at least 18 months from the reporting date of these financial statements.

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.

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 29 June 2025:

- Lack of Exchangeability (Amendments to IAS 21)

The amendments to IAS 21 did not result in any material changes in the exchangeability of currencies used by the Group.

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 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)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The Group has assessed 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
- 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).

The Group has commenced its assessment of the impact of IFRS 18, establishing a structured implementation framework to assess its impact on future financial reporting and manage the transition ahead of its effective date.

IFRS 19 is not considered to be relevant at this level of Group reporting as the Company is a Parent and not a subsidiary applying a reduced disclosure framework.

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

The Group's assessment of climate-related risks is aligned to the principal sustainability risks described in the Strategic Report, including, but not limited to, potential increases in carbon pricing and climate-related regulation, volatility in energy costs and supply, increases in raw material costs and risks arising within the supply chain.

In preparing the financial statements, management considered whether these risks could have a material impact on the Group's financial position, financial performance and liquidity. This assessment was undertaken using information from the Group's risk management, budgeting and forecasting processes.

Particular consideration was given to the impact of these risks on forecast operating costs, cash flow and liquidity, including in the Group's going concern assessment, where sensitivities were applied for potential increases in costs including energy, carbon and supply chain costs. Management also assessed the potential impact of climate-related risks on asset and liability valuations and identified no material assumptions or adjustments.

Accordingly, whilst climate-related risks have been considered in preparing these financial statements, including within the Group's going concern assessment, they are not currently assessed as having a material impact on the recognition or measurement of assets and liabilities at the reporting date.

Notes to the Consolidated Financial Statements continued

2 Material accounting policies continued

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. 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.

Interest income is recognised on customers' chargeable outstanding balances by applying the customer account APR to the relevant receivable carrying value. As there are no relevant fees, premiums or discounts included in the calculation, the customer account APR is considered to be an appropriate proxy for the effective interest rate.

For buy now pay later arrangements, where customers may settle balances within the interest-free period before interest becomes chargeable, any interest previously recognised that is no longer recoverable is debited to interest income when the customer settles. The expected impact of future early settlements is reflected through a separate provision. Accordingly, the Group does not calculate and apply a separate effective interest rate based on an estimated behavioural life.

The amount expected to be settled within the interest free period is an estimate which management make based on past settlement rates and trends.

Further information on this key source of estimation uncertainty, including sensitivity analysis, is provided in note 3.

Interest income is calculated using the earned interest on the gross receivables balance for loans in stages 1 and 2. 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 income relates to commission earned on the sale of insurance and warranty products and is recognised at point of sale. Administration fees are recognised as revenue as they are charged to the customers' accounts. Administration fees are not included within the effective interest rate calculation under IFRS 9.

Deferred interest income

The Group recognises interest income over the sales term. Any interest income received but not yet earned is classified as deferred interest income 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.

Any exchange gains and losses arising are accumulated in a separate reserve within equity and are reclassified to profit or loss on the disposal of the foreign operation.

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.

Notes to the Consolidated Financial Statements continued

2 Material accounting policies continued

Tax continued

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 and 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	4%-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.

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.

Notes to the Consolidated Financial Statements continued

2 Material accounting policies continued

Impairment of tangible and intangible assets excluding goodwill continued

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 a subsidiary of the Group. Management has assessed whether the Trust is controlled by The Group using the IFRS 10 'Consolidated Financial Statements' decision tree. As the Group does not have the power to direct the relevant activities of the Trust without the co-operation of the other investors, it is not deemed to have control over the Trust; 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 advances to customers, the Group continues to recognise the trade receivables and also recognises a non-recourse borrowing 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.

Where the terms of an existing financial liability are modified, the Group assesses whether the modification constitutes a substantial or non-substantial modification under IFRS 9. As part of this assessment, the Group compares the present value of the modified contractual cash flows, discounted using the original effective interest rate, to the present value of the remaining contractual cash flows of the original liability. Fees paid or received as part of the modification are included in the assessment.

Where a modification is determined to be substantial, the original financial liability is derecognised and a new financial liability is recognised based on the new contractual terms. Any difference between the carrying amount of the original liability and the fair value of the new liability, together with any directly attributable fees or costs, is recognised in profit or loss.

Where a modification is determined to be non-substantial, the difference between the original carrying value of the liability, and the present value of the future cashflows (discounted at the original EIR) is taken to the profit or loss as a gain or loss. The carrying amount of the liability is further revised for any costs or fees incurred for the change in terms.

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

Contingent liabilities are possible obligations as a result of past events, whose existence will be confirmed only by uncertain future events, or present obligations arising from past events that are not recognised because an outflow of economic benefits is not probable, or the amount cannot be measured reliably.

Contingent liabilities are not recognised but information about them is disclosed unless the possibility of any outflow of economic benefits in settlement is remote. The value of any contingent liability is disclosed unless it is not possible to form a reliable estimate of the potential obligation, or the disclosure of such a value would be considered prejudicial to the business.

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 cash flow statement also include overdrafts repayable on demand as they form an integral part of the Group's cash management.

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 fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Notes to the Consolidated Financial Statements continued

2 Material accounting policies continued

Financial instruments continued

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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 expected credit loss allowances.

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 trade and other receivables.

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, but not to investments in equity instruments, see note 19 for further details.

Impairment is recognised on trade and other receivables 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's advances to customers are financial assets subject to the IFRS 9 expected credit loss model.

Customer balances are assessed within 3 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 a customer being three missed payments, or where other indicators of default are present, including write-off, debt sale or non-performing forbearance, in accordance with the Group's credit risk policy.
- A significant increase in credit risk is defined as the probability of default of a customer balance having increased by at least 120% 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.

Indicators 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 may be selected for write-off and/or sale under third-party debt sale agreements based on management's assessment of customer outcomes, expected recoveries and commercial considerations.

Management applies judgement in determining when a debt sale represents the most appropriate recovery strategy.

Such sales are considered consistent with the Group's hold-to-collect business model where they relate to credit-deteriorated assets. Expected proceeds from debt sales are reflected within the measurement of expected credit losses, and 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 cash flows 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.

Notes to the Consolidated Financial Statements continued

2 Material accounting policies continued

Financial instruments continued

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 PD, 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.

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 of 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 arose from a historic capital contribution recognised on a loan received from a fellow group undertaking at a below-market rate of interest. Following settlement of the loan during the year, the remaining balance in the reserve was transferred to accumulated reserves and the reserve is now nil.

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.

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

The Group engages in inventory financing schemes as part of its normal course of business. This involves the sale and re-purchase 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 Consolidated statement of financial position. Cash flows relating to inventory financing arrangements are presented within operating cash flows.

Notes to the Consolidated Financial Statements continued

2 Material accounting policies continued

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.

3 Critical accounting judgements and key sources of estimation and 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; or
- 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 enables 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 life-time 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 an area of accounting judgement and estimate.

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.

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 within the next financial period, 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. An impairment charge of £45.5m has been recognised in the current financial period (2025: £nil).

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 CGU goodwill balance is £51.5m (2025: £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.

Notes to the Consolidated Financial Statements continued

3 Critical accounting judgements and key sources of estimation uncertainty continued

Key sources of estimation uncertainty continued

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:

- I. Base Case (Peak unemployment: 5.1% (2025: 4.9%), Peak GDP: 1.9% (2025: 1.8%)),
- II. Upside (Peak unemployment: 4.5% (2025: 4.7%), Peak GDP: 5.7% (2025: 6.1%)),
- III. Mild Upside (Peak unemployment: 4.7% (2025: 4.5%), Peak GDP: 3.5% (2025: 4.0%)),
- IV. Stagnation (Peak unemployment: 6.4% (2025: 6.7%), Peak GDP: 1.6% (2025: 1.5%)),
- V. Downside (Peak unemployment: 6.7% (2025: 6.9%), Peak GDP: 1.4% (2025: 1.3%)), and
- VI. Severe Downside economic performance (Peak unemployment: 7.3% (2025: 7.5%), Peak GDP: 1.1% (2025: 0.9%)).

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% (2025: same).

If 100% severe downside scenario were applied, the provision would increase by £20.8m (2025: £19.8m). If 100% base case scenario were applied, the provision would increase by £2.6m (2025: £1.0m increase). The application of 100% upside scenario would indicate a provision decrease of £10.2m (2025: £12.5m). 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 27 June 2026.

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 UK 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-26) show a worsening outlook in terms of both Unemployment Rate and GDP.

The forecasts show unemployment rate will continue to rise until it peaks at 5.2% in June 2027, unemployment will remain at this rate until December 2027, followed by steady improvement reaching 4.8% by June 2029.

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, it is expected to remain on a downwards trend until March 2027, when it is anticipated there will be negative growth, reaching -0.2%. This is expected to be followed by fast paced growth, reaching 1.95% by December 2028 and then reduce gradually to 1.82% by June 2029.

The macroeconomic overlay is reflective of these worsened economic conditions, and as a result, the macroeconomic overlay is £4.0m (2025: £2.3m).

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 sufficient taxable profits will be generated in future years to recover such recognised deferred tax assets.

The recoverability of deferred tax assets is supported by managements board approved 5 year plan, which forecasts sustainable taxable profits driven by key assumptions such as, growth in Very Finance, strategic customer and retail initiatives, and ongoing cost efficiencies.

The carrying amount of the deferred tax asset at the reporting date was £158.9m (2025: £161.3m) which consists of fixed asset differences, carried forward tax losses and provisions.

Buy now pay later early 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.

A 5% increase in BNPL early settlement rates would increase the provision for early settlement by £8.8m (2025: £8.5m), reducing FY26 interest income and net assets. Conversely, a 5% decrease in BNPL early settlement rates would decrease the provision by £8.6m (2025: £8.5m), increasing FY26 interest income 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 (2025: £105.5m). The key assumptions for the value in use model include discount rates, growth rates and forecast cash flows. A sensitivity analysis determined that the recoverable amount of the goodwill balance is insensitive to changes in key assumptions.

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:

	2026 £ m	2025 £ m
Interest and similar income	457.2	427.0
Insurance and warranty income	7.3	6.6
Total interest and similar income	464.5	433.6
Sale of goods	1,621.3	1,653.8
Total revenue	2,085.8	2,087.4

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.

By business segment

	2026 £ m	2025 £ m
Analysis of revenue:		
Very UK	1,856.7	1,832.5
Littlewoods	170.5	191.5
Very Ireland	58.6	63.4
	2,085.8	2,087.4
Gross profit	779.5	764.3
Distribution costs (excluding depreciation, amortisation and exceptional items)	(163.9)	(164.8)
Administrative costs (excluding depreciation, amortisation and exceptional items)	(296.4)	(300.0)
Other operating income	2.2	2.3
Pre-exceptional EBITDA ¹	321.4	301.8
Exceptional administrative items	(94.1)	(30.3)
Depreciation	(13.8)	(15.1)
Amortisation	(45.1)	(40.5)
Operating profit	168.4	215.9
Finance income	3.2	3.9
Exceptional finance income	–	6.7
Exceptional finance costs	(42.8)	(0.4)
Exceptional expected credit losses on amounts due from related parties	–	(524.8)
Finance costs	(238.5)	(206.7)
Loss before taxation	(109.7)	(505.4)

¹ 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

	2026 £ m	2025 £ m
Revenue:		
United Kingdom	2,027.2	2,024.0
Republic of Ireland	58.6	63.4
	2,085.8	2,087.4
	2026 £ m	2025 £ m
Operating profit:		
United Kingdom	165.8	213.4
Republic of Ireland	2.6	2.5
	168.4	215.9

The analysis above is in respect of continuing operations.

Revenue by origin is not materially different from revenue by destination.

6 Exceptional items

	2026 £ m	2025 £ m
Impairment charge of Douglas CGU goodwill	45.5	–
Professional fees for corporate projects	20.1	10.0
Impairment charge of intangible assets	15.6	–
Technical transformation spend	7.4	10.7
Restructuring costs	5.5	3.9
Fulfilment costs	0.3	0.5
Release of site closure provision	(0.3)	(1.8)
Logistics strategy costs	–	7.0
Total administrative exceptional costs	94.1	30.3
Expected credit losses on amounts due from related parties	–	524.8
Gain on extinguishment of bond	–	(6.7)
Refinancing costs	–	0.4
Loss on modification of bond	34.9	–
Loss on novation of related party loan	7.9	–
Total finance exceptional costs	42.8	518.5
Total exceptional costs	136.9	548.8

Notes to the Consolidated Financial Statements continued

6 Exceptional items continued

Administrative exceptional costs

During FY26, the Group recognised an exceptional impairment charge of £45.5m in respect of the goodwill arising on the acquisition of Douglas Insurance Limited. In accordance with IAS 36, management performed its annual impairment assessment of the Douglas cash-generating unit (CGU) using a value-in-use methodology. Following a comprehensive review of the valuation model, incorporating an additional year of observed operational performance data, revised forecast assumptions and an independently determined discount rate, management concluded that the recoverable amount of the Douglas CGU was £51.5m, compared with a carrying value of £97.0m.

As a result, the carrying value of goodwill has been reduced from £97.0m to £51.5m, and an impairment charge of £45.5m has been recognised during the year. The impairment has been presented as an exceptional item as it relates to a significant non-cash remeasurement of an acquired goodwill balance and is not considered reflective of the Group's underlying trading performance.

Professional fees of £20.1m in the current period (£10.0m for the 52 week period ended 28 June 2025) relate to costs incurred in relation to non-recurring corporate projects, primarily associated with change of control and the restructuring of debt in the Group to satisfy the deleveraging condition affiliated with the senior secured notes.

During the financial year, the Group recognised an exceptional impairment charge of £15.6m in respect of capitalised software development costs relating to its Personal Loans platform held within Very Group Consumer Finance Limited (VGCF). The impairment followed a strategic review undertaken during the year which resulted in the Personal Loans initiative being deprioritised in favour of alternative projects.

Management concluded that due to the lack of prioritisation, there is no longer sufficient evidence to support the future economic benefits expected to be derived from the asset and therefore determined that its recoverable amount is nil. Accordingly, a full impairment charge of £15.6m has been recognised. The impairment is presented as an exceptional item as it arises from a one-off strategic decision and is not considered reflective of the Group's underlying trading performance.

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 FY27. 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, £7.4m of costs have been classified as exceptional in relation to spend incurred on this program during the current period (52 week period ended 28 June 2025: £10.7m).

The restructuring costs of £5.5m in the current period (£3.9m for the 52 week period ended 28 June 2025) reflect expenditure on the rationalisation of a number of processes and functions within The Very Group. The Directors estimate that these rationalisation processes will complete in FY27.

Fulfilment costs of £0.3m (52 week period ended 28 June 2025: £0.5m) have been incurred by the Group in the current year relating to dual running costs and exit costs from warehouse operations.

Release of site closure provisions of £0.3m (52 week period ended 28 June 2025: £1.8m) relates to the remaining dilapidation provision held for the closure of the Aintree site exited in previous years that is no longer required. This is recognised as an exceptional credit consistent with the initial recognition of the provision. In the previous year the release of dilapidation provisions relate to Little Hulton, Lightbox and Aintree sites.

In the 52 week period ended 28 June 2025, £7.0m of logistics strategy costs were recognised in relation to transition fees on logistic contracts held by the Group.

Financing exceptional costs

During the financial year the Group satisfied the deleveraging condition associated with the senior secured notes, resulting in a reduction in the coupon rate of the notes from 13.25% to 9.75% and an extension of the term from August 2027 to August 2030. As a result, a substantial modification was recognised under IFRS 9 resulting in the derecognition of the existing senior secured notes liability and the recognition of a new liability under the revised terms. The substantial modification resulted in the loss to exceptional finance costs of £34.9m. As part of satisfying the deleveraging condition, the Group novated its previous loan held with the Carlyle Group Inc. to its Parent Company, VGL Finco Limited. As part of this novation, an exceptional finance cost was recognised of £7.9m.

In the 52 week period ended 28 June 2025, the Group and Company had receivable balances of £513.2m, £8.3m and £3.3m due from related parties at that time, Shop Direct Holdings Limited (2024: £509.1m), Trenport Property Holdings Limited (2024: £8.3m) and LW Corporation Limited (2024: £nil) respectively. A noncash one-off Expected Credit Loss ('ECL') impairment provision of £524.8m was recognised at 28 June 2025.

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. The derecognition of the existing bond generated a gain on extinguishment of £6.7m which was recognised as exceptional finance income. At the same time of the refinancing of the senior secured notes, the existing £150.0m revolving credit facility ("RCF") was amended to a single super senior RCF of up to £150.0m and extended.

In the 52 week period ended 28 June 2025, exceptional refinancing costs of £0.4m were recognised relating to the write-off of unamortised arrangement fees on the previous bond and RCF.

7 Operating profit

Arrived at after charging/(crediting):

	2026 £ m	2025 £ m
Depreciation of property, plant and equipment	4.9	5.9
Depreciation of right of use assets	8.9	9.2
Amortisation	45.1	40.5
Foreign exchange gains	(4.2)	(1.1)
RDEC tax credit	(2.3)	(3.4)
Impairment charge on Douglas CGU goodwill	45.5	–
Impairment charge for intangible assets	15.6	–
Cost of inventories recognised as an expense	1,312.4	1,340.0
Write downs of inventories recognised as an expense	4.5	4.7
Staff costs	165.8	175.4
Impairment loss recognised on trade and other receivables	130.3	124.0
Short-term lease expense	0.2	0.1

Notes to the Consolidated Financial Statements continued

8 Finance income and costs

	Note	2026 £ m	2025 £ m
Finance income			
Interest income on bank deposits		2.9	3.0
Net interest on defined benefit assets	25	0.3	0.9
Total finance income		3.2	3.9
Exceptional finance income	6	–	6.7
Total finance income		3.2	10.6
Finance costs			
Interest on bank overdrafts and borrowings		(121.0)	(76.6)
Interest on lease liabilities	33	(8.5)	(8.6)
Interest on securitisation facility		(108.6)	(120.7)
Other finance costs		(0.4)	(0.8)
Total finance costs		(238.5)	(206.7)
Exceptional finance costs	6	(42.8)	(0.4)
Total finance costs		(281.3)	(207.1)
Net finance costs		(278.1)	(196.5)

9 Staff costs

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2026 £ m	2025 £ m
Wages and salaries	135.5	148.5
Social security costs	17.0	14.9
Redundancy costs	5.7	4.2
Pension costs, defined contribution scheme	7.6	7.8
	165.8	175.4

The average number of persons employed by the Group (including Directors) during the period, analysed by category was as follows:

	2026 No.	2025 No.
Distribution	731	742
Administration & customer service centres	2,168	2,326
	2,899	3,068

10 Directors' remuneration

The Directors' remuneration for the period was as follows:

	2026 £ m	2025 £ m
Short-term employee benefits	5.5	5.7
Post-employment benefits	0.2	0.2
Other long-term benefits	1.3	1.0
Termination benefits	0.2	–
	7.2	6.9

The Directors are considered to be key management personnel. Six 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:

	2026 No.	2025 No.
Accruing benefits under money purchase pension scheme	6	4

In respect of the highest paid Director:

	2026 £ m	2025 £ m
Short-term employee benefits	1.7	2.1
Post-employment benefits	0.1	0.1
Other long-term benefits	0.7	0.7
Termination benefits	–	–
	2.5	2.9

Notes to the Consolidated Financial Statements continued

11 Auditors remuneration

	2026 £ m	2025 £ m
Audit of the financial statements of the Group and subsidiaries of the Company pursuant to legislation	1.2	1.1
Total audit fees	1.2	1.1
Audit related assurance services	–	0.2
Other services	–	0.1
Total non-audit fees	–	0.3
Total fees	1.2	1.4

12 Income tax

Tax charged in the income statement

	2026 £ m	2025 £ m
Current taxation		
UK corporation tax	0.6	0.3
Adjustments in respect of prior years	(0.2)	0.1
Foreign tax	0.7	0.5
Total current income tax	1.1	0.9
Deferred taxation		
Arising from origination and reversal of temporary differences	1.8	14.5
Adjustment in respect of prior years	0.6	0.7
	2.4	15.2
Tax charge in the income statement	3.5	16.1

The tax on loss before tax for the period is higher than the standard rate of corporation tax in the UK (2025 – higher than the standard rate of corporation tax in the UK) of 25% (2025:25%).

In December 2021, the OECD released a framework for Pillar Two Model Rules which introduced a global minimum corporate 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 and 2025 financial years, plus 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, excluding the Isle of Man. A top-up tax is expected to arise in respect of the Isle of Man which is included in the current tax charge.

The differences are reconciled below:

	2026 £ m	2025 £ m
Loss before tax	(109.7)	(505.4)
Corporation tax at standard rate of 25% (2025: 25%)	(27.4)	(126.4)
Adjustments in respect of prior years	0.4	0.8
Expenses not deductible	17.5	132.4
Income not taxable	–	(0.8)
Transfer pricing adjustment	3.4	10.5
Effect of overseas tax rates	0.2	(0.4)
Movement in unrecognised deferred tax	9.4	–
Total tax charge	3.5	16.1

Notes to the Consolidated Financial Statements continued

12 Income tax continued

Deferred tax

Deferred tax movement during the period:

	At 28 June 2025 £ m	Recognised in income statement £ m	At 27 June 2026 £ m
Fixed asset timing differences	52.5	1.7	54.2
Tax losses carry-forwards	95.2	–	95.2
Pension benefit obligations	0.4	(0.1)	0.3
Short-term temporary differences	13.2	(4.0)	9.2
Net tax assets	161.3	(2.4)	158.9
Deferred tax movement during the prior period:			
	At 29 June 2024 £ m	Recognised in income statement £ m	At 28 June 2025 £ m
Fixed asset timing differences	64.2	(11.7)	52.5
Tax losses carry-forwards	95.2	–	95.2
Pension benefit obligations	0.4	–	0.4
Short-term temporary differences	16.7	(3.5)	13.2
Net tax assets	176.5	(15.2)	161.3

Deferred tax at 27 June 2026 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 £93.6m (2025: £56.5m), pre-trading expenses £3.0m (2025: £2.9m) and capital losses of £66.3m (2025: £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 £158.9m (2025: £161.3m) which consists of fixed asset differences, carried forward tax losses and provisions.

13 Property, plant and equipment

	Leasehold improvements £ m	Plant and equipment £ m	Furniture, fittings and equipment £ m	Total £ m
Cost				
At 28 June 2025 ¹	3.7	74.7	2.8	81.2
Additions	–	0.3	1.2	1.5
Disposals	–	(0.8)	(0.4)	(1.2)
At 27 June 2026	3.7	74.2	3.6	81.5
Depreciation				
At 28 June 2025 ¹	1.7	19.6	2.1	23.4
Charge for the period	0.2	4.3	0.4	4.9
Disposals	–	(0.6)	(0.4)	(1.0)
At 27 June 2026	1.9	23.3	2.1	27.3
Carrying amount				
At 27 June 2026	1.8	50.9	1.5	54.2
At 28 June 2025 ¹	2.0	55.1	0.7	57.8

¹ During FY26, the Group identified historical differences within the gross cost and accumulated depreciation/amortisation balances contained in the underlying asset registers. The differences were offsetting and had no impact on net book value, profit for the year, reserves or net assets. Comparative balances have therefore been restated to reflect the corrected gross cost and accumulated depreciation/amortisation balances. The Group has also aligned asset classifications across reporting entities, resulting in certain presentational reclassifications between asset categories.

Notes to the Consolidated Financial Statements continued

14 Goodwill

	Douglas £ m	Retail £ m	Total £ m
Cost			
At 29 June 2024	97.0	105.5	202.5
Impairment	–	–	–
At 28 June 2025	97.0	105.5	202.5
Impairment	(45.5)	–	(45.5)
At 27 June 2026	51.5	105.5	157.0
Carrying amount			
At 27 June 2026	51.5	105.5	157.0
At 28 June 2025	97.0	105.5	202.5

Goodwill is allocated to three cash generating units (CGUs) being £89.3m (2025: £89.3m) for Very and £16.2m (2025: £16.2m) for Littlewoods relating to the acquisition of the retail business in 2005 and £51.5m (2025: £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.

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 CGUs, management have used a value in use model to review for impairment, which includes management's 5-year forecasts which have been approved by the Board. These have been discounted using a pre-tax discount rate of 13.5% and 12.9% for Very and Littlewoods respectively (2025: 10.7% and 11.4%). After five years, a long-term growth rate of 2.32% (2025: 2.43%) has been applied with reference to the standard historical average UK growth rate per the Office of National Statistics.

At 27 June 2026 the headroom on the Very and Littlewoods goodwill balances is £245.6m (2025: £361.3m) and £37.9m (2025: £55.9m) respectively. A sensitivity analysis has been performed for each value in use calculation, which demonstrated that reasonably possible changes in the key assumptions would not result in the carrying value of each CGU being lower than the value in use.

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 include monthly product conversion rate, monthly claims incidence, opportunity growth rate and discount rate. These assumptions are based on cash flow projections derived from the Board approved 5-year plan and assumptions informed by recent trading and operational performance.

Monthly product conversion rate represents the percentage of eligible sales for which insurance is purchased and is based on FY26 actual performance. Monthly claims incidence is the number of claims over the number of policies in force in a given period and is based on FY26 actual performance. The opportunities identified in management's forecasts are the insurance product sales linked to Very electrical sales in the retail business. This assumption is aligned to independently sourced market forecasts for the online electricals sector over the forecast period and is supported by observable external market evidence. After five years, a long-term growth rate of 2.30% (2025: 2.43%) has been applied with reference to the standard historical average UK growth rate per the Office of National Statistics. These have been discounted using a pre-tax discount rate of 8.9% (2025: 8.2%).

The value in use model determined that the recoverable amount of the Douglas CGU was £51.5m, resulting in an impairment charge of £45.5m recognised during the financial year (2025: £nil).

The key assumptions and sensitivities applied to the model are set out below.

Key assumption	As at 27 June 2026		
	Base case	Sensitivity	Impact on VIU
Monthly product conversion rate	8.90%	7.30%	(1.90)
Claims incidence	0.18%	0.20%	(2.15)
Opportunities 5-year CAGR	3.00%	0.40%	(3.68)
Discount rate	8.90%	8.40%	3.97

Key assumption	As at 28 June 2025		
	Base case	Sensitivity	Impact on VIU
Monthly product conversion rate	10.00%	7.30%	(8.70)
Claims incidence	0.23%	0.20%	19.6
Opportunities 5-year CAGR	3.90%	0.40%	(0.57)
Discount rate	8.20%	7.70%	16.34

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	Total £ m
Cost		
At 28 June 2025 ¹	385.7	385.7
Additions	54.4	54.4
Disposals	(34.3)	(34.3)
Impairment	(15.6)	(15.6)
At 27 June 2026	390.2	390.2
Amortisation		
At 28 June 2025 ¹	178.0	178.0
Amortisation charge	45.1	45.1
Disposals	(34.7)	(34.7)
At 27 June 2026	188.4	188.4
Carrying amount		
At 27 June 2026	201.8	201.8
At 28 June 2025 ¹	207.7	207.7

¹ During FY26, the Group identified historical differences within the gross cost and accumulated depreciation/amortisation balances contained in the underlying asset registers. The differences were offsetting and had no impact on net book value, profit for the year, reserves or net assets. Comparative balances have therefore been restated to reflect the corrected gross cost and accumulated depreciation/amortisation balances. The Group has also aligned asset classifications across reporting entities, resulting in certain presentational reclassifications between asset categories. Within intangible assets, balances previously reported as "Other internally generated assets" are now included within "Internally generated software".

Included within internally generated software is £25.5m (2025: £33.6m) of investment incurred related to ongoing software development projects on which amortisation has not commenced as the assets are not available for use.

During FY26, an impairment charge has been recognised of £15.6m (2025: £nil) relating to the development of a Personal Loans platform. A strategic review was undertaken which resulted in the Personal Loans initiative being deprioritised in favour of alternative projects. Management concluded that there is no longer sufficient evidence to support the future economic benefits expected to be derived from the asset and therefore determined that its recoverable amount is nil. As a result, the asset was fully impaired during the year.

16 Right-of-use assets

	Land & buildings £ m	Plant & equipment £ m	Total £ m
Cost			
At 29 June 2024	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
Additions	–	2.9	2.9
Disposals	(4.0)	(0.6)	(4.6)
At 27 June 2026	120.3	9.0	129.3
Depreciation			
At 29 June 2024	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
Charge for the period	7.3	1.6	8.9
Disposals	(4.0)	(0.5)	(4.5)
At 27 June 2026	39.1	4.6	43.7
Carrying amount			
At 27 June 2026	81.2	4.4	85.6
At 28 June 2025	88.5	3.2	91.7

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:

	2026 £ m	2025 £ m
Notional amount – sterling contract value	98.3	84.8
Fair value of asset/(liability) recognised	0.2	(5.9)

Changes in the fair value of derivative financial instruments amounted to a gain of £6.1m in the period (2025: loss of £5.9m). 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

	2026 £ m	2025 £ m
Finished goods and goods for resale	126.9	126.8

A write-down of £4.5m (2025: £4.7m) 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 £12.2m (2025: £14.1m). 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

	2026 £ m	2025 £ m
Trade receivables	19.0	10.2
Prepayments and accrued income	203.6	186.1
Other receivables	67.2	73.0
Total trade and other receivables	289.8	269.3

Receivables from customers:

	2026 £ m	2025 £ m
Advances to customers	1,514.1	1,476.8
Total receivables	1,803.9	1,746.1

Prepayments and accrued income includes prepayments of £38.0m (2025: £27.5m) and accrued income of £165.6m (2025: £158.6m).

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 £20.1m (2025: £26.5m) 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 £182.3m under IFRS 9 (2025: £181.7m) 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% (2025: 44.9%) and 0.0% (2025: 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 (2025: £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:

	2026 £ m	2025 £ m
Balance at beginning of the period	181.7	203.0
Amounts charged to the income statement	130.3	124.0
Amounts written off	(129.7)	(145.3)
Balance at end of the period	182.3	181.7

Notes to the Consolidated Financial Statements continued

19 Receivables continued

The ageing of trade and other receivables is as follows:

	2026 £ m	2025 £ m
Current – not past due	1,516.3	1,475.7
1 scheduled payment past due	55.7	52.5
2 scheduled payment past due	25.0	21.3
3 scheduled payment past due or greater	148.9	150.4
Gross trade and other receivables	1,745.9	1,699.9
Refund liabilities	(30.5)	(31.2)
Net trade and other receivables	1,715.4	1,668.7
Allowance for expected credit losses	(182.3)	(181.7)
	1,533.1	1,487.0

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 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
Transfer stage 1	–	(8.8)	1.3	(7.5)
Transfer stage 2	8.8	–	8.8	17.6
Transfer stage 3	(1.3)	(8.8)	–	(10.1)
Post Model Adjustment	(1.1)	–	–	(1.1)
Remeasurement of balances	(11.7)	19.1	24.4	31.8
New financial assets recognised	5.5	17.1	10.9	33.5
Financial assets derecognised	(2.3)	(4.7)	(2.8)	(9.8)
Assets written off	(1.8)	(13.1)	(38.9)	(53.8)
Allowance for expected credit losses as at 27 June 2026	26.3	68.7	87.3	182.3

The following table sets out the percentage of provision applied in each stage:

	Stage 1 %	Stage 2 %	Stage 3 %	Total %
Financial period ended 28 June 2025	2.6	20.1	48.9	10.9
Financial period ended 27 June 2026	2.2	19.3	50.1	10.6

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 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
Transfer stage 1	–	1.9	31.1	33.0
Transfer stage 2	(1.9)	–	35.9	34.0
Transfer stage 3	(31.1)	(35.9)	–	(67.0)
Growth in trade and other receivables	49.9	55.5	(4.3)	101.1
New financial assets recognised	154.6	59.1	17.6	231.3
Financial assets derecognised	(122.9)	(24.6)	(8.6)	(156.1)
Amounts written off	(22.9)	(38.3)	(68.4)	(129.6)
Balance at 27 June 2026	1,185.8	355.3	174.3	1,715.4

20 Reconciliation of cash and cash equivalents

	2026 £ m	2025 £ m
Cash at bank	50.8	35.3
Cash equivalents	–	5.0
Cash and cash equivalents in statement of financial position	50.8	40.3

The carrying amount of cash and cash equivalents is approximately equal to fair value.

Notes to the Consolidated Financial Statements continued

20 Reconciliation of cash and cash equivalents continued

The Group operates a notional cash pooling facility whereby cash positive and negative balances with the same banks can be offset. At the reporting date, there were no cash balances subject to offsetting under these arrangements and therefore no amounts have been presented on a net basis.

The Group will continue to physically net off balances where applicable to meet the criteria of IAS 32 and where such balances exist, cash and cash equivalent balances will be presented net accordingly.

21 Changes in liabilities arising from financing activities

	At 29 June 2025 £ m	Cashflows		Non-cash movements	At 27 June 2026 £ m
		Proceeds from debt issued £ m	Repayment of debt issued £ m	Other £ m	
Securitisation facility	1,485.0	171.9	(128.5)	–	1,528.4
Senior secured notes	569.7	–	(44.1)	86.0	611.6
External loans	111.8	–	(7.1)	(90.5)	14.2
Lease liabilities	114.8	–	(14.1)	12.3	113.0
Secured revolving credit facility	95.5	–	(26.7)	(0.6)	68.2
Total liabilities from financing activities	2,376.8	171.9	(220.5)	7.2	2,335.4

	At 30 June 2024 £ m	Cashflows		Non-cash movements	At 28 June 2025 £ m
		Proceeds from debt issued £ m	Repayment of debt issued £ m	Other £ m	
Securitisation facility	1,504.7	160.0	(179.7)	–	1,485.0
Senior secured notes	594.6	–	–	(24.9)	569.7
External loans	78.9	40.0	(6.8)	(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	200.0	(250.5)	(16.4)	2,376.8

Within financing cash flows for the secured revolving credit facility are £5.1m (2025: £4.5m) 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

	2026		2025	
	No. m	£ m	No. m	£ m
Ordinary shares of £1 each	294.1	294.1	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. During the period, the Group issued 94.1m £1 ordinary shares to its Parent Company VGL Finco Limited at par value. The shares issued are allotted, called up and fully paid.

23 Merger reserve

	2026 £ m	2025 £ m
Merger reserve	3.5	3.5

The merger reserve relates to the acquisition of Primevere Equipment Limited in FY22.

24 Loans and borrowings

	2026 £ m	2025 £ m
Secured non-current loans and borrowings at amortised cost		
Securitisation facility	1,528.4	1,485.0
Senior secured notes	611.6	569.7
Bank loans	7.1	13.9
Other external loans	–	83.2
	2,147.1	2,151.8

	2026 £ m	2025 £ m
Current loans and borrowings at amortised cost		
Secured revolving credit facility	68.2	95.5
Bank loans	7.1	7.2
Other external loans	–	7.5
	75.3	110.2

	2026 £ m	2025 £ m
Loans and borrowings at nominal value		
Securitisation facility	1,528.4	1,485.0
Senior secured notes	577.4	598.0
Bank loans	13.5	20.8
Other external loans	–	100.1
Secured revolving credit facility	73.3	100.0
	2,192.6	2,303.9

Notes to the Consolidated Financial Statements continued

24 Loans and borrowings continued

Within the securitisation facility £19.9m (2025: £20.3m) is denominated in Euros and within external loans £14.2m (2025: £21.1m) is denominated in Euros. The underlying currency of all the other borrowings and overdrafts is Pound Sterling.

	2026 £m	2025 £m
The borrowings are repayable as follows:		
Within one year	75.3	110.2
In the first to second year	7.1	90.1
In the third to fifth year	1,528.4	2,061.7
Over five years	611.6	–
Amount due for settlement after 12 months	2,147.1	2,151.8

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

- (a) The Group has drawn £1,508.5m (2025: £1,464.7m) 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 was extended in the period and expires in February 2029 for 'AS' Notes (£1,120.4m), 'AJ' Notes (£128.1m), 'B' Notes (£105.0m), 'C1' Notes (£105.0m) and 'C2' Notes (£50.0m). The total facility size is £1,770.0m.
- (b) In the prior year, 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"). During the period, the deleveraging condition associated with the senior secured notes was met, resulting in a reduction in the coupon rate from 13.25% to 9.75% and an extension of the maturity date from August 2027 to August 2030. As a result, a substantial modification was recognised under IFRS 9 as detailed further in note 6. At period end, the principal amount outstanding was £577.4m. The amortised cost of the senior secured notes was £611.6m, which accrues interest at the effective interest rate.
- (c) In the prior period, 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 senior secured revolving credit facility and £100.0m super senior revolving credit facility. The Amended Revolving Credit Facility was extended in the period and will mature in February 2030. The secured revolving credit facility of £150.0m of which £73.3m drawn at 27 June 2026 (28 June 2025: £150m facility of which £100m drawn). As at the reporting date, transaction costs associated with the revolving credit facility total £5.1m (2025: £4.5m) giving an amortised cost value for the facility of £68.2m (2025: £95.5m).
- (d) The Group has an Irish securitisation facility against which it has drawn down £19.9m (2025: £20.3m), secured by a charge over certain eligible trade debtors of the Group. The facility 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 £14.2m (2025: £21.1m). Regular payments are made against this loan which is expected to be fully settled in February 2028. The bank loan is secured over the tangible non-current assets of Primevere Equipment Limited.

- (f) In the 52 weeks ended 27 June 2026, the Group had an external fixed rate interest loan held with the Carlyle Group. As part of the deleveraging event that took place in February 2026, the loan was novated to VGL Finco Limited, and therefore no longer sits on the Group balance sheet (2025: £90.7m amortised cost).

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.

Default of payment for the super senior revolving facility and the senior term facility would, amongst other things, entitle the creditors to request immediate repayment or redemption (as applicable) of the relevant financing. 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 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 £7.6m (2025: £7.8m). 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 (2025: £0.6m) were payable to the scheme at the end of the period and are included in creditors.

Notes to the Consolidated Financial Statements continued

25 Pension and other schemes continued

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.

	2026 £ m	2025 £ m
UURBS and Ex-gratia – present value of scheme liabilities	1.0	1.3
Scheme – defined benefit pension scheme deficit	–	–
Retirement benefit obligations	1.0	1.3
Scheme – amounts taken to the Statement of comprehensive income	11.0	(0.4)
UURBS and Ex-gratia – amounts taken to the Statement of comprehensive income	0.1	0.1
Gain/(loss) recognised in the Statement of comprehensive income	11.1	(0.3)

The Littlewoods Pensions Scheme (“Scheme”)

The Scheme, which was a defined benefit arrangement based on final pensionable salaries, was set up under trust and the assets of the scheme were held separately from those of the Company. The fund has been 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 were 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 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 FY24.

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 was removed from the Group's balance sheet.

On 18 November 2025, the Scheme rules were modified for the purpose of enabling assets remaining after the liabilities of the Scheme had been fully discharged to be distributed to the employer. The full amount of the surplus was paid to the Company during the period ended 27 June 2026. This was received net of taxation, with taxation charges paid directly to HMRC out of the plan assets.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2026 £ m	2025 £ m
Fair value of scheme assets	–	14.2
Present value of scheme liabilities	–	–
	–	14.2
Restrictions on asset recognised	–	(14.2)
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 and subsequent repayment of the plan assets, as noted above.

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2026 £ m	2025 £ m
Fair value at start of period	14.2	17.8
Pension adjustment	1.2	–
Interest income	0.1	0.9
Return on plan assets, excluding amounts included in interest expense	0.2	(3.9)
Administrative expenses paid from plan assets	(1.2)	(0.6)
Payments from plan assets	(10.9)	–
Payments of taxation from plan assets	(3.6)	–
Fair value at end of period	–	14.2

Notes to the Consolidated Financial Statements continued

25 Pension and other schemes continued

Analysis of assets

The major categories of scheme assets are as follows:

	2026 £ m	2025 £ m
Cash and cash equivalents	–	14.2

Amounts recognised in the income statement

	2026 £ m	2025 £ m
Amounts recognised in income statement		
Administrative expenses	(1.2)	(0.6)
Amounts recognised in finance income or costs		
Net interest	0.3	0.9
Total recognised in the income statement	(0.9)	0.3

Amounts taken to the Statement of comprehensive income

	2026 £ m	2025 £ m
Return on plan assets, excluding amounts included in interest income	0.2	(3.9)
Actuarial gains from experience adjustments	0.1	–
Adjustments for restrictions on the defined benefit asset	10.8	3.6
Amounts recognised in the Statement of comprehensive income	11.1	(0.3)

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:

	2026 £ m	2025 £ m
Present value at start of period	1.3	1.2
Gain on settlement	(0.3)	–
Interest cost	0.1	0.1
Actuarial gain	(0.1)	–
Present value at end of period	1.0	1.3

26 Provisions

	Restructuring £ m	Regulatory £ m	Total £ m
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
Increase in provisions	4.9	–	4.9
Provisions released	(0.4)	–	(0.4)
Provisions utilised	(5.4)	–	(5.4)
At 27 June 2026	0.8	3.0	3.8
Non-current	–	–	–
Current	0.8	3.0	3.8
	0.8	3.0	3.8

£0.8m of the restructuring provision is expected to be utilised within 12 months from the balance sheet date.

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.

Notes to the Consolidated Financial Statements continued

27 Trade and other payables

	2026 £ m	2025 £ m
Trade payables	341.2	369.1
Accrued expenses	90.3	83.6
Social security and other taxes	26.5	22.2
Other payables	73.0	65.1
	531.0	540.0

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 other payables above amounted to £63.0m (2025: £59.9m). The cash flows associated with these arrangements are included within 'operating cashflows' in the Consolidated cash flow statement.

28 Insurance contract liabilities

	2026 £ m	2025 £ m
Insurance contract liabilities	5.2	5.6
	5.2	5.6

The components of the insurance contract liabilities are not individually material and therefore have been aggregated.

29 Deferred interest income

	2026 £ m	2025 £ m
At start of the period	46.6	54.4
Released to the income statement	(13.6)	(15.6)
Accrued in the period	10.1	7.8
At end of the period	43.1	46.6
Non-current	16.3	18.1
Current	26.8	28.5
	43.1	46.6

Deferred interest income relates 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.

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 £7.9m (2025: £7.2m).

Other financial commitments

At 27 June 2026 commitments to purchase inventory totalled £224.9m (2025: £186.3m) which is considered to be the fair value. The commitments cover a period of 12 months (2025: 12 months).

The Group has in place contracts for the provision of outsourced service functions. At 27 June 2026, the annual committed cost under these contracts is £51.1m (2025: £33.7m). These contracts expire in 2030 and 2031.

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	
	2026 £ m	2025 £ m	2026 £ m	2025 £ m
Forward contracts	98.3	84.8	0.2	(5.9)

See note 17 for details of the valuation methods and assumptions of these derivatives. The maturity dates for these derivatives range from July 2026 to June 2028. Derivative financial instruments have been classified as level 2 financial assets.

Notes to the Consolidated Financial Statements continued

31 Financial instruments continued

Financial assets continued

Financial assets at amortised cost

	Nominal value		Fair value	
	2026 £ m	2025 £ m	2026 £ m	2025 £ m
Cash and cash equivalents	50.8	40.3	50.8	40.3
Trade receivables	19.0	10.2	19.0	10.2
Receivables from customers	1,514.1	1,476.8	1,514.1	1,476.8
	1,583.9	1,527.3	1,583.9	1,527.3

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 268 days (2025: 260 days).

Financial liabilities

Financial liabilities at amortised cost

	Carrying value		Fair value	
	2026 £ m	2025 £ m	2026 £ m	2025 £ m
Trade payables	341.2	369.1	341.2	369.1
Borrowings	2,222.4	2,262.0	2,219.4	2,324.3
Lease liabilities	113.0	114.8	113.0	114.8
	2,676.6	2,745.9	2,673.6	2,808.2

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 £577.4m (2025: £598.0m) sterling bond which has a fair value of £608.6m (2025: £632.0m) but is carried at its amortised cost of £611.6m (2025: £569.7m). The fair value of the £577.4m 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 97 days (2025: 99 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.

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:

	2026					
	£ 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
Amounts due to related parties	97.5	243.7	–	–	–	243.7
Trade payables	341.2	341.2	341.2	–	–	–
Borrowings	2,222.4	2,750.4	179.6	109.3	2,461.5	–
Lease liabilities	113.0	202.6	13.3	12.9	39.6	136.8

Notes to the Consolidated Financial Statements continued

32 Financial risk management and impairment of financial assets continued

Liquidity risk continued

	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
Amounts due to related parties	23.3	25.0	–	–	25.0	–
Trade payables	369.1	369.1	369.1	–	–	–
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

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 loss (2025: 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	
	2026 £ m	2025 £ m	2026 £ m	2025 £ m
Sterling strengthens by 10% against USD	0.8	1.5	0.8	1.5
Sterling weakens by 10% against USD	(1.0)	(1.8)	(1.0)	(1.8)
Sterling strengthens by 10% against euro	1.3	1.9	1.3	1.9
Sterling weakens by 10% against euro	(1.6)	(2.3)	(1.6)	(2.3)

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. In addition, as part of the deleveraging event that took place during the year, a new intercompany loan was entered into with VGL Finco Limited based on a fixed margin over SONIA. The table below illustrates the hypothetical sensitivity of the Groups' reported loss (2025: 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	
	2026 £ m	2025 £ m	2026 £ m	2025 £ m
SONIA rate increase 3.0%	(48.8)	(44.8)	(48.8)	(44.8)
SONIA rate decrease 3.0%	48.8	44.8	48.8	44.8

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.

	2026 £ m	2025 £ m
Total borrowings	2,222.4	2,262.0
Less: cash and cash equivalents	(50.8)	(40.3)
Net debt	2,171.6	2,221.7
Equity	(376.3)	(368.0)

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 earnings as disclosed in the Consolidated 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

	2026 £ m	2025 £ m
Right-of-use assets:		
Land and buildings	81.2	88.5
Plant and equipment	4.4	3.2
	85.6	91.7

The amounts included within lease liabilities are as follows:

	2026 £ m	2025 £ m
Lease liabilities:		
Current	7.2	5.7
Non-current	105.8	109.1
	113.0	114.8

The maturity of lease liabilities is included in note 32.

Additions to the right-of-use assets during the financial period ending 27 June 2026 were £2.9m (2025: £3.9m).

Short-term lease expense is disclosed in note 7.

Amounts recognised in the Consolidated income statement

	2026 £ m	2025 £ m
Depreciation charge of right-of-use assets:		
Land and buildings	7.3	7.6
Plant and equipment	1.6	1.6
	8.9	9.2
Interest expense on lease liabilities	8.5	8.6

Amounts recognised in the Consolidated statement of cash flows

	2026 £ m	2025 £ m
Total cash outflow for leases	14.1	14.0

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, due to the change of ownership, the entities noted below are no longer related parties at the balance sheet date. Purchase of services have been presented up to the point that the entities left the Group.

	2026 £ m	2025 £ m
Purchase of services		
Trenport Property Holdings Limited	(0.2)	(0.1)
Shop Direct Holdings Limited	(3.1)	(7.5)
	(3.3)	(7.6)

At the reporting date, the Group had the following balances outstanding with its related parties:

	2026 £ m	2025 £ m
Amounts due from related parties		
VGL Midco Limited	0.1	–
	0.1	–

Notes to the Consolidated Financial Statements continued

34 Related party transactions continued

Summary of transactions with entities with joint control or significant interest continued

	2026 £ m	2025 £ m
Amounts due to related parties		
VGL Finco Limited	97.5	23.3
	97.5	23.3

The amounts due to VGL Finco Limited are unsecured and repayable in more than one year. No guarantees have been given or received. The current balance due to VGL Finco Limited is interest bearing.

	2026 £ m	2025 £ m
Amounts recognised directly in equity		
VGL FinCo Limited	–	1.7
	–	1.7

During the year, the interest free loan due to VGL Finco Limited has been repaid. The amounts recognised directly in equity in the previous year relate to a capital contribution from VGL Finco Limited as a result of the previous loan being interest free.

Key management personnel compensation has been disclosed in note 10.

35 Contingent liabilities

The Group is subject to ongoing discussions with a tax authority regarding certain customs and indirect tax treatments applied to its transactions. Management, having taken appropriate advice, considers the position supportable. While an outflow of resources cannot be ruled out, it is assessed as possible rather than probable, and therefore no provision has been recognised in accordance with IAS 37. Further information has not been disclosed as it could prejudice the Group's position in this matter.

Following the Group's successful tax case in January 2026, HMRC has appealed the decision to the Upper Tribunal. As a result, there remains a possible obligation to repay amounts of £2.4m recovered by the Group should HMRC's appeal be successful. Having obtained legal advice, management considers the Group's position supportable and the likelihood of repayment to be possible rather than probable. Accordingly, no provision has been recognised.

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 27 June 2026.

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 27 June 2026 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 ultimate controlling party at the reporting date is Carlyle Group Inc, registered in the United States. Carlyle Group Inc is an investment fund which exercises control through its interest in intermediate holding companies. Prior to the change of control, the ultimate controlling party was Sir David Barclay and Sir Frederick Barclay Family Settlements.

The Company's immediate parent is VGL Finco Limited.

The parent of the smallest group in which these financial statements are consolidated is VGL Midco Limited. Copies of the consolidated financial statements are available on Companies House. The address of the registered office is 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT.

The parent of the largest group in which these financial statements are consolidated is Bird Bidco Limited. Copies of the consolidated financial statements are available on Companies House. The address of the registered office is 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT.

38 Events after the reporting period

Subsequent to the reporting date, the Group became aware of circumstances relating to historic property leases which may give rise to future obligations. The event arose after the reporting date and therefore does not provide evidence of conditions that existed at the reporting date that would be indicative of a future cash outflow.

Accordingly, no adjustment has been made to the amounts recognised in the financial statements for the year ended 27 June 2026.

The Directors are assessing the potential financial impact of the matter, taking into account the existence of sub-tenants in occupation, the financial standing of those sub-tenants and a number of mitigation measures currently being pursued with support from external legal advisers. Based on the Directors' current assessment, the present value of the highest exposure scenario modelled, should the tenants fail to meet their obligations and mitigation measures prove unsuccessful, is estimated at £12.7m.

The ultimate outcome remains uncertain and will depend on future events and circumstances.

Company financial statements

**Statement of financial position of the Company
as at 27 June 2026
(Registration number: 04730752)**

Assets	Note	27 June 2026 £ m	28 June 2025 £ m
Non-current assets			
Right-of-use assets	41	28.0	34.8
Investments in subsidiaries	42	853.7	899.2
Net investment in lease	44	68.1	67.7
Deferred tax assets	43	4.3	2.8
Amounts due from related parties	44	843.6	843.6
		1,797.7	1,848.1
Current assets			
Net investment in lease	44	39.4	32.1
Total assets		1,837.1	1,880.2
Equity			
Share capital	49	294.1	200.0
Capital contribution reserve	48	–	1.7
Accumulated profit		203.7	246.1
Total equity		497.8	447.8

	Note	27 June 2026 £ m	28 June 2025 £ m
Non-current liabilities			
Amounts due to related parties	46, 48	97.5	23.3
Loans and borrowings	45	–	83.2
Lease liabilities	47	93.5	100.2
		191.0	206.7
Current liabilities			
Amounts due to related parties	46, 48	1,069.7	1,112.4
Other payables		3.3	4.0
Loans and borrowings	45	68.3	103.0
Lease liabilities	47	6.4	6.0
Current tax liability		0.6	0.3
		1,148.3	1,225.7
Total liabilities		1,339.3	1,432.4
Total equity and liabilities		1,837.1	1,880.2

The notes on pages 104 to 108 form an integral part of these financial statements.

The loss after taxation for the 52 week period ended 27 June 2026 attributable to the Company amounted to £44.1m (2025: profit of £51.4m). 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 15 October 2026 and signed on its behalf by:


Edward Fry
Director

Company financial statements continued

Statement of changes in equity for the Company for the 52 week period ended 27 June 2026

	Share capital £ m	Accumulated profit £ m	Capital Contribution Reserve £ m	Total £ m
At 30 June 2024	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
Movement in capital contribution reserve	–	2.8	(2.8)	–
At 28 June 2025	200.0	246.1	1.7	447.8
	Share capital £ m	Accumulated profit £ m	Capital Contribution Reserve £ m	Total £ m
At 29 June 2025	200.0	246.1	1.7	447.8
Issue of share capital	94.1	–	–	94.1
Loss for the period	–	(44.1)	–	(44.1)
Total comprehensive income for the period	94.1	(44.1)	–	50.0
Movement in capital contribution reserve	–	1.7	(1.7)	–
At 27 June 2026	294.1	203.7	–	497.8

Notes to the Company financial statements

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 material 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 27 June 2026 (2025: 52 week period to Saturday 28 June 2025).

Investments

Investments in subsidiary undertakings are included in the balance sheet at cost on acquisition, less where appropriate, provisions for impairment. Provisions for impairment are recognised in the profit or loss.

Investments are considered to be an other source of estimation uncertainty as defined in note 3. During the year and impairment charge of £45.5m (2025: £nil) was recognised on the Company’s investment in Douglas Insurance Limited as detailed in note 42.

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 in the Group consolidated financial statements. Further details of the impairment assessment of the investment in Douglas are included in note 42. 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.

40 Loss of the Company

The loss on ordinary activities after taxation for the 52 week period ended 27 June 2026 attributable to the Company amounted to £44.1m (2025: profit of £51.4m). 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 (2025: 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 (2025: £50,000).

41 Right-of-use assets

	Plant & equipment £ m
Cost	
At 28 June 2025 and 27 June 2026	70.4
Depreciation	
At 28 June 2025	35.6
Charge for the period	6.8
At 27 June 2026	42.4
Carrying amount	
At 27 June 2026	28.0
At 28 June 2025	34.8

Notes to the Company financial statements continued

42 Investments

Group subsidiaries

Details of the Group's subsidiaries as at 27 June 2026 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	
			2026	2025
Shop Direct Home Shopping Limited	Retail	Skyways House, L70 1AB	100%	100%
Shop Direct Licensing Limited	In liquidation	Pearl Assurance House, N12 8LY	–	100%
Littlewoods Clearance Limited*	In liquidation	Pearl Assurance House, N12 8LY	–	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%
Very Retail Ireland Limited	Retail	Cape House, Westend Office Park, Dublin	100%	100%
Shop Direct Group Sourcing Limited*	Merchandise sourcing	The International Capital Plaza, No. 1318 North Sichuan Road, Hongkou District, Shanghai	100%	100%
LW Finance Limited*	In liquidation	Pearl Assurance House, N12 8LY	–	100%
LW Investments Limited	In liquidation	Pearl Assurance House, N12 8LY	–	100%
Littlewoods Limited*	Intermediate holding company	Skyways House, L70 1AB	100%	100%

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2026	2025
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%
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%
Littlewoods Direct Recoveries Limited	In liquidation	Pearl Assurance House, N12 8LY	–	100%
Woolworths Limited	Dormant	Skyways House, L70 1AB	100%	100%
Woolworths Holdings Limited	Dormant	Skyways House, L70 1AB	100%	100%
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	N/A	N/A
00044307***	In liquidation	Skyways House, L70 1AB	N/A	N/A

* indicates direct investment of The Very Group Limited.

** reinstated by court order on 8 October 2024.

*** reinstated by court order on 24 October 2023.

Notes to the Company financial statements continued

42 Investments continued

Summary of the Company investments

	2026 £ m	2025 £ m	2024 £ m
Investments in subsidiaries	853.7	899.2	624.7
Subsidiaries			£ m
Cost			
At 29 June 2024			1,254.4
Additions			439.3
At 28 June 2025			1,693.7
Additions			–
At 27 June 2026			1,693.7
Provision			
At 29 June 2024			629.7
Impairment			164.8
At 28 June 2025			794.5
Impairment			45.5
At 27 June 2026			840.0
Carrying amount			
At 27 June 2026			853.7
At 28 June 2025			899.2
At 29 June 2024			624.7

The additions in the prior year relate to subsidiaries in the Group that have been transferred to direct ownership under the Company.

During the year ended 27 June 2026, management performed an impairment assessment of the investment in Douglas Insurance Limited as part of the annual IAS 36 impairment review. This was based on the value in use assessment performed over the Douglas goodwill balance, taking into account whether any adjustments were required in determining the recoverable amount of the investment. The assessment incorporated updated assumptions derived from actual operational performance, together with an externally determined discount rate. Please see disclosure in note 14 for further detail on the key assumptions and sensitivity analysis performed.

Following completion of the review, management concluded that the recoverable amount of the underlying Douglas Insurance Limited business was below its carrying value. Accordingly, an impairment charge of £45.5m has been recognised during the year, reducing the carrying value of the investment to £51.5m.

43 Deferred tax

Deferred tax movement during the period:

	At 29 June 2025 £ m	Recognised in income statement £ m	At 27 June 2026 £ m
Accelerated tax depreciation	2.8	1.5	4.3
Net tax assets	2.8	1.5	4.3

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

	2026 £ m	2025 £ m
Non-current:		
Amounts owed by subsidiaries	843.6	843.6
Net investment in lease	68.1	67.7
Amounts owed by parent	0.1	–
	911.8	911.3

	2026 £ m	2025 £ m
Current:		
Net investment in lease	39.4	32.1
	39.4	32.1

No provisions have been made for expected credit losses in respect of the amounts owed by related parties.

Notes to the Company financial statements continued

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.

	2026 £ m	2025 £ m
Non-current loans and borrowings at amortised cost		
External loans	–	83.2
	–	83.2
	2026 £ m	2025 £ m
Current loans and borrowings at amortised cost		
Secured revolving credit facility	68.3	95.5
External loans	–	7.5
	68.3	103.0
	2026 £ m	2025 £ m
The borrowings are repayable as follows:		
Within one year	68.3	103.0
In the first to second year	–	83.2
	68.3	186.2

46 Amounts due to related parties

	2026 £ m	2025 £ m
Non-current:		
Amounts due to related parties	97.5	23.3
	97.5	23.3
	2026 £ m	2025 £ m
Current:		
Amounts due to subsidiaries	1,069.7	1,112.4
	1,069.7	1,112.4

Amounts due to related parties represent an intercompany 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

	2026 £ m	2025 £ m
Right-of-use assets:		
Plant and equipment	28.0	34.8
	28.0	34.8

The amounts included within lease liabilities are as follows:

	2026 £ m	2025 £ m
Lease liabilities:		
Current	6.4	6.0
Non-current	93.5	100.2
	99.9	106.2

Additions to the right-of-use assets during the financial period ending 27 June 2026 were £nil (28 June 2025: £nil). The total cash outflow for leases during the financial period ending 27 June 2026 was £12.1m (28 June 2025: £12.1m).

Amounts recognised in the income statement

The income statement includes the following amounts relating to leases:

	2026 £ m	2025 £ m
Depreciation charge of right-of-use assets:		
Plant and equipment	6.8	6.7
Interest expense on lease liabilities	5.6	5.6

Notes to the Company financial statements continued

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:

	2026 £ m	2025 £ m
Amounts due to related parties		
VGL Finco Limited	97.5	23.3
	97.5	23.3

The amounts due to VGL Finco Limited are unsecured and repayable in more than one year. No guarantees have been given or received. The current balance due to VGL Finco Limited is interest bearing. The lease liabilities disclosed in note 47 include £30.7m (2025: £37.2m) due to Primevere Equipment Limited.

	2026 £ m	2025 £ m
Amounts recognised directly in equity		
VGL Finco Limited	–	1.7
	–	1.7

During the year, the interest free loan due to VGL Finco Limited has been repaid. The amounts recognised directly in equity in the previous year relate to a capital contribution from VGL Finco Limited as a result of the previous loan being interest free.

49 Share capital

	2026 £ m	2025 £ m
Allotted, called-up and fully paid:		
Ordinary shares of £1 each	294.1	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.

During the period, the Group issued 94.1m £1 ordinary shares to its Parent Company VGL Finco Limited at par value. The shares issued are allotted, called up and fully paid.

Company information

Directors

R Feather
T A Franklin
R A Mayfield
P O'Donnell
N T Beighton
N Zahawi
E S T Fry (appointed 1 October 2025)

Registered office

First Floor, Skyways House
Speke Road
Speke
Liverpool
L70 1AB
United Kingdom
Company Registration No. 04730752

Independent auditor

MHA
Statutory Auditor
2 London Wall Place
London
EC2Y 5AU
United Kingdom

Financial PR

Prosek LLC
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London
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