

REGISTERED NUMBER: 04730752

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS

for the 13 weeks ended 28 September 2024

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CONTENTS

INTERIM RESULTS STATEMENT	1
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT	6
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	7
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION	8
UNAUDITED STATEMENT OF CHANGES IN EQUITY	10
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	11
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	13

THE VERY GROUP LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the 13 weeks ended 28 September 2024

INTERIM RESULTS STATEMENT

The Directors present their interim results statement of The Very Group Limited and its subsidiaries (“the Group”) for the 13 week period ended 28 September 2024¹.

Review of the business

As expected, the market in Q1 FY25 proved challenging given ongoing economic pressures and as a result, we saw a decline in Very UK sales of 3.8% year on year to £392.1m (Q1 FY24 YTD: £407.6m). Despite this, we have delivered an improved earnings performance in Q1, with our continued focus on cost control contributing to increased adjusted EBITDA², up 7.8% year on year to £56.7m (Q1 FY24 YTD: £52.6m).

The EBITDA performance paired with careful working capital management has in turn contributed to improved operating cash flows, generating a cash inflow from operating activities of £28.7m, an increase of £68.9m on the prior year (Q1 FY24 YTD: outflow of £40.2m). Overall, cash and cash equivalents decreased year on year to £11.6m (Q1 FY24: £37.8m) as a result of increased investing and financing cash outflows.

Whilst we have seen challenges in the retail market, particularly within Fashion and Sports, our Home sales have improved which also generate a high margin. As we continue to focus on higher margin sales and cost discipline, we expect to see a strengthening of the profitability of our business in FY25.

Total revenue

Total Group revenue decreased by 4.9% to £450.2m (Q1 FY24 YTD: £473.4m) compared with the prior year, as a result of the ongoing tough economic environment. Within total revenue, our flagship brand Very UK represents 87% of sales (Q1 FY24 YTD: 86%) and saw a decrease in revenue of 3.8% to £392.1m compared with the prior year (Q1 FY24 YTD: £407.6m). Littlewoods revenue declined 14.4% to £45.0m (Q1 FY24 YTD: £52.6m), which is in line with expectations as the managed decline strategy for this brand continues.

Retail sales

As a result of a tough retail climate across the UK, Group retail sales³ declined by 5.7% year-on-year to £338.4m (Q1 FY24 YTD: 358.8m). Within this, Very UK retail sales declined by 4.6% year-on-year to £286.4m (Q1 FY24 YTD: £300.4m).

Our largest category, Electrical saw a decline of 4.4% at the Very UK level as a result of annualising against a quarter which included significant gaming product releases. Toys, Gifts and Beauty also annualised against a year in which we heavily invested in the category, and as such has declined 4.1% year on year. However, within this category we saw growth of 7.7% in boys’ toys and 4.2% in beauty. The Home category is of strategic importance as we prioritise higher margin sales, and in Q1 we saw growth of 2.8% compared to the prior year. This was largely due to an increase in sales of home accessories, textiles and upholstery. Fashion and Sports declined 8.6% in a heavily discounted and contracting market, although within this category, premium fashion grew year on year by 1.6%.

Very Pay revenue

Underpinning Very Finance income is the movement in the average debtor book. At a Group level, the average book declined 0.7% to £1,671.0m (Q1 FY24 YTD: £1,682.1m), reflecting the underlying performance of the Littlewoods business. At a Very UK level, the debtor book grew 0.9% to £1,442.2m (Q1 FY24 YTD: 1,428.9m) year-on-year as our flexible payment options continue to prove relevant to our customers. As a result of the Group debtor book performance, Very Finance revenue declined by 1.5% to £106.7m (Q1 FY24 YTD: £108.3m).

¹ Q1 FY25 YTD is the 13 weeks ended 28 September 2024. Q1 FY24 YTD is the 13 weeks ended 30 September 2023.

² Pre-exceptional and adjusted EBITDA are defined on page 4 of the Financial Statements.

³ Retail sales is on a management accounts basis excluding statutory adjustments, therefore differs to revenue from the sale of goods presented in the condensed consolidated income statement.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

INTERIM RESULTS STATEMENT (continued)

Gross profit and costs

In Q1 FY25, we delivered £163.3m of gross profit (Q1 FY24 YTD: £175.4m), corresponding to a statutory gross margin rate of 36.3%, a decrease of 0.8%pts from last year. This reflects the top line performance across the Group and is partially attributable to the shift in sales from the managed decline of Littlewoods, which typically earns a higher margin on sales. Additionally, changes to the retail sales mix have impacted margin, with a decline in higher margin Fashion and Sport sales year on year.

However, the margin movement is exacerbated by the impact of changes in debt sales phasing, which is a £5m one-off impact in the prior year. Absent this, gross margin has increased 0.3% compared to the prior year, partly attributable to the improving bad debt position across the Group, which as a percentage of the average debtor book decreased by 0.1%pts year on year. Notably, our bad debt remains much lower than that seen pre-pandemic and remains an area of continued focus and risk management.

Our overall operating cost base (excluding depreciation, amortisation and exceptionals) has decreased 0.1%pts year on year as a percentage of revenue to 24.3% (Q1 FY24: 24.4%). Within this, distribution expenses decreased by £10.0m to £38.0m (Q1 FY24 YTD: £48.0m) as we continue to optimise our logistics and fulfilment operation, driving cost efficiencies. This represents 8.4% as a percentage of revenue, a reduction of 1.7%pts compared with last year, despite inflationary pressures. Administrative costs increased by £4.0m to £71.5m (Q1 FY24 YTD: £67.5m), due to adverse fair value movements on financial instruments of £10.5m. Absent fair value movements across Q1 FY25 and Q1 FY24, administrative expenses have declined by £6.5m, as a result of ongoing cost saving initiatives across the business.

Pre-exceptional and adjusted EBITDA

Due to adverse fair value movements of £10.5m year on year (see reconciliation on page 4), we delivered pre-exceptional EBITDA² of £54.5m for Q1 FY25 YTD (Q1 FY24 YTD: £60.6m), a decrease of 10.1% year on year. As a percentage of Group sales, the pre-exceptional EBITDA margin² decreased 0.7%pts to 12.1% (Q1 FY24 YTD: 12.8%). Absent the impact of these fair value adjustments, adjusted EBITDA² increased 7.8% to £56.7m (Q1 FY24 YTD: £52.6m), demonstrating improved earnings in the underlying business as a result of the ongoing diligent cost control. Adjusted EBITDA margin² consequently increased 1.5%pts year on year to 12.6% (Q1 FY24 YTD: 11.1%).

Finance costs

Net finance costs (before exceptional items) increased to £50.5m (Q1 FY24 YTD: £48.2m) due to increased securitisation interest (owing to both higher SONIA rates as well as the larger debtor book).

Exceptional items

Exceptional costs in the year to date of £13.6m (Q1 FY24 YTD: £5.9m expenditure) include £7.0m logistics strategy costs, £3.7m spend on our tech acceleration programme, £1.3m of restructuring costs and £1.6m of professional fees.

Taxation

The tax charge on the loss before tax for the period is higher than the standard tax rate of 25% for the period largely as a result of transfer pricing adjustments which have not been offset with group relief. The tax charge in the income statement of £nil is based on management's best estimate of the weighted average annual income tax rate expected for the full financial year (Q1 FY24 YTD: £nil). For the 13 weeks ended 28 September 2024 the effective tax rate that has been applied is 0.0% (30 September 2023: 0.0%). The tax charge includes a £3.4m credit in relation to exceptional items charged in the period (Q1 FY24 YTD: £1.5m credit).

² Pre-exceptional and adjusted EBITDA margin are defined on page 4 of the Financial Statements.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

INTERIM RESULTS STATEMENT (continued)

Statement of cash flows

Cash and cash equivalents decreased by £41.7m to £11.6m in the year to date, an increased outflow compared to that seen last year (Q1 FY24 YTD: net cash and cash equivalents decreased by £1.8m to £37.8m).

The cash inflow from operating activities of £28.7m (Q1 FY24 YTD: outflow of £40.2m) largely reflects the movements in working capital, notably through the movements in trade and other receivables and trade and other payables. Increases in trade receivables are partially matched by an increase in securitisation funding within the financing activities section of the cashflow and support future cash generation through Very Pay.

The cash outflows in respect of investment activities of £12.9m were slightly higher than prior year (Q1 FY24 YTD: £10.9m), and largely comprise capital additions for the period. These were across business-as-usual and strategic investments.

The cash outflow from financing activities of £57.5m (Q1 FY24 YTD: inflow of £49.3m) reflects £50.3m of drawings on the securitisation facility, repayments of bank loans of £3.8m and repayments of lease liabilities of £3.4m.

Financial position

The decrease in equity of £23.2m to £131.9m (29 June 2024: equity £155.1m, 30 September 2023: equity £171.8m) was driven by a total comprehensive loss for the period of £23.2m (29 June 2024: loss of £24.1m, 30 September 2023: loss of £5.6m).

Inventory held at 28 September 2024 increased against the 29 June 2024 position to £159.4m (29 June 2024: £105.0m, 30 September 2023: £158.1m), following usual seasonal movements. Current trade and other receivables (including advances for customers) at 28 September 2024 decreased slightly against the 29 June 2024 position to £1,705.6m (29 June 2024: £1,748.5m, 30 September 2023: £1,695.8m). The decreased compared to the Q1 FY24 position reflects a slight decline of 0.7% in the average Group debtor book to £1,671.0m (Q1 FY24: £1,682.1m), as a result of the managed decline of the Littlewoods business. At a Very UK level however, the average debtor book grew 0.9% to £1,442.2m (Q1 FY24: 1,428.9m) year on year as our flexible payment options continue to prove relevant to our customers. Trade and other payables at 28 September 2024 decreased year on year to £538.7m (29 June 2024: £485.5m, 30 September 2023: £568.7m).

Total provisions at 28 September 2024 have decreased against the 30 September 2023 position to £7.4m (29 June 2024: £7.7m, 30 September 2023: £7.6m). The balance is made up of restructuring and regulatory provisions, of which £3.3m is expected to be utilised within 12 months. The remaining £4.1m is expected to be utilised after 12 months. Total lease liabilities at 28 September 2024 decreased to £100.8m from the 29 June 2024 position (29 June 2024: £101.9m, 30 September 2023: £94.8m), as the liability has unwound.

Securitisation borrowings decreased by 0.9% year on year to £1,454.4m⁴ (29 June 2024: £1,504.7m, 30 September 2023: £1,467.6m). The securitisation borrowings figure includes £19.3m (29 June 2024: £20.5m, 30 September 2023: £20.9m) relating to the balance sheet receivables of Shop Direct Ireland Limited. At 28 September 2024, the total UK securitisation facility size was £1,635.0m. The securitisation facility expires in January 2027 for 'AS' Notes (£1,045.3m), 'AJ' Notes (£129.7m), 'B' Notes (£105.0m), 'C1' Notes (£105.0m) and 'C2' Notes (£50.0m). The Ireland facility has a total maximum commitment of €35.0m which expires in July 2026.

A further £23.3m (29 June 2024: £27.0m, 30 September 2023: £30.6m) of loans are denominated in Euros and relate to the debt held by subsidiary Primevere Equipment Limited. The Group also has an external loan with a carrying value of £52.5m (29 June 2024: £51.8m, 30 September 2023: £nil) presented at amortised cost and is expected to be settled in full in 2026.

⁴ The borrowing facilities presented here are at their nominal values. The primary financial statements and the notes to the financial statements present the facilities at values determined in accordance with IFRS 9 and as such will differ from the values shown here.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

INTERIM RESULTS STATEMENT (continued)

Principal risks and uncertainties

The principal risks and uncertainties are as disclosed in the Group's consolidated financial statements for the period ended 29 June 2024.

Going concern

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

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

Alternative performance measures

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

Reconciliation of operating profit to pre-exceptional and adjusted EBITDA

	13 weeks to 28 September 2024	13 weeks to 30 September 2023	52 weeks to 29 June 2024
	£'m	£'m	£'m
Operating profit	27.6	42.4	189.0
Exclusion of exceptional items	13.6	5.9	29.3
Operating profit before exceptional items	41.2	48.3	218.3
Exclusion of depreciation and amortisation	13.3	12.3	49.3
Pre-exceptional EBITDA	54.5	60.6	267.6
Adjusted for:			
Fair value adjustments to financial instruments	4.0	(6.5)	(2.7)
Fair value adjustments to trade creditors	(1.8)	(1.5)	(1.2)
IAS19 pension adjustment	-	-	1.2
Adjusted EBITDA⁵	56.7	52.6	264.9

⁵ The definition of adjusted EBITDA no longer includes adjustments for changes in the 'software as a service' accounting policy first adopted in FY22, given that this now forms part of BAU reporting and is included in comparative results as standard.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

INTERIM RESULTS STATEMENT (continued)

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

	13 weeks to 28 September 2024 £'m	13 weeks to 30 September 2023 £'m	52 weeks to 29 June 2024 £'m
Pre-exceptional EBITDA	54.5	60.6	267.7
Total revenue	450.2	473.4	2,125.3
Pre-exceptional EBITDA margin	<u>12.1%</u>	<u>12.8%</u>	<u>12.6%</u>

Reconciliation of adjusted EBITDA to adjusted EBITDA margin

	13 weeks to 28 September 2024 £'m	13 weeks to 30 September 2023 £'m	52 weeks to 29 June 2024 £'m
Adjusted EBITDA	56.7	52.6	264.9
Total revenue	450.2	473.4	2,125.3
Adjusted EBITDA margin	<u>12.6%</u>	<u>11.1%</u>	<u>12.5%</u>

Reconciliation of administrative expenses before amortisation, depreciation and exceptional items

	13 weeks to 28 September 2024 £'m	13 weeks to 30 September 2023 £'m	52 weeks to 29 June 2024 £'m
Administrative expenses	97.0	84.5	363.4
Amortisation charged to administrative expenses	(9.5)	(8.5)	(34.3)
Depreciation charged to administrative expenses	(2.4)	(2.6)	(9.7)
Exceptional items	(13.6)	(5.9)	(29.3)
Administrative expenses before amortisation, depreciation and exceptional items	<u>71.5</u>	<u>67.5</u>	<u>290.1</u>

Reconciliation of distribution costs before amortisation, depreciation and exceptional items

	13 weeks to 28 September 2024 £'m	13 weeks to 30 September 2023 £'m	52 weeks to 29 June 2024 £'m
Distribution costs	39.4	49.2	207.7
Depreciation charged to distribution costs	(1.4)	(1.2)	(5.3)
Distribution costs before amortisation, depreciation and exceptional items	<u>38.0</u>	<u>48.0</u>	<u>202.4</u>

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	13 weeks to 28 September 2024 (unaudited)			13 weeks to 30 September 2023 (unaudited)			52 weeks to 29 June 2024 (audited)		
		Pre- exceptional items £'m	Exceptional items (Note 4) £'m	Total £'m	Pre- exceptional items £'m	Exceptional items (Note 4) £'m	Total £'m	Pre- exceptional items £'m	Exceptional items (Note 4) £'m	Total £'m
Sale of goods		345.3	-	345.3	365.1	-	365.1	1,690.3	-	1,690.3
Interest and similar income ⁶		104.9	-	104.9	108.3	-	108.3	435.0	-	435.0
Total revenue	3	450.2	-	450.2	473.4	-	473.4	2,125.3	-	2,125.3
Cost of sales		(244.8)	-	(244.8)	(251.8)	-	(251.8)	(1,227.7)	-	(1,227.7)
Impairment losses on customer receivables ⁶		(42.1)	-	(42.1)	(46.2)	-	(46.2)	(140.2)	-	(140.2)
Gross profit		163.3	-	163.3	175.4	-	175.4	757.4	-	757.4
Distribution costs		(39.4)	-	(39.4)	(49.2)	-	(49.2)	(207.7)	-	(207.7)
Administrative costs		(83.4)	(13.6)	(97.0)	(78.6)	(5.9)	(84.5)	(334.1)	(29.3)	(363.4)
Other operating income		0.7	-	0.7	0.7	-	0.7	2.7	-	2.7
Operating profit	3	41.2	(13.6)	27.6	48.3	(5.9)	42.4	218.3	(29.3)	189.0
Finance income		0.5	-	0.5	0.7	-	0.7	3.8	-	3.8
Finance costs		(51.0)	-	(51.0)	(48.9)	-	(48.9)	(208.6)	-	(208.6)
(Loss)/profit before tax		(9.3)	(13.6)	(22.9)	0.1	(5.9)	(5.8)	13.5	(29.3)	(15.8)
Tax (charge)/credit	7	(3.4)	3.4	-	(1.5)	1.5	-	(15.9)	7.3	(8.6)
(Loss)/profit for the period		(12.7)	(10.2)	(22.9)	(1.4)	(4.4)	(5.8)	(2.4)	(22.0)	(24.4)

The above results were derived from continuing operations.

⁶ Refer to Note 2 for changes to comparative period information.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	13 weeks to 28 September 2024 (unaudited) £'m	13 weeks to 30 September 2023 (unaudited) £'m	52 weeks to 29 June 2024 (audited) £'m
(Loss)/profit for the period		(22.9)	(5.8)	(24.4)
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement on retirement benefit obligations before tax		-	-	0.2
Income tax effect	7	-	-	-
Other comprehensive income for the period for items that will not be reclassified subsequently to profit or loss		-	-	0.2
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation gain/(loss)		(0.3)	0.2	0.1
Other comprehensive income for the period		(0.3)	0.2	0.3
Total comprehensive (loss)/income attributable to:				
Equity holders of the company		(23.2)	(5.6)	(24.1)

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	28 September 2024 (unaudited) £'m	Restated ⁷ 30 September 2023 (unaudited) £'m	29 June 2024 (audited) £'m
Assets				
Non-current assets				
Goodwill		202.5	202.5	202.5
Intangible assets		201.5	191.4	198.8
Property, plant and equipment		62.1	68.2	63.5
Right-of-use assets		82.2	79.3	84.1
Deferred tax assets		176.9	182.7	176.4
Amounts due from related parties	6	521.9	510.0	520.7
		1,247.1	1,234.1	1,246.0
Current assets				
Inventories		159.4	158.1	105.0
Trade and other receivables ⁶	6	306.6	284.1	311.0
Advances to customers ⁶	6	1,399.0	1,411.7	1,437.5
Current tax asset		0.5	2.1	1.0
Cash at bank	10	53.2	155.7	174.3
Derivative financial instruments	5	-	4.2	-
		1,918.7	2,015.9	2,028.8
Total assets		3,165.8	3,250.0	3,274.8

⁶ Refer to Note 2 for changes to comparative period information.

⁷ Refer to Note 2 for prior period restatement.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Notes	28 September 2024 (unaudited) £'m	Restated ⁷ 30 September 2023 (unaudited) £'m	29 June 2024 (audited) £'m
Equity				
Share capital	11	200.0	200.0	200.0
Merger reserve		3.5	3.5	3.5
Capital contribution reserve	12	3.8	-	4.5
Accumulated deficit		(75.4)	(31.7)	(52.9)
Equity attributable to owners of the company		131.9	171.8	155.1
Non-current liabilities				
Amounts due to related parties		21.2	-	20.5
Loans and borrowings	9	653.0	605.4	664.9
Securitisation facility	9	1,454.4	1,467.6	1,504.7
Retirement benefit obligations		1.2	1.2	1.2
Contract liabilities		20.0	22.4	21.0
Lease liabilities		94.0	89.4	95.8
Provisions	8	4.1	4.1	4.1
		2,247.9	2,190.1	2,312.2
Current liabilities				
Trade and other payables		538.7	568.7	485.5
Loans and borrowings	9	200.2	273.8	278.9
Lease liabilities		6.8	5.4	6.1
Current tax liability		-	-	-
Contract liabilities		33.0	36.7	33.4
Provisions	8	3.3	3.5	3.6
Derivative financial instruments	5	4.0	-	-
		786.0	888.1	807.5
Total liabilities		3,033.9	3,078.2	3,119.7
Total equity and liabilities		3,165.8	3,250.0	3,274.8

⁷ Refer to Note 2 for prior period restatement.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'m	Accumulated profit /(deficit) £'m	Merger reserve £'m	Capital contribution reserve £'m	Total £'m
Changes in equity for the 13 weeks to 28 September 2024 (unaudited)					
Balance as at 30 June 2024	200.0	(52.9)	3.5	4.5	155.1
Loss for the period	-	(22.9)	-	-	(22.9)
Remeasurement on retirement obligations before tax	-	-	-	-	-
Foreign currency translation	-	(0.3)	-	-	(0.3)
Total comprehensive income	-	(23.2)	-	-	(23.2)
Dividend paid to parent company	-	-	-	-	-
Movement in capital contribution reserve	-	0.7	-	(0.7)	-
Balance as at 28 September 2024	200.0	(75.4)	3.5	3.8	131.9
Changes in equity for the 13 weeks to 30 September 2023 (unaudited)					
Balance at 2 July 2023	200.0	(26.1)	3.5	-	177.4
Loss for the period	-	(5.8)	-	-	(5.8)
Remeasurement on retirement obligations before tax ⁶	-	-	-	-	-
Foreign currency translation ⁶	-	0.2	-	-	0.2
Total comprehensive income	-	(5.6)	-	-	(5.6)
Dividend paid to parent company	-	-	-	-	-
Movement in capital contribution reserve	-	-	-	-	-
Balance as at 30 September 2023	200.0	(31.7)	3.5	-	171.8
Changes in equity for the 52 weeks to 29 June 2024 (audited)					
Balance as at 2 July 2023	200.0	(26.1)	3.5	-	177.4
Loss for the period	-	(24.4)	-	-	(24.4)
Remeasurement on retirement obligations before tax	-	0.2	-	-	0.2
Foreign currency translation	-	0.1	-	-	0.1
Total comprehensive loss	-	(24.1)	-	-	(24.1)
Dividend to parent company	-	(3.8)	-	-	(3.8)
Movement in capital contribution reserve	-	1.1	-	4.5	5.6
Balance as at 29 June 2024	200.0	(52.9)	3.5	4.5	155.1

⁶ Refer to Note 2 for changes to comparative period information.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	13 weeks to 28 September 2024 (unaudited) £'m	13 weeks to 30 September 2023 (unaudited) £'m	52 weeks to 29 June 2024 (audited) £'m
Cash flows from operating activities				
Loss for the period		(22.9)	(5.8)	(24.4)
Adjustments for:				
Depreciation		3.8	3.8	15.0
Amortisation		9.5	8.5	34.3
Financial instrument net losses/(gains) through profit and loss	5	4.0	(7.7)	(3.5)
Impairment of assets	4	-	-	1.4
Finance income		(0.5)	(0.7)	(3.8)
Finance costs		51.0	48.9	208.6
Income tax charge		-	-	8.6
Decrease in provisions	8	(0.3)	(0.7)	(0.6)
Adjustments for pensions		-	-	1.2
Operating cash flows before movements in working capital		44.6	46.3	236.8
(Increase)/decrease in inventories		(54.4)	(52.4)	0.7
Decrease/(increase) in trade and other receivables ⁶		3.1	0.8	(16.2)
Decrease/(increase) in advances to customers ⁶	6	38.5	(9.6)	(44.6)
Increase/(decrease) in trade and other payables		51.2	30.0	(65.6)
Cash generated/(utilised) by operations		83.0	15.1	111.1
Income taxes paid		(0.1)	-	(0.9)
Interest paid		(54.2)	(55.3)	(186.7)
Net cash inflows/(outflows) from operating activities		28.7	(40.2)	(76.5)

⁶ Refer to Note 2 for changes to comparative period information.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

	Notes	13 weeks to 28 September 2024 (unaudited) £'m	13 weeks to 30 September 2023 (unaudited) £'m	52 weeks to 29 June 2024 (audited) £'m
Net cash inflows/(outflows) from operating activities		28.7	(40.2)	(76.5)
Cash flows from investing activities				
Acquisitions of property plant and equipment		-	-	(0.5)
Acquisitions of intangible assets		(11.7)	(10.9)	(44.9)
Increase in amounts due from related parties ⁶		(1.2)	-	(8.6)
Net cash outflows from investing activities		(12.9)	(10.9)	(54.0)
Cash flows from financing activities				
Payments of lease liabilities		(3.4)	(3.0)	(12.9)
(Repayments of)/proceeds from securitisation facility		(50.3)	(24.2)	12.9
Proceeds from secured revolving credit facility		-	80.0	80.0
Proceeds from intercompany loans		-	-	25.0
Proceeds from external loans		-	-	50.0
Repayments of bank loans		(3.8)	(3.5)	(7.0)
Dividends to parent company		-	-	(3.8)
Net cash (outflows)/inflows from financing activities		(57.5)	49.3	144.2
Net cash (decrease)/increase in cash and cash equivalents		(41.7)	(1.8)	13.7
Opening cash and cash equivalents	10	53.3	39.6	39.6
Closing cash and cash equivalents	10	11.6	37.8	53.3

⁶ Refer to Note 2 for changes to comparative period information.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

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

These consolidated interim financial statements were approved for issue on 19th November 2024.

2. Summary of accounting policies

Basis of preparation

This condensed set of financial statements for the 13 weeks ended 28 September 2024 should be read in conjunction with the annual financial statements for the 52 week period ended 29 June 2024, which have been prepared in accordance with United Kingdom Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The interim financial information has been prepared on a going concern basis using accounting policies consistent with United Kingdom Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and in accordance with IAS 34 'Interim Financial Reporting'. The same accounting policies, presentation and methods of computation are followed in the interim financial information as applied in the Group's annual financial statements for the 52 week period ended 29 June 2024.

The financial information included in this set of condensed accounts for the 13 week period ended 28 September 2024 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of those accounts, prepared under United Kingdom Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006, has been delivered to the Registrar of Companies for the 52 week period ended 29 June 2024. The audit report on those accounts was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

The financial statements are drawn up to Saturday 28 September 2024 for the current 13 week period. The financial information for the comparative periods relates to the 13 week period ended Saturday 30 September 2023 and the 52 week period ended Saturday 29 June 2024.

Changes to comparative period information

The following representations have been made to the comparative period ended 30 September 2023 presented within these financial statements:

- Impairment losses on customer advances and receivables of £46.2m which relates to bad debts on customer credit accounts, has been disclosed separately from cost of sales on the Consolidated Statement of Comprehensive Income. There is no impact on net cashflows, retained earnings or the profit or loss.
- Revenue in relation to "Rendering of Services" has been disclosed as "Interest and Similar Income". This comprises of interest on customers' outstanding balances, commission earned on sales of insurance products and administration fees earned. There is no impact on net cashflows, retained earnings or the profit or loss.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Summary of accounting policies (continued)

Changes to comparative period information (continued)

- Advances to customers of £1,411.7m has been disclosed separately from trade and other receivables on the Consolidated Statement of Financial Position, the Consolidated Statement of Cashflows, and separately from trade receivables in the receivables note. There is no impact on net cashflows, retained earnings or the profit or loss.
- The presentation of the statement of changes in equity has been revised to present the components of other comprehensive income separately. There is no impact on net cashflows, retained earnings or the profit or loss.

Prior period restatement

The condensed consolidated financial statements include a prior year restatement in the comparative period ended 30 September 2023 in relation to notional cash pooling arrangements where the requirements for offsetting in accordance with IAS 32: 'Financial Instruments: Presentation' cannot be clearly demonstrated. The prior period comparative ending 30 September 2023 has been restated by grossing up cash and overdrafts (reported within current borrowings) that had previously been offset on the consolidated statement of financial position. All overdrafts including those subject to cash pooling arrangements are considered an integral part of the Group's cash management and so the cash flow statement includes all overdrafts in cash and cash equivalents. This has been reconciled in note 10. There is no impact on the comparative period income statement, net debt or total indebtedness.

Prior period comparatives

The prior period comparatives for the period ended 30 September 2023 have been restated in accordance with IAS 8: 'Accounting Policies, Changes in Accounting Policies and Errors' and have impacted the primary financial statements as follows:

	As previously reported £ m	Notional cash pooling adjustment £ m	As restated £ m
As at 30 September 2023			
Cash and cash equivalents	37.8	117.9	155.7
Total current assets	1898.0	117.9	2,015.9
Total assets	3,132.1	117.9	3,250.0
Loans and borrowings	155.9	117.9	273.8
Total current liabilities	770.2	117.9	888.1
Total liabilities	2,960.3	117.9	3,078.2

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Summary of accounting policies (continued)

New standards, interpretations and amendments not yet effective

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

Critical accounting judgements and key sources of estimation uncertainty

Full details of the Group's critical accounting judgements and key sources of estimation uncertainty are included in the Group's consolidated financial statements for the 52 week period ended 29 June 2024. There have been no significant changes to the Group's critical accounting judgements and key sources of estimation uncertainty in the 13 weeks ended 28 September 2024.

Amounts owed by related parties

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

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

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

Going concern

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

- a) The principal risks and uncertainties relating to the Group's business activities, including climate change;
- b) The Group's available borrowing facilities;
- c) The Group's forecast cashflows and forecast compliance with covenants for the 18 months from the reporting date of these financial statements;
- d) The financing of the wider shareholder Group; and
- e) TVGL's cash headroom forecasts, its business activities together with factors likely to affect its future development, performance and financial position including cash flows, liquidity and borrowing facilities and the principal risks and uncertainties relating to its business activities.

Financial Forecasts

The Directors have carefully considered the cash flows and banking covenants of TVGL for the 18 months from the reporting date of these financial statements. These forecasts have been based on the latest trading expectations and incorporate assumptions relating to; consumer confidence, cost savings, interest rate changes, and the ability of financial services customers to meet their payment plans.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Summary of accounting policies (continued)

Going concern (continued)

Financial Forecasts (continued)

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

Financing of the Shareholder Group

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

Credit Risk

In line with IFRS 9 the directors have considered whether to recognise any potential credit losses as part of their consideration of the intercompany loan. The directors have concluded that there is no evidence of an increase in credit risk, and therefore it is appropriate to consider the loan under Stage 1 assessment. Based on this assessment the conclusion is that there is no basis to recognise any future credit loss against the loan.

Conclusion

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

3. 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 pre-exceptional EBITDA earned by each segment without allocation of central administration costs including finance costs and income tax expense.

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

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

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Alternative performance measures (continued)

By business segment

	13 weeks to 28 September 2024 £'m	13 weeks to 30 September 2023 £'m	52 weeks to 29 June 2024 £'m
Analysis of revenue:			
Very UK	392.1	407.6	1,836.9
Littlewoods UK	45.0	52.6	222.8
Very Ireland	13.1	13.2	65.6
	<u>450.2</u>	<u>473.4</u>	<u>2,125.3</u>
Gross profit	163.3	175.4	757.4
Distribution costs excluding depreciation and exceptionals	(38.0)	(48.0)	(202.4)
Administrative costs excluding depreciation, amortisation and exceptionals	(71.5)	(67.5)	(290.1)
Other operating income	0.7	0.7	2.7
Pre-exceptional EBITDA	<u>54.5</u>	<u>60.6</u>	<u>267.6</u>
Exceptional items	(13.6)	(5.9)	(29.3)
Depreciation	(3.8)	(3.8)	(15.0)
Amortisation	(9.5)	(8.5)	(34.3)
Operating profit	<u>27.6</u>	<u>42.4</u>	<u>189.0</u>
Finance income	0.5	0.7	3.8
Finance costs	(51.0)	(48.9)	(208.6)
Loss before taxation	<u>(22.9)</u>	<u>(5.8)</u>	<u>(15.8)</u>

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

The analysis above is in respect of continuing operations.

By geographical location of destination

	13 weeks to 28 September 2024 £'m	13 weeks to 30 September 2023 £'m	52 weeks to 29 June 2024 £'m
Revenue:			
United Kingdom	437.1	460.2	2,059.7
Republic of Ireland	13.1	13.2	65.6
	<u>450.2</u>	<u>473.4</u>	<u>2,125.3</u>

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Alternative performance measures (continued)

	13 weeks to 28 September 2024 £'m	13 weeks to 30 September 2023 £'m	52 weeks to 29 June 2024 £'m
Operating profit:			
United Kingdom	26.6	41.3	182.9
Republic of Ireland	1.0	1.1	6.1
	27.6	42.4	189.0

The analysis above is in respect of continuing operations.

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

4. Exceptional items

	13 weeks to 28 September 2024 £'m	13 weeks to 30 September 2023 £'m	52 weeks to 29 June 2024 £'m
Technical transformation spend	3.7	5.4	14.9
Restructuring costs	1.3	0.5	5.0
Property strategy costs	-	-	(0.1)
Logistics strategy costs	7.0	-	-
Release of site closure provisions	-	-	(0.2)
Impairment of intangible assets	-	-	1.4
Professional fees for corporate projects	1.6	-	8.3
Total exceptional costs	13.6	5.9	29.3

Progress continues on our multi-year technical transformation program, which involves moving a significant portion of the Group's current on-premises technology to the cloud by December 2025. This has resulted in a continued elevated level 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, £3.7m of costs have been classified as exceptional in relation to spend incurred on this program during the current period (13 week period ended 30 September 2023: £5.4m, 52 week period ended 29 June 2024: £14.9m).

The restructuring costs of £1.3m in the current period (13 week period ended 30 September 2023: £0.5m, 52 week period ended 29 June 2024 £5.0m) reflect expenditure on the rationalisation of processes and functions within The Very Group.

Professional fees of £1.6m in the current period (13 week period ended 30 September 2023: £nil, 52 week period ended 29 June 2024: £8.3m) relate to costs incurred in relation to corporate projects.

Logistics strategy costs of £7.0m in the current period (13 week period ended 30 September 2023; £nil, 52 week period ended 28 June 2024: £nil) relate to transition fees on logistics contracts held by the Group.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Exceptional items (continued)

In the 52 week period ended 29 June 2024 the release of a site closure provision of £0.2m relates to a dilapidation provision held for the closure of Littlewoods Clearance stores exited in previous years, the provision is no longer required.

In the 52 week period ended 29 June 2024 property strategy costs of £0.1m were released relating to a provision previously held for property changes made by the Group. Such changes include the closure of the Group's Lightbox site, the re-opening of Aintree and the re-location of operations across the property portfolio.

In the 52 week period ended 29 June 2024 an impairment charge of £1.4m was recognised in relation to intangible assets.

5. Derivative financial instruments

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

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

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

	28 September 2024 £'m	30 September 2023 £'m	29 June 2024 £'m
Notional amount – Sterling contract value	46.2	174.8	70.1
Fair value of asset/(liability) recognised	<u>(4.0)</u>	<u>4.2</u>	<u>-</u>

Changes in the fair value of derivative financial instruments amounted to a loss of £4.0m in the period (13 week period to 30 September 2023: gain of £7.7m, 52 week period to 29 June 2024: gain of £3.5m), which is included in administrative expenses and finance costs.

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

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

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Receivables

	28 September 2024 £'m	30 September 2023 £'m	29 June 2024 £'m
Non-current:			
Amounts owed by related parties (note 12)	521.9	510.0	520.7
	28 September 2024 £'m	30 September 2023 £'m	29 June 2024 £'m
Current:			
Trade receivables ⁶	28.1	27.6	34.8
Amounts owed by related parties (note 12)	0.2	4.7	-
Prepayments	191.2	190.1	191.8
Other receivables	87.1	61.7	84.4
Trade and other receivables	306.6	284.1	311.0
Receivables from customers:			
Advances to customers ⁶	1,399.0	1,411.7	1,437.5
Receivables	2,227.5	2,205.8	2,269.2

Amounts owed by related parties are unsecured, interest free and repayable on demand. Amounts owed by related parties have been presented as non-current receivables where it is not expected that the receivable will be repaid in the next 12 month period.

	28 September 2024 £'m	30 September 2023 £'m	29 June 2024 £'m
Gross trade and other receivables	1,660.9	1,688.9	1,711.1
Allowance for expected credit losses	(196.1)	(209.6)	(203.0)
Net trade and other receivables	1,464.8	1,479.3	1,508.1
Refund liabilities	(37.7)	(40.0)	(35.8)
Net receivables	1,427.1	1,439.3	1,472.3

The above analysis is in respect of advances to customers and trade receivables.

⁶ Refer to Note 2 for changes to comparative period information.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Income tax

Income tax expense is recognised based on management's best estimate of the full year effective tax rate based on estimated full year profits. For the 13 week period ended 28 September 2024 the effective tax rate that has been applied is (0.0%) (30 September 2023: 0.0%).

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

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

8. Provisions

	Restructuring £'m	Regulatory £'m	Total £'m
At 30 June 2024	4.7	3.0	7.7
Increase in provisions	1.2	-	1.2
Provisions released	-	-	-
Provisions utilised	(1.5)	-	(1.5)
At 28 September 2024	<u>4.4</u>	<u>3.0</u>	<u>7.4</u>
Non-current	1.1	3.0	4.1
Current	3.3	-	3.3
	<u>4.4</u>	<u>3.0</u>	<u>7.4</u>

£3.3m of the restructuring provision is expected to be utilised within 12 months. The remaining £1.1m is expected to be held until 2025 at which point previous contractual commitments will no longer be in place.

The regulatory provision reflects the estimated cost of all historical shopping insurance claims and associated processing costs. The provision of £3.0m is expected to be fully utilised after 12 months.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Provisions (continued)

	Restructuring £'m	Regulatory £'m	Total £'m
At 2 July 2023	3.9	4.4	8.3
Increase in provisions	0.5	0.6	1.1
Provisions released	(0.3)	-	(0.3)
Provisions utilised	(0.5)	(1.0)	(1.5)
At 30 September 2023	<u>3.6</u>	<u>4.0</u>	<u>7.6</u>
Non-current	1.1	3.0	4.1
Current	2.5	1.0	3.5
	<u>3.6</u>	<u>4.0</u>	<u>7.6</u>

	Restructuring £'m	Regulatory £'m	Total £'m
At 2 July 2023	3.9	4.4	8.3
Increase in provisions	4.5	-	4.5
Provisions released	(0.6)	-	(0.6)
Provisions utilised	(3.1)	(1.4)	(4.5)
At 29 June 2024	<u>4.7</u>	<u>3.0</u>	<u>7.7</u>
Non-current	1.1	3.0	4.1
Current	3.6	-	3.6
	<u>4.7</u>	<u>3.0</u>	<u>7.7</u>

9. Loans and borrowings

	28 September 2024 £'m	30 September 2023 £'m	29 June 2024 £'m
Secured non-current loans and borrowings at amortised cost			
Senior secured notes	586.4	581.7	594.6
Bank loans	16.6	23.7	20.3
Other external loans	50.0	-	50.0
	<u>653.0</u>	<u>605.4</u>	<u>664.9</u>
Securitisation facility	1,454.4	1,467.6	1,504.7
	<u>2,107.4</u>	<u>2,073.0</u>	<u>2,169.6</u>

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Loans and borrowings (continued)

	28 September 2024 £'m	Restated ⁷ 30 September 2023 £'m	29 June 2024 £'m
Current loans and borrowings at amortised cost			
Bank overdrafts	41.6	117.9	121.0
Securitisation facility	149.4	149.0	149.3
Bank loans	6.7	6.9	6.8
Other external loans	2.5	-	1.8
	<u>200.2</u>	<u>273.8</u>	<u>278.9</u>

The Group has a notional cash pooling facility whereby cash positive and negative balances with the same banks can be offset. The requirements for offsetting in accordance with IAS 32: 'Financial Instruments: Presentation' have not been met in the current or prior period. Prior period comparatives have therefore been restated by grossing up cash and overdrafts (reported within current borrowings). Going forward, the group will clearly demonstrate its intention at the period end date by physically netting off all balances and thus expects to meet the relevant criteria of IAS 32 to present net cash and cash equivalent balances.

Within the securitisation facility £19.3m (30 September 2023: £20.9m, 29 June 2024: £20.5m) is denominated in Euros and within bank loans £23.3m (30 September 2023: £30.6m, 29 June 2024: £27.0m) is denominated in Euros. The underlying currency of all the other borrowings and overdrafts is Sterling.

The borrowings are repayable as follows:

	28 September 2024 £'m	Restated ⁷ 30 September 2023 £'m	29 June 2024 £'m
Within one year	<u>200.2</u>	<u>273.8</u>	<u>278.9</u>
In the second year	56.7	6.9	56.8
In the third to fifth year	2,050.7	2,066.1	2,112.8
Over five years	-	-	-
Amount due for settlement after one year	<u>2,107.4</u>	<u>2,073.0</u>	<u>2,169.6</u>

⁷ Refer to Note 2 for prior period restatement.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Loans and borrowings (continued)

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

- (a) The Group has drawn £1,435.0m (30 September 2023: £1,446.7m, 29 June 2024 £1,484.1m) on its UK securitisation facility. This is secured by a charge over certain eligible trade debtors of the Group and is without recourse to any of the other Group assets. The securitisation facility expires in January 2027 for 'AS' Notes (£1,045.3m), 'AJ' Notes (£129.7m), 'B' Notes (£105.0m), 'C1' Notes (£105.0m) and 'C2' Notes (£50.0m). The total facility size at 28 September 2024 was £1,635.0m.
- (b) The Group has senior secured notes with a nominal value of £575.0m, at 6.5%, due August 2026 with a secured revolving credit facility with a nominal value of £150.0m which was fully drawn down at 28 September 2024 (30 September 2023: £150.0m facility fully drawn down, 29 June 2024: £150.0m facility fully drawn down). The senior secured notes are presented at amortised cost.
- (c) The Group has an Irish securitisation facility against which it has drawn down £19.3m (30 September 2023: £20.9m, 29 June 2024: £20.5m), secured by a charge over certain eligible trade debtors of the Group. The facility was extended in the prior year and has a total maximum commitment of €35.0m which expires in July 2026.
- (d) The Group subsidiary Primevere Equipment Limited holds a bank loan denominated in euros, which had a carrying value of £23.3m (30 September 2023: £30.6m, 29 June 2024: £27.0m). Regular payments are made against this loan which is expected to be fully settled in February 2028.
- (e) The Group has an external loan with a carrying value of £52.5m (30 September 2023: £nil, 29 June 2024: £51.8m) presented at amortised cost which expires in 2026. The loan is secured by a floating charge over present and future assets of Shop Direct Home Shopping Limited and Shop Direct Finance Company Limited, and a security interest in the shares of the Group.

10. Reconciliation of net cash and cash equivalents

	28 September	Restated⁷	29 June
	2024	30 September	2024
	£'m	2023	£'m
Cash at bank	53.2	127.8	140.8
Cash equivalents	-	27.9	33.5
Cash and cash equivalents in statement of financial position	<u>53.2</u>	<u>155.7</u>	<u>174.3</u>
Bank overdrafts	(41.6)	(117.9)	(121.0)
Cash and cash equivalents in statement of cashflows	<u>11.6</u>	<u>37.8</u>	<u>53.3</u>

The carrying amount of the cash and cash equivalents is approximately equal to fair value. Bank overdrafts that are repayable on demand, and form an integral part of the Group's cash management, are included as a component of cash and cash equivalents for the purposes of the cashflow statement.

⁷ Refer to Note 2 for prior period restatement.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Share Capital

Allotted, called up and fully paid shares

	28 September 2024		30 September 2023		29 June 2024	
	No. m	£'m	No. m	£'m	No. m	£'m
Ordinary shares of £1 each	200	200	200	200	200	200

The shares have attached to them full voting, dividend and capital distribution (including winding up) rights, they do not confer any rights of redemption.

12. Related party transactions

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

Purchase of services

	13 weeks to 28 September 2024 £'m	13 weeks to 30 September 2023 £'m	52 weeks to 29 June 2024 £'m
Yodel Delivery Network Limited ⁸	-	17.9	44.2
Arrow XL Limited	9.0	10.1	36.7
Trenport Property Holdings Limited	-	-	0.1
Shop Direct Holdings Limited	1.9	1.9	7.5
Societe Le Marchant	-	-	1.0
	10.9	29.9	89.5

⁸ Yodel Delivery Network Limited is no longer classified as a related party at the reporting date.

THE VERY GROUP LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the 13 weeks ended 28 September 2024

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Related party transactions (continued)

The Group had the following balances outstanding with its fellow related parties:

Amounts due from fellow related parties

	28 September 2024 £'m	30 September 2023 £'m	29 June 2024 £'m
Shop Direct Holdings Limited	510.3	501.7	509.1
Yodel Delivery Network Limited ⁸	-	4.7	-
Arrow XL Limited	0.2	-	-
Trenport Property Holdings Limited	8.3	8.3	8.3
Logistics Group Holdings Limited	-	-	3.3
LW Corporation Limited	3.3	-	-
	<u>522.1</u>	<u>514.7</u>	<u>520.7</u>

Amounts due to fellow related parties

	28 September 2024 £'m	30 September 2023 £'m	29 June 2024 £'m
Arrow XL Limited	-	0.7	0.2
VGL FinCo Limited	21.2	-	20.5
	<u>21.2</u>	<u>0.7</u>	<u>20.7</u>

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

Amounts recognised directly in equity

	28 September 2024 £'m	30 September 2023 £'m	29 June 2024 £'m
VGL FinCo Limited	3.8	-	4.5
	<u>3.8</u>	<u>-</u>	<u>4.5</u>

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

⁸ Yodel Delivery Network Limited is no longer classified as a related party at the reporting date.