

Registered number:
02142673

CURRYS RETAIL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 APRIL 2024



CURRYS RETAIL LIMITED

COMPANY INFORMATION

Directors Alexander David Baldock
Bruce Marsh
Edward John Connolly
Paula Coughlan
Andrew David Gamble
Lindsay Joanne Haselhurst

Company secretary Sarah Thomas

Registered number 02142673

Registered office 1 Portal Way
London
W3 6RS

Bankers HSBC
8 Canada Square
London
E14 5AH

National Westminster Bank
Western Avenue
Chatham
ME4 4RT

CURRYS RETAIL LIMITED

CONTENTS

	Page
Strategic Report	1 - 14
Directors' Report	15 - 17
Statement of Comprehensive Income	18
Balance Sheet	19
Statement of Changes in Equity	20
Notes to the Financial Statements	26 – 54
Alternative Performance Measures (APMs)	55- 59

CURRYS RETAIL LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 27 APRIL 2024

Introduction

The directors present their annual report and audited financial statements for the 52-week period ended 27 April 2024 for Currys Retail Limited (the "Company"). The directors, in preparing this strategic report, have complied with section 414C of the Companies Act 2006.

Principal activities

The principal activities of the Company during the year remained the sale of mobile handsets and connections, smartphones, mobile broadband, tablets, accessories and insurance products (covering loss, theft or damage to mobile handsets, tablets and laptops) through online platforms and through its store-within a store network.

The company enables the customer to compare a wide range of phones, tariffs and networks to find the right deal for them, whether they are getting a new network deal or upgrading on their current network.

Business review

- The profit before tax was £56.0m (2022/23: £89.2m). The adjusted profit before tax (see page 57) was £60.5m (2022/23: £79.2m).
- Revenue increased from £629.1m to £678.2m, driven primarily by an increase in handset sales.
- Adjusted EBIT reduced from a profit of £71.5m to a profit of £45.8m.
- Statutory operating profit reduced from £82.8m profit to £37.5m profit; this is explained above while the additional adjusting items are discussed below.
- Pre-tax adjusting items have changed year on year from a £10.0m credit to a £4.5m debit. This movement is explained below.

Adjusting items

Adjusting items, for the purpose of the Company's alternative performance measures as detailed on page 57, comprise:

- £1.8m (2022/23: £1.4m credit) has been recognised in relation to Carphone Warehouse standalone store closures. The credit in the prior period was a result of the release of lease liabilities and excess provisions following successful early exit negotiations on stores included within the closure programme.
- A charge of £6.5m (2022/23: £9.9m credit) following an increase in regulatory provisions in the period.
- A credit of £3.8m (2022/23: £1.3m charge) for interest accrued on corporation tax due relating to previous periods.

See page 57 for further information on the Company's alternative performance measures (APMs), including definitions, purpose, restatement and reconciliations to the nearest IFRS measure.

CURRYS RETAIL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Financial key performance indicators

KPIs are for the period until 27 April 2024 and are based on 52 weeks of trade (2022/23: 52 weeks).

Financial and operational

What we measure	Why we measure	Our performance	
		2024	2023
Statutory revenue	The ability to grow revenue is an important measure of a brand's appeal to customers and its competitive position. It is a key measure of the Company's progress against our strategic priority to continue to enhance and drive successful and sustainable retail business models in a multi-channel world.	£678.2m	£629.1m
Statutory operating profit	Statutory profit before interest and tax enables the Company to invest in its future and provide a return for shareholders. It is a key measure of progress against our strategic priority in returning mobile to profitability.	£37.5m	£82.8m
Adjusted EBIT (1)	Adjusted EBIT enables the Company to invest in its future and provide a return for shareholders. It is a key measure of progress against our strategic priority to continue to enhance and drive a successful and sustainable retail business model in a multi-channel world. Further information on this can be found in appendix A1.	£45.8m	£71.5m
Profit before tax	Profit before tax represents a measure of Company performance to external investors and stakeholders against our strategic priorities.	£56.0m	£89.2m
Adjusted profit before tax (1)	Adjusted profit before tax represents a measure of Company performance to external investors and stakeholders against our strategic priorities.	£60.5m	£79.2m

(1) Definitions of measurement for Alternative Performance Measures and reconciliations from Alternative Performance Measures to statutory measures are given in the glossary and definitions on pages 55 to 59.

CURRYS RETAIL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Financial key performance indicators (continued)

Net Promoter Score (NPS)	Customer satisfaction is vital to delivering our strategy and building a sustainable business. Net Promoter, a rating used by the Company to measure customers' likelihood to recommend its operations. NPS is now being calculated differently due to <i>business operating as one brand</i> and that has led to a change in NPS.	2024 60%	2023 56%
Colleague Engagement	Capable and committed colleagues are key to delivering our strategy. Our "Make a Difference" survey allowed our colleagues to provide honest and open feedback on what it is like to work at Currys.	2024 81%	2023 78%

⁽¹⁾ Definitions of measurement for Alternative Performance Measures and reconciliations from Alternative Performance Measures to statutory measures are given in the glossary and definitions on pages 55 to 59.

Future developments

Our Vision

As part of the Currys group, we share the same vision: 'We Help Everyone Enjoy Amazing Technology'. We help customers choose, afford and enjoying amazing technology however they choose to shop with us.

As a market leading technology products and services retailer, our vision drives everything we do, in all countries in which we operate. Customers find technology incredibly exciting, but also confusing and expensive. Our vision goes beyond ensuring customers can choose, afford and enjoy the right tech. We help customers make the most of *their amazing tech through our unique services. We get the product working; help give tech a longer life and help customers make the most of their products.* We are uniquely positioned to help customers throughout their life, and by doing so we will drive relationships that are long-lasting and more valuable to our customers and to us.

Our strategic priorities build on our strengths to help everyone enjoy amazing technology:

- Capable and committed colleagues – our greatest advantage – happy colleagues make happy customers and happy shareholders, and none of our competitors can match our thousands of expert colleagues.
- Customers need an easy shopping experience – For our customers, we will be easy to shop. We're strongest when we offer the best of both online and stores to customers, an omnichannel shopping experience.
- We are building customers for life – We want to be more valuable to customers. This means helping them to afford and enjoy their technology
- Our Credit and other Services, fuelled by data, help us build those longer-term customer relationships.

Energy and carbon reporting

A subsidiary company is exempt from Streamlined Energy and Carbon Reporting (SECR) if it is included within the group report of a parent company for a financial year that ends at the same time as, or before the end of, the subsidiary's financial year and the parent company gives disclosures that comply with the regulations. Currys plc report on carbon emission in its publicly available consolidated financial statements, which include Currys Retail Limited and its operations. Refer to note 25 for further details.

CURRYS RETAIL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Principal risks and uncertainties

The Company recognises that taking risks is an inherent part of doing business and that competitive advantage can be gained through effectively managing risk. The Company has developed and continues to evolve robust risk management processes, and risk management is integrated into business decision-making.

During 2023/24 a number of changes were made to the Company's Risk profile, these included:

- The supply chain logistics risk has been removed as a principal risk due to being consistently assessed as low, and aspects such as rising costs/ inflation forming part of the macroeconomic environment risk. The remaining supply chain sourcing risk has been renamed to supply chain resilience.
- The financial services regulation risk has increased in likelihood due to the heightened regulatory landscape and associated increase in regulation and legislation.

The principal risks and uncertainties, together with their impacts, are set out in the tables below along with an illustration of what is being done to mitigate them. The risk management process mirrors the operating model with each business unit responsible for the ongoing identification, assessment and management of their existing and emerging risks. These risks are aggregated by category and are consistent with the principal risks of Currys plc, the Company's ultimate parent, and can be found on pages 54 to 59 of its Annual Report and Accounts 2023/24.

In order to promote sustainable success, the business continues to analyse the risks likely to emerge in the short, medium and longer term that may impact the delivery of our Strategy. To provide a view over the medium to longer term, a horizon scanning approach is required.

Our approach to undertaking horizon scanning is based on conducting both reviews of external thought leadership and also through obtaining the views of key business stakeholders on emerging risks. The horizon scanning exercise is updated at least semi-annually to ensure that the horizon is consistently scanned for developments and changes that may impact the business, including, for example, how the macro economic environment and inflation could impact the cost of living and consumer spending.

Specific Risks and Potential Impacts

Principal Risk	What is the risk?	What is the potential impact?
STRATEGIC RISKS		
Macroeconomic environment	<ul style="list-style-type: none"> • The external macroeconomic environment in which we operate remains challenging with a range of existing, evolving and new emerging risks driving pressure on our financial performance. 	<ul style="list-style-type: none"> • The potential for increased operating costs to Currys plc • The potential for external factors to impact consumer demand which may in turn result in electrical spend by customers.
Business transformation	<ul style="list-style-type: none"> • Failure to respond with a business model that enables the business to compete against a broad range of competitors on service, price and / or product range. • Failure to optimise digital opportunities. • Failure to respond to changes in consumer preferences and behaviours. 	<ul style="list-style-type: none"> • Reduced revenue and profitability • Deteriorating cash flow • Reduced market share

CURRYS RETAIL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Specific Risks and Potential Impacts (continued)

STRATEGIC RISKS (continued)

Sustainability

- Our commitment to sustainability and being a good corporate citizen is either not delivered or not adequately communicated to or recognised by customers and investors.
- Reduced cash flow as customers shop elsewhere
- Reputational damage
- Loss of competitive advantage

REGULATORY RISKS

Breach of Financial Services

- Failure to manage the business of the Company in compliance with FCA regulation and other financial services regulation to which the Company is subject; including consumer credit activities.
- Enforcement action by the regulator
- Loss of authorisation and inability to trade regulated products

Data protection Compliance

- Major loss of customer, colleague, or business sensitive data.
- Adequacy of internal systems, policy, procedures and processes to comply with the requirements EU General Data Protection Regulation ('GDPR').
- Reputational damage
- Financial penalties
- Reduced revenues and profitability
- Deteriorating cash flow
- Customer compensation
- Reputational damage
- Financial penalties
- Reduced revenue and profitability
- Deteriorating cash flow
- Loss of competitive advantage
- Customer compensation

TECHNOLOGY RISKS

Failure of IT systems and infrastructure

A key system becomes unavailable for a period of time.

- Reduced revenue and profitability
- Deteriorating cash flow
- Loss of competitive advantage
- Restricted growth and adaptability
- Reputational damage

CURRYS RETAIL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Specific Risks and Potential Impacts (continued)

OPERATIONAL RISKS

Supply chain resilience - Logistics	<ul style="list-style-type: none"> • Overall capacity reduction across the SC and SO impacting the customer proposition and increased costs reducing EBIT and impacting operation of the business. 	<ul style="list-style-type: none"> • Reduced revenue and profitability • Deteriorating cash flow • Reduced market share • For equipment delays: direct impact on capacity which could impact our customer proposition • Ongoing labour shortages and the Cost-of-Living crisis are increasing cost to serve across the Supply Chain and Service Operations impacting on overall profitability
Information security	<ul style="list-style-type: none"> • Inadequate governance and control around information security could result in an information security breach compromising the confidentiality, integrity and/ or availability of customer, colleague or supplier data. 	<ul style="list-style-type: none"> • Reputational damage • Financial penalties • Reduced revenue and profitability • Deteriorating cash flow • Customer compensation • Loss of competitive advantage
Health and safety	<ul style="list-style-type: none"> • Failure to prevent injury or loss of life to customers, colleagues, contractors, franchisee partners, agency staff and the public which may have serious financial and reputational consequences. 	<ul style="list-style-type: none"> • Employee / customer illness, injury or loss of life • Reputational damage • Financial penalties • Legal action • Ongoing repercussions of Covid-19
Business Continuity and IT DR	<ul style="list-style-type: none"> • A major incident impacts the Company's ability to trade and business continuity plans are not effective, resulting in an inadequate incident response. 	<ul style="list-style-type: none"> • Reduced revenue and profitability • Deteriorating cash flow • Reputational damage • Loss of competitive advantage

CURRYS RETAIL LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 27 APRIL 2024**

Specific Risks and Potential Impacts (continued)

Example Mitigating Actions

Principal Risk	How we manage it	Changes since last report
STRATEGIC RISKS		
Our commitment to Sustainability	<ul style="list-style-type: none"> • Roadmap to Net Zero by 2040 • Commitment to EV100 • Oversight from Currys PLC ESG Committee • ESG strategy regularly reviewed • Maintenance of a brand tracker • Commitment to TCFD ahead of mandatory compliance • Independent reviews on environmental practices e.g. CDP • Horizon scanning • Partnerships with reputable external agencies Circular Electronics Partnership (on circular economy), British Retail Consortium (on climate change), Digital Poverty Alliance. • ESG included in SOX project at Group and regional level. • Management reporting on progress against target for e-waste (monthly) and emissions (quarterly) with metrics for both included in annual bonus scorecard 	<ul style="list-style-type: none"> • This risk has remained stable over 2023/24.
Macroeconomic environment	<ul style="list-style-type: none"> • Rolling forecast to analyse future expected performance across the financial year • Monthly Business Plan updates to the Executive Committee to analyse the investment initiatives taking place and progress against delivery and financial benefits, alongside more detailed daily and weekly training performance. • Cost flexibility in operating model • Hedging strategy in place (for foreign exchange and energy) • Expanding the availability of our credit and service offerings for customers in areas such as in order and collect 	<ul style="list-style-type: none"> • This risk has remained stable over 2023/24.

CURRYS RETAIL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Specific Risks and Potential Impact (continued)

Example Mitigating Actions (continued)

STRATEGIC RISKS (continued)

Business transformation	<ul style="list-style-type: none">• Continued strengthening of digital expertise as part of omnichannel capability• Transformation Programme office established and delivering key strategic objectives• Development of customer credit propositions• Development of omnichannel capabilities• Enhancement of data analytics capabilities• Robust portfolio governance	<ul style="list-style-type: none">• This risk has remained stable over 2023/24.
--------------------------------	---	---

REGULATORY RISKS

Breach of Financial Services	<ul style="list-style-type: none">• Board oversight and risk management structures actively monitor compliance and ensure that the Company's culture puts good customer outcomes first• Senior Manager and Certification Regime and if required CBI / other regulators certification implemented• Regulatory Compliance Committee, Product Governance and other internal governance structures• Control structures to ensure appropriate compliance• Compliance monitoring and internal audit review of the operation and effectiveness of compliance standards and controls• Recruitment, remuneration and training competency programmes• Conduct risk and control framework, including defined minimum control standard	<ul style="list-style-type: none">• This risk has increased in likelihood over 2023/24.
-------------------------------------	--	---

CURRYS RETAIL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Specific Risks and Potential Impact (continued)

Example Mitigating Actions (continued)

REGULATORY RISKS (continued)

Data Protection Compliance	<ul style="list-style-type: none">• The operation of a Data Management Function to ensure compliance with GDPR compliant operations processes and controls• The operation of a Data Protection Officer to ensure appropriate governance and oversight of the Company's data protection activities• Control activities operate over management of customer and employee data in accordance with the Company's data protection policy and processes• Investment in information security safeguards• IT security controls and monitoring	<ul style="list-style-type: none">• This risk has remained stable over 2023/24.
-----------------------------------	---	---

TECHNOLOGY RISKS

Failure of IT systems and infrastructure	<ul style="list-style-type: none">• Ongoing IT transformation to align IT infrastructure to the Company's strategic priorities• Peak planning and preparation to ensure system stability and availability over high-demand periods• Individual system recovery plans in place in the event of failure which are tested regularly, with full recovery infrastructure available for critical systems• Long-term partnerships with 'tier 1' application and infrastructure providers established• Strengthening of Technology leadership team• A mature IT Service Design & Transition process controls and manages the transition of new and changed services into production	<ul style="list-style-type: none">• This risk has remained stable over 2023/24.
---	--	---

CURRYS RETAIL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Specific Risks and Potential Impact (continued)

Example Mitigating Actions (continued)

OPERATIONAL RISKS

Supply Chain resilience – Logistics

- Longer term review of global sourcing to mitigate shipping costs with OEM teams as more volume moves to Europe
- Review of shift patterns to reduce reliance on agency colleagues within Logistics
- Long term strategy of using greater automation across the network.
- Central review of our response to the Cost of Living crisis ongoing
- Ongoing effort to De-risk next Peak to drive efficiency and reduce the requirements on temporary labour

- This risk has remained stable over 2023/24.

Information security

- Significant investment in information security safeguards, IT security controls, monitoring, in-house expertise and resources as part of a managed information security improvement plan
- Information security policy and standards defined and communicated
- Information Security and Data Protection Committee and Technology Risk Forum set up with responsibility for oversight, co-ordination and monitoring of information security policy and risk
- Infosec training and awareness programmes for employees
- Audit programme over key suppliers' information security standards
- Introduction of enhanced security tooling and operations
- Ongoing programme of penetration testing
- Security Operations Centre implemented

- This risk has remained stable over 2023/24.

CURRYS RETAIL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Specific Risks and Potential Impact (continued)

Example Mitigating Actions (continued)

OPERATIONAL RISKS (continued)

Health and safety	<ul style="list-style-type: none">• Company Health and Safety strategy• Comprehensive Health and Safety policies and standards supporting continued improvement• Health and Safety governance committee• Ongoing review of Pandemic controls to protect colleagues in the workplace and customers in the retail estate, including continuous monitoring of changing government regulation in all jurisdictions• Risk assessment programme covering retail, support centres, distribution and home services• Incident reporting tool and process• Health and Safety training and development framework• Health and Safety inspection programme• Audit programme including factory audits for own brand products and third-party supply chains	<ul style="list-style-type: none">• This risk has remained stable over 2023/24.
Business Continuity and IT DR	<ul style="list-style-type: none">• Business continuity and crisis management plans in place and tested for key business locations• Enablement of home working for office-based and contract centre colleagues• Disaster recovery plans in place and tested for key IT systems and data centres• Crisis team appointed to manage response to significant events• Major risks insured• Group Business Continuity strategy	<ul style="list-style-type: none">• This risk has remained stable over 2023/24.
Product safety	<ul style="list-style-type: none">• Factory Audits conducted over OEM suppliers• Technical evaluation of OEM products prior to production• Product inspection of OEM products prior to shipment.• Monitoring of reported incidents• Safety Governance reviews conducted by internal Technical and Business Standards teams• Establish protocols and procedures to manage product recalls	<ul style="list-style-type: none">• This risk has remained stable over 2023/24.

CURRYS RETAIL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Section 172(1) statement

Section 172(1) of the Companies Act 2006 requires each director to act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to the:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

The Board is the main decision-making body and is responsible for promoting the long-term sustainable success of the Company. As part of the decision-making process, the Board considers the stakeholders that may be impacted and the interests of those stakeholders including the matters listed in section 172(1).

The Company is an indirect wholly owned subsidiary of Currys plc, which is listed on the London Stock Exchange and subject to the UK Corporate Governance Code. The Currys plc section 172(1) statement is available on page 28 of its annual report and accounts 2023/24 and describes how the Group engages with stakeholders on behalf of all Group subsidiaries and complies with section 172(1). A clear corporate governance structure is in place which, together with the Group's Delegated Authority Policy, ensures that business decisions are made by the appropriate people, in the appropriate forum (in accordance with the terms of reference of that forum), and the relevant stakeholder considerations are embedded as part of decision-making processes.

The meeting papers for the Company's Board meetings include, for reference, a summary of section 172(1)

CURRYS RETAIL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Section 172(1) statement (continued)

responsibilities immediately after each meeting agenda. The Company's Board decision paper templates include mandatory fields for papers' authors to include an impact assessment on each stakeholder group. The Board acknowledges that decisions made will not necessarily result in a positive outcome for every stakeholder group. By considering the Currys plc purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Board of the Company does, however, aim to make sure that all decisions are considered and made following reflection across a broader view of stakeholder considerations.

The Company has the following main stakeholder groups:

How we engage	Stakeholder Focus	Our approach to engagement and how the Board is kept informed
OUR COLLEAGUES		
<ul style="list-style-type: none"> • Intranet • Emails • Executive Committee interactive videocalls and site visits • Team meetings • Meetings with line manager • Colleague surveys • Events including annual Peak event in the UK & Ireland and the Kampus event in the Nordics • Training at The Academy@Fort Dunlop • UK & Ireland and International Colleague Forums • Leadership Inclusion Forum 	<ul style="list-style-type: none"> • Company culture and values. • Well-being. • Reward. • Benefits. • Flexible working. • Health and safety. • Training and development. • Inclusion and diversity. • Company social purpose and sustainability. 	<ul style="list-style-type: none"> • New store-based colleagues that join the business in the UK attend a training event at The Academy@Fort Dunlop before they start work serving customers in stores. A separate induction programme is in place for corporate colleagues. • Regular colleague surveys are used to seek feedback which is then shared with the Board and used in decision-making. Nordics and UK & Ireland use the same engagement survey. During the year surveys were used to measure colleague engagement and seek feedback on topics including diversity and inclusion. • Directors visit stores and meet colleagues in person. The Board visited stores in Sweden and Denmark and the Company's distribution centre in Sweden during the year and this included meeting many colleagues from stores and Supply Chain teams.
OUR CUSTOMERS		
<ul style="list-style-type: none"> • In-store. • Online. • ShopLive • Customer app. • Customer centres. • Email. • Post-sales survey. • Social media • Customer insight work including focus groups 	<ul style="list-style-type: none"> • Product availability • Product range • Product value and affordability • Product sustainability and ethical sourcing • Customer journey experience • Services and Credit • Advice and support • Choice of how to purchase; online or in store • Seamless delivery experience 	<ul style="list-style-type: none"> • In July 2023 the Board received an update on the Customer Sales & Service (CSS) team including initiatives that had been completed to deliver improvements in customer satisfaction scores and increased adoption of services and credit. • In September 2023, the Board received an update on customer experience including the key contact points in the customer journey and a summary of active initiatives to enhance each stage.

CURRYS RETAIL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Section 172(1) statement (continued)

OUR COMMUNITIES AND ENVIRONMENT

- Surveys and forums.
- Website, reports and media including social media.
- Engagement meetings and events.
- Charity and supplier partnerships.
- Multi-stakeholder collaborations.
- We help everyone enjoy amazing technology.
- Being a responsible contributor to society.
- Being a good employer.
- Having sustainable business practices and minimising impact to the environment and addressing climate change.
- The Currys PLC Board has an ESG Committee to enable increased Board level focus on ESG activities in the Group for internal and external stakeholders and our communities. More information is available on page 107 of the Currys PLC Annual Report.
- The Company has a Sustainable Business team which oversees the Group's charitable partnerships and environment initiatives including engagement with these external stakeholders.

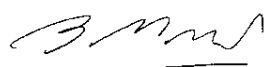
OUR SUPPLIERS AND PARTNERS

- Formal engagement strategy including regular visits and meetings.
- Supplier relationship management team.
- Supplier questionnaires.
- Due diligence process for new suppliers.
- Strong customer demand
- Good collaboration and communications
- Reliability
- Value
- Health and safety
- Compliance
- Sustainability and ethical sourcing
- The Board receives regular feedback on substantive supplier and partner matters via the Group Chief Executive and the Chief Commercial Officer including a UK & Ireland Commercial deep dive in September 2022.
- The Group Chief Executive participates in regular meetings with the Group's largest suppliers and partners and receives regular updates on all suppliers and partners from the Chief Commercial Officer.

OUR SHAREHOLDERS

- Annual report and accounts.
- Shareholder meetings
- Company website
- Registrar contact
- Consultation with major shareholders on key topics
- The Company's ultimate shareholder is Currys plc
- Ensuring the long-term sustainable future of the business.
- Financial and share price performance.
- Dividend policy and capital allocation
- Current trading
- Business strategy and vision
- Director remuneration
- Shareholder communications and engagement
- ESG issues
- The Investor Relations team manages a programme of regular meetings with the Group's largest shareholders and most of these meetings are also attended by at least one Board director. For other shareholders, the primary point of contact is the Company's registrar, although any matters can be escalated to either the Investor Relations or Company Secretariat teams as appropriate.

This report was approved by the board on 30 September 2024 and signed on its behalf by:



B Marsh
Director

CURRYS RETAIL LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 27 APRIL 2024

The directors present their report and the financial statements for the period ended 27 April 2024.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Results and dividends

The profit for the period, after taxation, amounted to £50.9 million (2022/23 - £83.1 million).

The directors recommend that no dividend be paid (2022/23: £Nil).

Going concern

In considering the going concern basis for preparing the financial statements, the Directors have considered the Company's objectives and strategy, risks and uncertainties in achieving its objectives and its business performance, as set out within this strategic report.

After reviewing the Company's expenditure commitments, current financial projections and expected future cash flows, together with the available cash resources and undrawn committed borrowing facilities, the Directors have considered that adequate resources exist for the Company to continue in operational existence for the foreseeable future and at least 12 months from the date of signing these financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

CURRYS RETAIL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Directors

The directors who served during the period were:

Alexander David Baldock
Bruce Marsh
Edward John Connolly
Paula Coughlan
Andrew David Gamble
Lindsay Joanne Haselhurst

Directors and officers liability insurance

Pursuant to Article 15 of the Articles of Association, the directors, secretary and other officers of the Company are entitled to be indemnified by the Company out of its own funds against liabilities arising from the conduct of the Company's business to the extent permitted by law. Qualifying third party indemnity insurance cover has been purchased which in general terms indemnifies individual directors and officers of the Company, the immediate parent company and all subsidiary companies, from personal legal liability and costs for claims arising out of actions taken in connection with the Company's business.

Capital structure

The Company's only class of share is ordinary shares. All ordinary shares are held by the Company's parent company, Carphone Warehouse Europe Limited. Details of the issued share capital during the year are provided in note 22 to the Financial Statements.

Financial risk management

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the main financial risks the directors consider relevant to the Company are credit risk and liquidity risk.

Credit risk

The Company's principal financial assets are bank balances and trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables, the majority of which are owed by major multi-national enterprises with whom the Company has well-established relationships and are consequently not considered to add significantly to the Company's credit risk exposure. The amounts presented in the balance sheet are net of expected credit losses. The Company has adopted the simplified approach to calculating expected credit losses allowed by IFRS 9. Historical credit loss rates are applied consistently to groups of financial assets with similar risk characteristics. These are then adjusted for known changes in or any forward-looking impacts on creditworthiness. Most groups of receivables have immaterial levels of credit risk.

Other receivables are primarily due from other group companies, including a loan receivable from the Company's ultimate parent Currys plc. All loans are repayable on demand and either have the liquid assets to repay the loans or have a recovery strategy in place.

The Company's bank balances and cash are centrally pooled with other subsidiaries of Currys plc. The credit risk on these centrally pooled bank and cash balances is limited as the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

CURRYS RETAIL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2024

Liquidity risk

Funding for all subsidiaries of Currys plc, including the Company, is arranged centrally. In order to ensure that sufficient funds are available for ongoing operations and future developments, Currys plc group has multi-currency revolving credit facilities of £627m, which mature in April 2026.

Research and development

The Company does not undertake any activities in the field of research and development in relation to either the Company or its subsidiary undertakings.

Employees

The Company places emphasis on its employees' involvement in the business at all levels. Managers are remunerated according to results wherever possible and all employees are kept informed of issues affecting the Company through formal and informal meetings and through the Company's intranet.

It is the Company's policy to assist the employment of disabled people, their training and career development, having regard to particular aptitudes and abilities. Every endeavour is made to find suitable alternative employment and to re-train any employee who becomes disabled while serving the Company.

Environment

A full analysis of the key regulatory and social risks of the industry in which Currys plc Group operates is described on pages 36-49 of the Group's Annual Report and Accounts 2023/24, which does not form part of this Report. As a subsidiary entity, the Company operates in accordance with Group policies.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

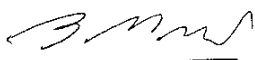
The prior period accounts ended 29 April 2023 were audited by KPMG LLP.

For the year ended 27 April 2024, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities in respect of audit exemption:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006; and
- The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

This report was approved by the board on 30 September 2024 and signed on its behalf by:



B Marsh
Director

CURRYS RETAIL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 27 APRIL 2024**

	Note	2024 £m	2023 £m
Revenue		678.2	629.1
Cost of sales		(610.0)	(520.4)
Gross profit		68.2	108.7
Administrative expenses		(26.2)	(35.9)
Exceptional other operating charges		(4.5)	10.0
Operating profit/(loss)	4	37.5	82.8
Interest receivable and similar income	7	20.2	9.3
Interest payable and similar expenses	8	(1.7)	(2.9)
Profit/(loss) before tax		56.0	89.2
Tax on profit/(loss)	9	(5.1)	(6.1)
Profit/(loss) for the financial period		50.9	83.1

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2024 (2023: £Nil).

The notes on pages 21 to 54 form part of these financial statements.

CURRYS RETAIL LIMITED

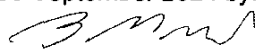
**BALANCE SHEET
AS AT 27 APRIL 2024**

	Note	27 April 2024 £m	29 April 2023 £m
Fixed assets			
Intangible assets	10	2.9	1.9
Tangible assets	11	0.2	0.2
Right of use assets	12	0.9	0.5
		4.0	2.6
Debtors: amounts falling due after more than one year	16	35.2	51.0
Current assets			
Stocks	15	43.2	40.0
Debtors: amounts falling due within one year	16	585.4	536.8
Cash at bank	17	1.1	4.4
		629.7	581.2
Creditors: amounts falling due within one year	18	(161.1)	(189.0)
Net current assets		468.6	392.2
Total assets less current liabilities		507.8	445.8
Creditors: amounts falling due after more than one year		(20.5)	(26.8)
		487.3	419.0
Provisions for liabilities			
Other provisions	21	(28.4)	(11.0)
Net assets		458.9	408.0
Capital and reserves			
Called up share capital	22	450.0	450.0
Capital redemption reserve*		-	-
Profit and loss account		8.9	(42.0)
		458.9	408.0

* Capital redemption reserve of £30,000 (2022/23: £30,000) that rounds to £Nil (2022/23: £Nil).

For the year ended 27 April 2024 the Company was entitled to exemption from audit under s. 479A of the Companies Act 2006. No members have required the Company to obtain an audit of its accounts for the period in question in accordance with s.476 of the Companies Act 2006. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2024 by:



B Marsh, Director

The notes on pages 21 to 54 form part of these financial statements.

CURRYS RETAIL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 27 APRIL 2024**

	Called up share capital	Profit and loss account	Total equity
	£m	£m	£m
At 30 April 2023	450.0	(42.0)	408.0
Comprehensive income for the period			
Profit for the period	-	50.9	50.9
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	50.9	50.9
	<hr/>	<hr/>	<hr/>
At 27 April 2024	<u>450.0</u>	<u>8.9</u>	<u>458.9</u>

Capital redemption reserve of £30,000 (2022/23: £30,000) that rounds to £Nil (2022/23: £Nil) and therefore not shown above.

The notes on pages 21 to 54 form part of these financial statements.

CURRYS RETAIL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 29 APRIL 2023**

	Called up share capital	Profit and loss account	Total equity
	£m	£m	£m
At 1 May 2022	<u>450.0</u>	<u>(125.1)</u>	<u>324.9</u>
Comprehensive income for the year			
Profit for the year	-	83.1	83.1
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	83.1	83.1
Contributions by and distributions to owners			
Share-based payments (note 23)	-	-	-
Total transactions with owners	-	-	-
At 29 April 2023	<u>450.0</u>	<u>(42.0)</u>	<u>408.0</u>

Capital redemption reserve of £30,000 (2021/22: £30,000) that rounds to £Nil (2020/21: £Nil) and therefore not shown above.

The notes on pages 21 to 54 form part of these financial statements.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

1. General information

Currys Retail Limited (the "Company") is a private company limited by shares, incorporated under the Companies Act 2006 in the United Kingdom. The Company is domiciled in the United Kingdom and registered in England and Wales with its registered office at 1 Portal Way, London, W3 6RS.

The nature of the Company's operations and its principal activities are set out in the strategic report on Page 2.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the consolidated financial statements of Currys plc. The Annual Report and Accounts 2023/24 of Currys plc are available to the public and can be obtained as set out in note 26.

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council (FRC) and is exempt from the obligation to prepare and deliver group accounts. Accordingly, the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the FRC.

The financial statements have been presented in Pounds Sterling, the functional currency of the Company derived from the Company's primary economic environment, and on the historical cost basis except for certain items measured on a revaluation basis, as set out in the accounting policies below.

In addition to IFRS measures, the Company uses certain alternative performance measures that are considered to be additional informative measures of ongoing trading performance of the Company and are consistent with how performance is measured internally. The alternative performance measures used by the Company in addition to IFRS measures are included within the glossary and definitions on page 55-59. This includes further information on the definitions, purpose, and reconciliation to IFRS measures of those alternative performance measures that are used for internal reporting and presented to Chief Operating Decision Maker (CODM). The CODM has been determined to be the Board.

Certain other new accounting standards, amendments to existing accounting standards and interpretations which are in issue but not yet effect either do not apply to the Company or are not expected to have a material impact on the Company's net results or net assets.

The principal accounting policies are set out below. Except as noted above, all these policies have been applied consistently by the Company throughout the financial year and the preceding financial year.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of Currys PLC as at 27 April 2024 and these financial statements may be obtained from 1 Portal Way, London, W3 6RS.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

2. Accounting policies (continued)

2.3 Going concern

Going concern is the basis of preparation of the financial statements that assumes an entity will remain in operation for a period of at least 12 months from the date of approval of the financial statements. The Company's business activities, factors likely to affect future development, performance and position, as well as the principal risks are set out in the Strategic Report on pages 1 to 14. The Company generated a net profit of £50.9m during the period ended 27 April 2024 and, at that date, the Company had net current assets of £468.6m, including £384.9m relating to net amounts receivable from other Group companies, the repayment of which is dependent on the overall Group financing arrangements as described below.

The receivable exists as the Company participates in a Group cash concentration arrangement whereby excess funds are placed on an intercompany deposit that can be recalled at any time.

As discussed on page 54, as part of the Currys plc group, the Company benefits from the Currys group's total committed borrowing facilities of £627m, which provide the appropriate level of committed financing for the Company's needs. Further information on the funding arrangements and management can be found in notes 16 and 23 of the Currys plc Annual Report and Accounts 2023/24. The results of the Company are consolidated in the group that is headed by Currys Plc ("the Group"). Under the Group's financing agreements, guarantees are provided by several of the Group's operating subsidiaries, including the Company. As such, the Company's ability to continue as a going concern is subject to the Group's availability to its funding arrangements, as a whole.

The directors are of the opinion that the Company's forecasts and projections, which take into account reasonably possible changes in trading performance including the impact of increased uncertainty and inflation in the wider economic environment, show that the Group is able to operate within its current facilities and comply with its banking covenants for at least 12 months from the date of approval of these financial statements. In arriving at their conclusion that the Group has adequate financial resources, the directors considered the level of borrowings and facilities and that the Group has a robust policy towards liquidity and cash flow management.

Accordingly, the Directors believe that the Company is well placed to manage its financing and other significant risks satisfactorily and that the Company will be able to operate within the level of its facilities for the foreseeable future. The Board therefore consider it appropriate for the Company to adopt the going concern basis in preparing its financial statement.

2.4 Foreign currency translations and transactions

Transactions in foreign currencies are recorded at the rates of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 Revenue and supplier income

Revenue comprises sales of goods and services excluding sales taxes. Revenue is measured on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to the customer, fulfilling the obligations privy to the contract with customers. The following accounting policies are applied to the principal revenue generating activities in which the Company is engaged:

- network commission revenue is recognised at a point in time on completion of the performance obligation under the individual contract with the mobile network operator (MNO);
- revenue from the sale of goods is recognised at the point of sale or, where later, upon delivery to the customer;
- revenue arising on services (including delivery and installation, product repairs and product support) is recognised when the obligation to the customer is fulfilled; and
- insurance revenue relates to the sale of third-party insurance products. Sales commission received from third parties is recognised when the insurance policies to which it relates are sold. Although there are no ongoing performance obligations, future commission receivable can vary due to consumer behaviour however it is only recognised to the extent that it is highly probable that there will not be a significant reversal of revenue. The Company recognises a contract asset in relation to this revenue. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point in which it becomes billable and is no longer conditioned on something other than the passage of time. Revenue from the provision of insurance administration services is recognised over the life of the relevant policies when the Company's performance obligations are satisfied.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

2. Accounting policies (continued)

2.6 Revenue and supplier income (continued)

Network Commissions

Revenue from network commissions is recognised on completion of the performance obligation under the contracts with the MNO. Over the life of these contracts the service provided by the Group to the MNO is the procurement of connections to the MNO's network.

The Company acts as an agent and earns a commission for the service provided to the MNO ('network commission'). Revenue is recognised at the point the individual consumer signs a contract with the MNO. The level of network commission earned is based on a share of the monthly payments made by the consumer to the MNO, including contractual monthly line rental payments together with a share of 'out-of-bundle' spend, spend after the contractual term, and amounts due from customer upgrades performed directly by the network.

The method of measuring the value of the revenue and contract asset in the month of connection is to estimate all future cash flows that will be received from the network and discount these based on the expected timing of receipt. Transaction price is estimated based on extensive historical evidence obtained from the network and an adjustment is made for expected and possible changes in consumer behaviour including as a result of regulatory changes impacting the sector.

Revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of revenue recognised will not occur. This is based on the best estimate of expected future trends.

Income received from suppliers such as volume rebates

The Company's agreements with suppliers contain a price for units purchased as well as other rebates and discounts which are summarised below:

Volume Rebates: This income is linked to purchases made from suppliers and is recognised as a reduction to cost of goods sold as inventory is sold. Unearned rebates that relate to inventory not sold are recognised within the value of inventory at the year end. Where an agreement spans period ends, judgement is required regarding amounts to be recognised. Forecasts are used as well as historical data in the estimation of the level of income recognised. Amounts are only recognised where the Company has a clear entitlement to the receipt of the rebate and a reliable estimate can be made.

Discounts: This income is received from suppliers on a price per unit basis. The level of estimation is minimal as amounts are recognised as a reduction to cost of goods sold based on the agreement terms and only once the item is sold.

Marketing income: This income is received in relation to marketing activities that are performed on behalf of suppliers. Marketing income is recognised over the period as set out in the specific supplier agreements and is recognised as a reduction to cost of sales.

Supplier funding amounts that have been recognised and not invoiced are shown within accrued income on the balance sheet.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

2. Accounting policies (continued)

2.7 Retirement benefit obligations

Company contributions to defined contribution pension schemes are charged to the income statement on an accruals basis when employees have rendered service entitling them to the contributions.

2.8 Leases

A lease is classified as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

The Company as a lessee

The Company's leasing activities predominantly relate to retail store properties and distribution properties as well as distribution vehicle fleet. The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Group's weighted average incremental borrowing rate and subsequently held at amortised cost in accordance with IFRS 9.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

2. Accounting policies (continued)

2.8 Leases (continued)

The Company as a lessee (continued)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

2. Accounting policies (continued)

2.8 Leases (continued)

The company as a lessee (continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.12.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

2. Accounting policies (continued)

2.8 Leases (continued)

The Company as a lessor

The Company is a lessor predominantly when subleasing retail store properties that are no longer open for trading. Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

2.9 Taxation

Current taxation

Current tax is provided at amounts expected to be paid or recovered using the prevailing tax rates and laws that have been enacted or substantively enacted by the balance sheet date and adjusted for any tax payable in respect of previous years.

Deferred taxation

Deferred tax liabilities are recognised for all temporary differences between the carrying amount of an asset or liability in the balance sheet and the tax base value and represent tax payable in future periods. 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.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted, or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset against each other when they relate to income taxes levied by the same tax jurisdiction and when the Company intends to settle its current tax assets and liabilities on a net basis. Deferred tax balances are not discounted.

Current tax and deferred tax for the year

Current and deferred tax is recognised in the income statement except when they relate to items that are recognised in other comprehensive income and expense or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income and expense or directly in equity as appropriate.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

2. Accounting policies (continued)

2.10 Intangible assets

Customer relationships

Customer relationships purchased as part of acquisitions of businesses are capitalised and amortised over their useful economic lives on a straight-line basis. These intangible assets are stated at cost less accumulated amortisation and, where appropriate, provision for impairment in value or estimated loss on disposal.

Software and licences

Software and licences include costs incurred to acquire the assets as well as internal infrastructure and design costs incurred in the development of software in order to bring the assets into use.

Internally generated software is recognised as an intangible asset only if it can be separately identified, it is probable that the asset will generate future economic benefits which exceed one year, and the development cost can be measured reliably. Where these conditions are not met, development expenditure is recognised as an expense in the year in which it is incurred. Costs associated with developing or maintaining computer software are recognised as an expense as incurred unless they increase the future economic benefits of the asset, in which case they are capitalised.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Software is stated at cost less accumulated amortisation and, where appropriate, provision for impairment in value or estimated loss on disposal. Amortisation is provided to write off the cost of assets on a straight-line basis over five years.

Where intangible assets form part of a separate cash generating unit (CGU), such as corporate assets used by multiple company's within the Currys group, and business indicators exist which could lead to the conclusions that the net book value is not supportable, the recoverable amount of the CGU, or group of CGUs for corporate assets, is determined by calculating its value in use. The value in use is calculated by applying discounted cash flow modelling to management's projection of future profitability and any impairment is determined by comparing the net book value with the value in use.

Amortisation is provided on the following bases:

Customer relationships	-	25% Per annum
Software and Licenses	-	20% Per annum

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

2. Accounting policies (continued)

2.11 Property, plant and equipment

Property, plant & equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

With the exception of land, depreciation is provided to write off the cost of the assets over their expected useful lives from the date the asset was brought into use or capable of being used on a straight-line basis.

Property, plant & equipment are assessed on an ongoing basis to determine whether circumstances exist that could lead to the conclusion that the net book value is not supportable. Where assets are to be taken out of use, an impairment charge is levied.

Where the property, plant & equipment form part of a separate cash generating unit (CGU), such as a store or corporate assets used by multiple company's within the Currys group, and business indicators exist which could lead to the conclusions that the net book value is not supportable, the recoverable amount of the CGU, or group of CGUs for corporate assets, is determined by calculating its value in use. The value in use is calculated by applying discounted cash flow modelling to management's projection of future profitability and any impairment is determined by comparing the net book value with the value in use.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Buildings	- 2%	per annum
Fixtures, fittings and equipment	- 20%	per annum
Motor vehicles	- 25%	per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

2. Accounting policies (continued)

2.13 Investment in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment in value. Investments are assessed for indicators of impairment at each balance sheet date. If there is objective evidence that the recoverable value of the investment has been reduced, an impairment loss is recognised in profit or loss. The recoverable amount of an investment is the higher of its fair value less costs to sell and its value in use.

2.14 Inventories

Inventories are stated at the lower of average cost and net realisable value, and on a weighted average cost basis. Cost comprises direct purchase cost and those overheads that have been incurred in bringing the inventories to their present location and condition less any attributable discounts and bonuses received from suppliers in respect of that inventory. Net realisable value is based on estimated selling price, less further costs expected to be incurred to disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

2.15 Financial instruments

Non-derivative financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the investment. The Company's financial assets comprise investments in subsidiaries, cash and cash equivalents and those receivables which involve a contractual right to receive cash from external parties. Financial assets comprise all items shown in notes 13, 14, 16 and 17 with the exception of prepayments and contract assets.

When the Company recognises a financial asset, it classifies it in accordance with IFRS 9 depending on the Company's intention with regard to the collection, or sale, of contractual cash flows and whether the financial asset's cash flows relate solely to the payment of principal and interest on the principal outstanding. All of the Company's assets measured at amortised cost are subject to impairments driven by the expected credit loss (ECL) model. The Company has adopted the simplified approach to calculate lifetime expected credit losses. Historical credit loss rates are applied consistently to groups of financial assets with similar risk characteristics. These are then adjusted for known changes in, or any forward-looking impacts on creditworthiness.

Financial assets are derecognised when the contractual rights to the cash flows expire or the Company transfers the financial asset in a way that qualifies for derecognition in accordance with IFRS 9.

Non-derivative financial liabilities

The Company's financial liabilities are those which involve a contractual obligation to deliver cash to external parties at a future date. Financial liabilities comprise all items shown in notes 18 and 19 with the exception of other taxation and social security, contract liabilities and other non-financial creditors. Financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities (or a part of a financial liability) are derecognised when the obligation specified in the contract is discharged, cancelled or expires. In the event that the terms in which the Company is contractually obliged are substantially modified, the financial liability to which it relates is derecognised and subsequently re-recognised on the modified terms.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

2. Accounting policies (continued)

2.16 Debtors

Trade and other receivables are initially measured at their transaction price. Where there is a significant financing component, trade and other receivables are discounted at contract inception using a discount rate that is at an arm's length basis and such that would be reflected in a separate financing transaction between the Company and the customer. Other receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, trade and other receivables are measured at amortised cost.

Receivable balances with other Group entities are reviewed for potential impairment based on the ability of the counterparty to meet its obligations. The net current asset / liability position of the entity is considered and where the amount due to the Company is not covered, the estimated cashflows of the counterparty and subsidiary companies with the ability to distribute cash to it are considered.

2.17 Cash and cash equivalents

Cash and cash equivalents are classified as held at amortised cost, comprising cash at bank and in hand, bank overdrafts and short term highly liquid deposits which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under current liabilities.

2.18 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are discounted where the time value of money is considered to be material.

Provisions for onerous contracts are recognised when the Company believes that the unavoidable costs of meeting or exiting the contract exceed the economic benefits expected to be received under the contract. Where the Company has assets dedicated to the fulfilment of a contract that cannot be redirected, an impairment loss is recognised before a separate provision for an onerous contract.

A restructuring provision is recognised when the Company 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.

All provisions are assessed by reference to the best available information at the balance sheet date.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Critical accounting judgements and estimates used in the preparation of the financial statements are continually reviewed and revised as necessary.

Whilst every effort is made to ensure that such judgements and estimates are reasonable, by their nature they are uncertain, and as such changes may have a material impact.

Key sources of estimation uncertainty

Revenue recognition

For certain transactions with mobile network operators ('MNO'), the quantum of commission receivable on mobile phone connections depends on consumer behaviour after the point of sale. This leads to an estimate over the transaction price due to the variability of revenue. A level of constraint is applied to the revenue recognition to ensure revenue is only recognised when it is highly probable there will not be a significant reversal. By the nature of this constraint, applied in line with IFRS 15: 'Revenue from Contracts with Customers', it is possible that additional revenue will be recognised in future periods from performance obligations satisfied in prior periods. For example, the network commission receivables are routinely increased each year in line with the Retail Prices Index ('RPI'), however, as part of the variable revenue constraint, the Company does not include this RPI estimate in the revenue recognised at point of sale.

For the year ended 27 April 2024, the revenue recognised includes a value of £3.9m (2022/23: £9.1m) relating to the application of RPI increases on end consumer contracts by the respective MNO relating to performance obligations satisfied in prior periods. As a result of the revenue constraints applied to counteract the estimation uncertainty over consumer behaviour, it is reasonably possible that additional revenue may be recognised in the next financial year from performance obligations satisfied in prior periods of between £Nil and £3.9m (2022/23: between £Nil and £16.4m).

Further details of the estimations involved with network commissions can be found in note 3 to the Currys plc Annual Report and Accounts 2023/24. A reconciliation of movements in the network commission receivables within the year is included in note 16.

Critical accounting judgements

Taxation

Judgement is required in determining the appropriate provision for transactions where the ultimate tax determination is uncertain. The Company recognises a provision when it is probable that an obligation to pay tax will crystallise as a result of a past event. The quantum of provision recognised is based on the best information available and has been assessed by in-house tax experts, and where appropriate third-party taxation and legal specialists, and represents the Company's best estimate of the most likely outcome. Where the final outcome of such matters differs from the amounts initially recorded, any differences will impact the income tax and deferred tax provisions in the year to which such determination is made.

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

4. Revenue and operating profit

	2024	<i>2023</i>
	£m	<i>£m</i>
Revenue	678.2	<i>629.1</i>
Cost of sales	(610.0)	<i>(520.4)</i>
Gross profit	68.2	<i>108.7</i>
Operating expenses	(30.7)	<i>(25.9)</i>
Operating profit/ (loss)	<u>37.5</u>	<i><u>82.8</u></i>

The Company's disaggregated revenues in accordance with IFRS 15, 'Revenue from Contracts with Customers' relates to the following revenue streams, all of which originates in the UK:

	2024	<i>2023</i>
	£m	<i>£m</i>
Sale of goods	509.7	<i>383.2</i>
Commission revenue	149.0	<i>245.7</i>
Other services revenue	19.6	<i>0.2</i>
Total revenue	<u>678.2</u>	<i><u>629.1</u></i>

Revenue from rendering of services predominantly comprises those relating to commissions from MNOs and insurance.

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2024	<i>2023</i>
	£m	<i>£m</i>
Depreciation of tangible fixed assets	-	0.3
Impairment of tangible fixed assets	-	-
Depreciation of right-of-use assets	0.3	0.4
Impairment of right-of-use assets	-	-
Amortisation of intangible assets, including goodwill	0.8	0.8
Net (reversal)/impairment of financial assets	-	-
Impairment of investment in subsidiaries	-	-
Impairment charge of inventory	4.6	5.2
Cost of stocks recognised as an expense	384.5	354.7
Income from subleasing right-of-use assets	-	-
Share-based payment expense	-	-
Other employee costs (see note 6)	20.1	25.1
Other exceptional (expense)/income*	(4.5)	10.0
Auditor's remuneration – audit of the financial statements	-	0.1

*Other exceptional expense/ (income) is further detailed within A2 of the glossary

The total value of other assurance services provided by the auditor in the year was £Nil (2022/23: £Nil). For the year ended 27 April 2024 the Company was entitled to exemption from audit under s. 479A of the Companies Act 2006 and thus no audit fees were incurred.

6. Employees and directors

Staff costs for the year were:

	Period ended 27 April 2024 £m	<i>Period ended 29 April 2023 £m</i>
Wages and salaries	18.0	22.5
Social security costs	1.6	2.0
Other pension costs	0.5	0.6
Share-based payments	-	-
	<u>20.1</u>	<u>25.1</u>

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

6. Employees and directors (continued)

Remuneration of the directors for services to the company:

	Period ended 27 April 2024 £m	<i>Period ended 29 April 2023 £m</i>
Emoluments	2.8	<i>1.8</i>
	2.8	<i>1.8</i>

Three directors (2022/23: Four) received contributions under money purchase pension schemes where Company contributions were £14,000 (2022/23: £12,000). £Nil was paid to directors for loss of office during the year (2022/23: £Nil). Five directors exercised shares during the period (2022/23: Two).

Remuneration of the highest paid directors was:

	Period ended 27 April 2024 £m	<i>Period ended 29 April 2023 £m</i>
Emoluments	1.2	<i>0.7</i>
	1.2	<i>0.7</i>

Emoluments include cash bonuses payable in respect of the relevant financial year.

The Company paid £Nil in relation to the highest paid director in respect of money purchase pension schemes (2022/23: £Nil). The highest paid directors exercised 1,376,628 share options in the year (2022/23: 888,969).

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

7. Interest receivable

	2024	<i>2023</i>
	£m	<i>£m</i>
Interest receivable from group companies	16.4	<i>7.1</i>
Other interest receivable	3.8	<i>2.2</i>
	<u>20.2</u>	<i><u>9.3</u></i>

8. Interest payable and similar expenses

	2024	<i>2023</i>
	£m	<i>£m</i>
Bank interest payable	0.1	<i>0.1</i>
Other loan interest payable	-	<i>0.8</i>
Interest on lease liabilities	1.6	<i>2.0</i>
	<u>1.7</u>	<i><u>2.9</u></i>

9. Taxation

	2024	<i>2023</i>
	£m	<i>£m</i>
Corporation tax		
Adjustments in respect of prior periods	5.1	<i>6.2</i>
Total current tax	<u>5.1</u>	<i><u>6.2</u></i>
Taxation on profit on ordinary activities	<u>5.1</u>	<i><u>6.2</u></i>

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

9. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is the standard rate of corporation tax in the UK of 25% (2022/23 – 19.5%) as set out below:

	2024	2023
	£m	£m
Profit/(loss) on ordinary activities before tax	<u>56.0</u>	<u>89.2</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2022 – 19.5%)	14.0	17.4
Effects of:		
Movement in unprovided deferred tax	(5.1)	(5.6)
Expenses not deductible for tax purposes	(0.1)	-
Tax losses (claimed)/ surrendered from/ to other group companies	(8.8)	(13.1)
Effect of change in tax rate	-	1.2
Other tax adjustments	-	-
Increase in tax provisions	-	-
Adjustments in respect of prior periods	5.1	6.2
Total tax charge for the period/year	<u>5.1</u>	<u>6.1</u>

Deferred tax

	Accelerated capital allowance	Other timing differences	Total
	£m	£m	£m
Deferred tax asset at 29 April 2023	-	-	-
(Charge)/credit to profit and loss account - current year	-	-	-
(Charge)/credit to profit and loss account - prior year	-	-	-
(Charge)/credit to reserves	-	-	-
Deferred tax assets at 27 April 2024	<u>-</u>	<u>-</u>	<u>-</u>

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

9. Taxation (continued)

Deferred tax (continued)

The company has unrecognised deferred tax asset of £112.2m (2022/23: £117.3m) on tax losses of £391.8m (2022/23: £396.8m), £114.2m (2022/23: £16.8m) on excess capital allowances of £56.7m (2022/23: £67.2m) and £0.1m (2022/23: £1.3m) on other temporary differences of £0.4m (2022/23: £5.2m).

10. Intangible assets

	Customer relationships £m	Software and licences £m	Total £m
Cost			
At 30 April 2023	5.9	165.5	171.4
Additions - internal	-	1.8	1.8
Disposals	(5.9)	(159.4)	(165.3)
At 27 April 2024	-	7.9	7.9
Amortisation			
At 30 April 2023	5.9	163.6	169.5
Charge for the period on owned assets	-	0.8	0.8
Disposals	(5.9)	(159.4)	(165.3)
At 27 April 2024	-	5.0	5.0
Net book value			
At 27 April 2024	-	2.9	2.9
At 29 April 2023	-	1.9	1.9

There are assets under construction included in net book value of software and licences of £0.3m (2022/23: £0.1m).

No impairments were recognised in the year (2022/23: £Nil).

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

11. Tangible fixed assets

	Short-term leasehold property £m	Motor vehicles £m	Fixtures and fittings £m	Total £m
Cost or valuation				
At 30 April 2023	12.2	2.5	1.3	16.0
Disposals	(0.2)	-	-	(0.2)
At 27 April 2024	<u>12.0</u>	<u>2.5</u>	<u>1.3</u>	<u>15.8</u>
Depreciation				
At 30 April 2023	12.2	2.5	1.1	15.8
Disposals	(0.2)	-	-	(0.2)
At 27 April 2024	<u>12.0</u>	<u>2.5</u>	<u>1.1</u>	<u>15.6</u>
Net book value				
At 27 April 2024	<u>-</u>	<u>-</u>	<u>0.2</u>	<u>0.2</u>
At 29 April 2023	<u>-</u>	<u>-</u>	<u>0.2</u>	<u>0.2</u>

There are no assets under construction included within the net book value of property, plant and equipment (2022/23 £Nil).

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

12. Right-of-use assets

	27 April 2024 £m	<i>29 April 2023 £m</i>
Land and buildings	0.9	<i>0.5</i>
	0.9	<i>0.5</i>

Additions to the right-of-use assets for the year were £0.7m (2022/23: £0.1m).

Disposal to the right-of-use asset for the year were £nil (2022/23: £1.3m).

Total cash outflow for leases amounted to £8.1m (2022/23: £10m).

Amounts recognised in profit and loss:

	29 April 2023 £m	<i>29 April 2023 £m</i>
Depreciation of right-of-use assets	0.3	<i>0.4</i>
Impairment of right-of-use assets	-	-
Interest expenses on lease liability	1.6	<i>2.0</i>
Income from subleasing right-of-use assets	-	-

13. Lease receivables

Under IFRS 16, an intermediate lessor accounts for the head lease and sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease. The Company's finance lease arrangements do not include variable payments.

	2024 £m	<i>2023 £m</i>
Net investment in the lease analysed as:		
Recoverable after 12 months	0.1	<i>0.1</i>
Recoverable within 12 months	-	<i>0.2</i>
	0.1	<i>0.3</i>

CURRY'S RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

13. Lease receivables (continued)

The Company applies the simplified model in accordance with IFRS 9 to recognise lifetime expected credit losses on lease receivables. The value of the expected credit loss on lease receivables is immaterial.

The Company is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the functional currency.

Undiscounted amounts are receivable under sub-leases classified as operating leases:

	2024	2023
	£m	£m
Year 1	0.1	0.2
Year 2	0.1	0.1
Year 3	-	0.1
Year 4	-	-
Undiscounted lease payments	0.1	0.3
Unearned finance income	-	-
Net investment in the lease	0.1	0.3

14. Fixed asset investments

	Investments in subsidiary companies £m
Cost or valuation	
At 30 April 2023	56.4
At 27 April 2024	56.4
Impairment	
At 30 April 2023	56.4
At 27 April 2024	56.4
Net book value	
At 30 April 2023	-
At 27 April 2024	-

An impairment of £Nil (2022/23: £Nil) was recognised in relation to the company's investment in CPW Technology Services Limited. This represents the residual value of the investment after the return of capital, thus reducing the carrying amount of this investment to £Nil. Please refer to note 27 for a list of investments held by the Company.

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

15. Stocks

	27 April 2024 £m	<i>29 April 2023 £m</i>
Finished goods and goods for resale	43.2	40.0
	43.2	<i>40.0</i>

Included in stock balance is stock provision amounting to £12.5m (2023: £12.1m)

16. Debtors

	27 April 2024 £m	<i>29 April 2023 £m</i>
Due after more than one year		
Lease receivable	-	<i>0.1</i>
Prepayments	0.1	<i>0.3</i>
Other Debtors	1.2	-
Contract assets	33.9	<i>50.6</i>
	35.2	<i>51.0</i>

	27 April 2024 £m	<i>29 April 2023 £m</i>
Due within one year		
Trade debtors	35.9	<i>38.0</i>
Less expected credit loss allowance	(5.8)	<i>(5.4)</i>
Amounts owed by parent company	435.0	<i>358.9</i>
Amounts owed by group companies	63.2	<i>84.4</i>
Prepayments	2.0	<i>3.3</i>
Accrued income	32.1	<i>23.0</i>
Contract assets	22.5	<i>34.4</i>
Tax and Social Security	0.5	-
Lease receivable	-	<i>0.2</i>
	585.4	<i>536.8</i>

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

16. Debtors (continued)

The majority of trade and other receivables are non-interest bearing. Non-current receivables mainly comprise commission receivable on sales. Where there is a significant financing component, trade and other receivables are discounted at contract inception using a discount rate which is at an arm's length basis and which would be reflected in a separate financing transaction between the Company and the customer. The carrying amount of trade and other receivables approximates fair value. The Company does not hold any collateral as security over the receivables balance.

The timing of revenue recognition, billings and cash collection results in trade receivables (billed amounts) and contract assets (unbilled amounts) on the Company's balance sheet. For services in which revenue is earned over time, amounts are billed in accordance with contractual terms, either at periodic intervals or upon achievement of contractual milestones.

Amounts due from ultimate parent company comprises an unsecured loan receivable repayable on demand with interest, charged at the relevant Bank of England base rate plus 135 basis points, capitalised on a monthly basis.

Amounts due from other group undertakings comprise operating expenses owed from other group companies as a result of intercompany trading; such balances are settled regularly in line with agreed terms of trade, do not bear interest and are payable within 60 days.

The Company recognises contract assets where the performance obligations have been met but the right to consideration from the customer is conditional on something other than the passage of time. This occurs on both insurance commission revenue and network commission revenue as detailed in note 2.6.

The Company has considered the risk profile for amounts due from network and insurance customers based on historical experience and forward-looking information. In accordance with IFRS 9 the Company has applied the Expected Credit Loss model to these amounts and adjusted the contract asset values at each reporting date to reflect the future expected value.

Upon the initial recognition of revenue from contracts with customers, the Company considers the risk profile for amounts due from network and insurance customers based on historical experience and forward looking information in accordance with IFRS 15. As such, credit risk is factored into the initial recognition of revenue, while contract assets are adjusted at each reporting date to reflect the future expected value. Therefore, no further expected credit loss is recognised as it is included within the initial measurement of the Company's contract assets. Further information is disclosed in note 13 of the Currys plc 2023/24 Annual Report and Accounts, while additional information on the measurement of expected consideration is detailed below.

The significant changes in the contract asset balances within the year occurred within the network commission contract assets.

Further detail and a full reconciliation of movements within the financial year have therefore been provided below.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

16. Debtors (continued)

Network commission contract assets and receivables

As described in the accounting policies in note 3, the revenue earned by the Group for the acquisition of consumers on behalf of the third-party network operator is subject to variable consideration. Some consideration is paid by the MNO at the time of connection with the remainder paid over the duration of the consumer's contractual relationship.

Under IFRS 15: 'Revenue from Contracts with Customers' the Group only recognises revenue to the extent that it is highly probable that there will not be a significant reversal in the future. In determining the amount of revenue to recognise, the Group estimates the amount that it expects to receive in respect of each consumer based on historical trends and anticipated changes in consumer behaviour.

A discounted cash flow methodology is used to measure the expected consideration, by estimating all future cash flows that will be received from the MNO and discounting these based on the timing of receipt. The key inputs to the model are:

- revenue share percentage – the percentage of the consumer's spend (to the MNO) to which the Group is entitled;
- minimum contract period – the length of contract entered into by the consumer;
- out-of-bundle spend – additional spend by the consumer measured as a percentage of contractual spend;
- consumer default rate – rate at which consumers disconnect from the MNO;
- spend beyond the initial contract period – period of time the consumer remains connected to the MNO after the initial contract term; and
- upgrade propensity – the percentage of consumers initially connected by the Group estimated to be subsequently upgraded by the MNO.

Having estimated the expected consideration, the Group applies a constraint to reduce it to a level where any future significant reversal of revenue would be considered highly improbable. In the current period ended 29 April 2023, the net revaluation recognised from performance obligations satisfied in previous periods was an increase of £14.0m (2022/23 increase of £26.9m).

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

16. Debtors (continued)

Network commission contract assets and receivables (continued)

		27 April 2024 £m	<i>29 April 2023 £m</i>
Gross network commission receivable and contract asset: Opening balance			
	(i)	145.9	180.6
Less: amounts received in advance		(52.2)	<i>(91.3)</i>
Net network commission receivable and contract asset: Opening balance	(ii)	93.7	89.3
Revenue recognised in respect of current year sales	(iii)	128.2	242.5
Revaluation of opening network commission contract asset	(iv)	(1.9)	5.3
Revenue recognised/(reversed) in respect of prior year sales not previously included in the estimation of revenue recognised	(v)	14.2	<i>21.6</i>
Revenue recognised/(reversed) in respect of prior year sales		12.2	<i>26.9</i>
Revenue recognised in the year		140.4	269.4
Cash received from network operators	(vi)	(173.3)	<i>(267.2)</i>
Movement due to the effect of discounting		3.8	<i>2.2</i>
Net network commission receivable and contract asset: closing balance	(vii)	64.7	<i>93.7</i>
Comprising:			
Net network commission receivable and contract asset in less than 1 year		30.6	43.1
Net network commission receivable and contract asset in more than 1 year		33.9	<i>50.6</i>
		64.6	<i>93.7</i>
Less: amount billed (network commission trade receivable)	(viii)	(9.9)	<i>(11.6)</i>
Net network commission contract asset	(ix)	54.7	<i>82.1</i>

Amounts recognised in the financial statements in respect of such variable consideration are summarised and reconciled from prior year below:

i. Net of discounting for the time value of money. The unwind of this discounting is recognised as finance income in the relevant year. The amount of related finance income within the year, as shown in the table above, was £3.8m (2022/23: £2.2m).

ii. Payment terms with the MNO is based on a mix of cash received upon connection and future payments as the MNO receives monthly instalments from end consumers over the life of the consumer contract. This balance shows the net amounts receivable from the MNO. Further information is included below to explain the classification split of this balance between trade receivables and contract assets.

iii. This relates to revenue recognised from connections made in the current year. This revenue is recognised at point of sale as explained within the accounting policies in note 2.6. This figure includes in-year adjustments to the carrying value of revenue recognised (net of constraints) where the estimated consideration has changed since point of recognition within the year.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

16. Debtors (continued)

Network commission contract assets and receivables (continued)

iv. The Company continues to monitor the level of this revaluation as an indicator of estimation uncertainty in respect of previously recognised variable consideration. The current year reflects a positive revaluation of the prior period contract asset and is what the Company would expect as a result of the variable revenue constraint under IFRS 15. This revaluation of £(1.9)m (2022/23: £5.3m) discussed above is the figure that has historically been used by the company to monitor the accuracy of assumptions made in previous periods and is excluded from measuring the performance of the Company in our alternative performance measures as explained within the glossary to the Annual Report. This amount is also presented as the Company has received feedback from certain stakeholders that its separate presentation is helpful, in order to present more clearly the underlying performance in year.

v. These amounts were not previously recognised as revenue due to the application of the constraint (described above) and include a value of £3.1m (2022/23: £9.1m) relating to the uplift in the profit share the Company receives associated with RPI on commission receivable where the performance obligations were satisfied in prior years. These amounts also include other out of period amounts settled with MNO in respect of prior period transactions of £10.1m (2021/22: £10.3m). As the Company does not recognise an estimate of these amounts within revenue at the point of sale, they are recognised in revenue within each financial year once the amounts for that period are known. Therefore, the RPI uplift and the other out of period amounts settled with MNO is included within the Company's alternative performance measures as explained on pages 55 to 59.

vi. Cash received in the year.

vii. Gross network receivable and contract asset balance of £107.8m (2022/23: £145.9m), offset by amounts received in advance of £43.2m (2022/23: £52.2m). This is in line with the explanation in (ii) above.

viii. Amounts that have been invoiced to the network operators and are no longer conditional on something other than the passage of time. These amounts are therefore classified as trade receivables.

ix. This is the contract asset element of the network commissions receivable. This is variable based on future consumer behaviour and hence conditional on something other than the passage of time therefore as per IFRS 15 this is classified as a contract asset.

17. Cash and cash equivalents

	27 April 2024 £m	29 April 2023 £m
Cash at bank and in hand	1.1	8.7
	<u>1.1</u>	<u>8.7</u>

Cash at bank earns interest at floating rates based either on daily bank deposit rates or central bank lending rates. The carrying amount of money market deposits approximates their fair value.

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

18. Creditors: Amounts falling due within one year

	27 April 2024	<i>29 April 2023</i>
	£m	<i>£m</i>
Trade creditors	83.2	<i>94.9</i>
Amounts owed to group undertakings	50.1	<i>51.9</i>
Other taxation and social security	-	<i>6.6</i>
Accrued expenses	9.7	<i>19.8</i>
Corporation tax	11.8	<i>10.5</i>
Lease liabilities	5.5	<i>5.3</i>
Deferred Income	0.8	<i>-</i>
	161.1	<i>189.0</i>

Interest is not charged on balances arising between companies as a result of intercompany trading; such balances are settled regularly in line with agreed terms of trade, usually through the Company's netting system, within 30 to 60 days. Intercompany amounts are unsecured and are repayable on demand.

19. Creditors: Amounts falling due after more than one year

	27 April 2024	<i>29 April 2023</i>
	£m	<i>£m</i>
Lease liabilities	20.5	<i>26.8</i>
	20.5	<i>26.8</i>

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

20. Leases

Company as a lessee

Lease liabilities are due as follows:

	2024	<i>2023</i>
	£m	<i>£m</i>
Current	5.5	<i>5.3</i>
Non-current	20.5	<i>26.8</i>
	<u>26.0</u>	<i><u>32.1</u></i>

Contractual undiscounted cash flows are due as follows:

	2024	<i>2023</i>
	£m	<i>£m</i>
Year 1	7.9	<i>8.1</i>
Year 2	6.0	<i>7.9</i>
Year 3	4.9	<i>5.8</i>
Year 4	3.6	<i>4.7</i>
Year 5	4.6	<i>3.4</i>
Onwards	4.1	<i>8.8</i>
	<u>31.1</u>	<i><u>38.7</u></i>

The Company does not face a significant liquidity risk with regard to its lease liabilities.

The Company's lease liabilities are secured by the lessors' right over the leased assets disclosed in note 12.

CURRYS RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2024**

21. Provisions

	27 April 2024		29 April 2023	
	Current £m	Non- Current £m	Current £m	Non- Current £m
Reorganisation	-	-	-	-
Property	8.9	-	8.3	2.1
Sales	-	-	-	-
Regulatory/Other	19.5	-	0.6	-
	<u>28.4</u>	<u>-</u>	<u>8.9</u>	<u>2.1</u>

	Property £m	Regulatory and Other £m	Total £m
At 30 April 2023	10.4	0.6	11.0
Reclassification	-	9.3	9.3
Additions	2.2	10.2	12.4
Utilised in period	(3.1)	-	(3.1)
Released in period	(0.6)	(0.6)	(1.2)
At 27 April 2024	<u>8.9</u>	<u>19.5</u>	<u>28.4</u>

Property:

Following the previously announced store closure programmes, the Company has a number of present obligations related to its property portfolio that are explicitly excluded from the measurement of lease liabilities in accordance with IFRS 16. As such, at the reporting date the Company has onerous contracts for unavoidable store closure costs including service fees, legal costs and dilapidations of £10.4m primarily relating to the Carphone Warehouse UK store closures.

Provisions for the costs described above are only recognised where there is a definitive business decision to exit a leased property, it is believed the unavoidable cost of meeting or exiting the obligations exceed the expected benefit to be received and after any impairment being recorded over right-of-use and store-related assets in accordance with IAS 36.

The amounts of future expenditures for store closure costs are reviewed throughout the period and are based on readily available information at the reporting date as well as management's historical experience of similar transactions.

Of the £8.9m related to closure programmes announced in prior periods, utilisation is to be incurred in conjunction with the profile of the leases to which they relate. Where appropriate and in the interests of the Company, management will proactively seek to exit any liabilities early. Where there is a substantive expectation that the unavoidable costs provided for will be reduced as a result of exit negotiations, the provision will be remeasured based on the best available information and an amount released, as seen in the period.

21. Provisions (continued)

Regulatory and Other

At the period end, regulatory provisions of £9.2m were held for potential legal fees and customer redress related to historical regulatory matters. Management estimated the related provision based on historical claims information and applies this against any remaining potential claimants using an expected value method.

A provision of £10.3m was held at the reporting date for costs related to mobile insurance contracts. This balance was reclassified from Trade and Other Payables in the period.

22. Share capital

	27 April 2024 £m	29 April 2023 £m
Authorised, allotted, called up and fully paid		
450,000,000 (2023 - 450,000,000) Ordinary shares of £1.00 each	<u>450</u>	<u>450</u>

23. Post balance sheet events

There were no material events after the balance sheet date.

24. Controlling party

The Company's immediate parent and controlling entity is Carphone Warehouse Europe Limited, a company incorporated in Great Britain, which is an indirect wholly owned subsidiary of Currys plc.

The Company's ultimate parent and controlling entity is Currys plc, a company incorporated in Great Britain and which is registered in England and Wales. Currys plc is the largest and smallest group which includes the Company and for which financial statements are prepared. Copies of its financial statements may be obtained from its registered office at 1 Portal Way, London, W3 6RS.

CURRYS RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2024

25. **Subsidiary undertaking**

The subsidiary undertakings at 27 April 2024 are listed below:

Name- CPW Technology Services Limited
Class of shares- Ordinary
Country of incorporation- United Kingdom
Nature of business- IT
Company status- In liquidation

Unless otherwise indicated all subsidiary undertakings are wholly-owned, are incorporated and operate in Great Britain and are registered in England and Wales, with its registered office at 1 Portal Way, London, W3 6RS.

Consolidated Financial statements have not been prepared as the Company is a wholly owned subsidiary of a company registered in England and Wales. The Company's financial statements present information about it as an individual undertaking and not as a group.

In the opinion of the directors the aggregate value of the shares in and amounts due from the Company's subsidiary undertakings are not less than the aggregate of the amounts at which these assets are included in the Company's balance sheet.

26. **Contingent liability**

The Company is a member of a pool of guarantors with fellow subsidiaries within the Currys group. These shared guarantees relate to the Group's Revolving Credit Facilities and the DSG pension scheme to the extent that those liabilities be met should a shortfall occur. No liability has been recognised in the Company's accounts for this guarantee as it is considered remote that the guarantee will be called on.

CURRYS RETAIL LIMITED

Alternative Performance Measures (APMs) AS AT 27 APRIL 2024

In the reporting of financial information, as set out in the Strategic Report, the Company uses certain measures that are not required under FRS 101. These are presented in accordance with the Guidelines on APMs issued by the European Securities and Markets Authority ("ESMA"). We consider that these additional measures (commonly referred to as 'alternative performance measures') provide additional information on the performance of the business and trends to the shareholders. These measures are consistent with those used internally and are considered to be critical to understanding the financial performance and financial health of the Company. APMs are also used to enhance the comparability of information between reporting periods, by adjusting for non-recurring items or items considered to be distortive on trading performance which may affect FRS 101 measures, to aid the user in understanding the Company's performance. These alternative performance measures may not be comparable with other similarly titled measures or 'adjusted' revenue or profit measures used by other companies, and are not intended to be a substitute for, or superior to, FRS 101 measures.

Adjusting items

When determining whether an item is to be classified as adjusting, and the departure from IFRS measures is deemed more appropriate than the additional disclosure requirements for material items under IAS 1, it must meet at least one of the following criteria:

- be one-off in nature and have a significant impact on amounts presented in either the statutory income statement or statutory cash flow statement in any set of annual Group financial statements; or
- recur for a finite number of years and do not reflect the underlying trading performance of the business.

Management will classify items as adjusting where these criteria are met and it is considered more useful for the users of the financial statements to depart from FRS 101 measures.

Items excluded from adjusted results can evolve from one financial period to the next depending on the nature of exceptional items or one-off type activities. Where appropriate, for example where a business is classified as exited/to be exited, comparative information is restated accordingly.

Below highlights the grouping in which management allocate adjusting items and provides further detail on how management consider such items to meet the criteria set out above. Further information on the adjusting items recognised in the current and comparative period can be found in note A2.

CURRYS RETAIL LIMITED

Alternative Performance Measures (APMs)- continued AS AT 27 APRIL 2024

Strategic change programmes

Primarily relate to costs incurred for the execution and delivery of a change in strategic direction, such as; severance and other direct employee costs incurred following the announcement of detailed formal restructuring plans as they are considered one-off; property rationalisation programmes where a business decision is made to rebase the store estate as this is considered both one-off in nature and to cause a significant change to the underlying business operations; and implementation costs for strategic change delivery projects that are considered one-off in nature. Such costs incurred do not reflect the Company's underlying trading performance. Results are therefore adjusted to exclude such items in order to aid comparability between periods.

Regulatory costs

The Company includes material costs related to data incidents and regulatory challenge within adjusting items so far as on the basis of internal or external legal advice, it has been determined that it is more than possible that a material outflow will be required to settle the obligation (legal or constructive) and subsequently recognised a provision in accordance with IAS 37.

Impairment losses and onerous contracts

In order to aid comparability, costs incurred for material non-cash impairments (or reversals of previously recognised impairments) and onerous contracts are included within adjusting items where they have a significant impact on amounts presented in either the statutory income statement or statutory cash flow statement in any set of annual Company financial statements. When considering the threshold, management will consider whether the gross impairment charge and gross reversal of previously recognised impairment in any one reportable operating segment is above the material threshold for that financial period.

While the recognition of such is considered to be one-off in nature, the unavoidable costs for those contracts considered onerous is continuously reviewed and therefore based on readily available information at the reporting date as well as managements historical experience of similar transactions. As a result, future cash outflows and total charges to the income statement may fluctuate in future periods. If these changes are material they will be recognised in adjusting items.

Other items

Other items include those items that are non-operating and one-off in nature that are material enough to distort the underlying results of the business but do not fall into the categories disclosed above. Such items include the settlement of legal cases and other contractual disputes where the corresponding income, or costs, would be considered to distort users understanding of trading performance during the period.

Net interest income/(costs)

Included within adjusting interest income/(costs) are the finance income/(costs) of businesses to be exited, previously disposed operations and other exceptional items considered so one-off or material that they distort underlying finance costs of the Company (including legacy tax cases). The disposal of businesses represents a significant change to the underlying business operations, as such, the related interest income/(costs) are removed from adjusted results to assist users' understanding of the trading business.

Tax

Included within taxation is the tax impact on those items defined above as adjusting. The exclusion from adjusted results ensures that users, and management, can assess the overall performance of the Company's underlying operations.

Where the Company is cooperating with tax authorities in relation to legacy tax cases and is applying tax treatments to changes in underlying business operations as a result of acquisition, divestiture or closure of operations, the respective costs will also be included within adjusting items. Management considers it appropriate to divert from FRS 101 measures in such circumstance as the one-off charges related to prior periods could distort users understanding of the Company's ongoing operational performance.

CURRYS RETAIL LIMITED

**Alternative Performance Measures (APMs)- continued
AS AT 27 APRIL 2024**

Tax (continued)

The Company also includes the movement of un-recognised deferred tax assets relating to unused tax losses and other deductible temporary differences within adjusting items. Management considers that the exclusion from adjusted results aids users in the determination of current period performance as the recognition and derecognition of deferred tax is impacted by management's forecast of future performance and the ability to utilise unused tax losses and other deductible temporary differences.

A1 Reconciliation from Statutory profit before interest and tax to adjusted EBIT and adjusted PBT

Adjusted EBIT and adjusted PBT are measures of profitability that are adjusted from total FRS 101 measures to remove adjusting items, the nature of which are disclosed above. A description of costs included within adjusting items during the period and comparative period is further disclosed in note A2.

As discussed above, the Company uses adjusted profit measures in order to provide a useful measure of the ongoing performance of the Company.

The below reconciled profit before tax and profit before interest and tax, which are considered to be the closest equivalent FRS 101 measures, to adjusted EBIT and adjusted PBT.

	27 April 2024			29 April 2023		
	Statutory £m	Adjusted Items £m	Adjusted £m	Statutory £m	Adjusted Items £m	Adjusted £m
Revenue	678.2	-	678.2	629.1	-	629.1
Cost of sales	<u>(610.0)</u>	-	<u>(610.0)</u>	<u>(520.4)</u>	-	<u>(520.4)</u>
Gross profit	68.2	-	68.2	108.7	-	108.7
Administrative expenses	<u>(30.6)</u>	8.3	<u>(22.3)</u>	<u>(25.9)</u>	(11.3)	<u>(37.2)</u>
Earnings before interest and tax	<u>37.5</u>	8.3	<u>45.8</u>	82.8	(11.3)	71.5
Finance income	20.2	-	20.2	9.3	-	9.3
Finance costs	<u>(1.7)</u>	(3.8)	<u>(5.5)</u>	<u>(2.9)</u>	1.3	<u>(1.6)</u>
Net finance costs	<u>18.5</u>	(3.8)	<u>14.7</u>	6.4	1.3	7.7
Profit before tax	<u>56.0</u>	<u>4.5</u>	<u>60.5</u>	<u>89.2</u>	<u>(10.0)</u>	<u>79.2</u>

CURRYS RETAIL LIMITED

**Alternative Performance Measures (APMs)- continued
AS AT 27 APRIL 2024**

A2 Further information on the adjusting items between statutory profit to adjusted profit measures

	Period ended 27 April 2024	<i>Period ended 29 April 2023</i>
Note	£m	£m
Strategic change programmes	(i) 1.8	(1.4)
Regulatory income	(ii) 6.5	(9.9)
	8.3	(11.3)
Other interest	(iii) (3.8)	1.3
Total impact on profit / (loss) before tax	4.5	(10.0)
Tax expense/ credit on other adjusting items	(0.2)	(8.2)
Total impact on profit / (loss) after tax for the year	4.3	(18.2)

(i) Strategic change programmes

During the period a cost of £1.8m (2022/23: £1.4m credit) has been recognised in relation to Carphone Warehouse standalone store closures. The credit in the prior period was a result of the release of lease liabilities and excess provisions following successful early exit negotiations on stores included within the closure programme.

(ii) Regulatory Income

In periods prior, the Company provided for redress related to the mis-selling of Geek Squad mobile phone insurance policies following the FCA investigation for periods preceding June 2015. During the period ended 29 April 2023, the Company received confirmation that no further action would be taken for a large proportion of claims and as a result, the Group reduced the provision in relation to redress by a further £9.9m. In the current period, this provision was reduced to £nil following a release of £0.6m. In addition, in the current period the Company has provided for £7.1m of costs related to historic regulatory matters.

(iii) Other interest

The Company continues to cooperate with HMRC in relation to open tax cases arising from pre-merger legacy transactions in the Carphone Warehouse Group. The Company has risk assessed that certain of the cases have a probable chance of resulting in cash outflows to HMRC that are measured at £50m as at 27 April 2024 (comprising the amount of tax payable and interest up to 27 April 2024) (2022/23: £59m). During the period, a credit to interest of £3.8m was recognised in relation to these cases which arose from the downward remeasurement of the risks based on their most recent weighted average probability of occurring.

CURRYS RETAIL LIMITED

**Alternative Performance Measures (APMs)- continued
AS AT 27 APRIL 2024**

A3 Reconciliation from Statutory Net finance costs to adjusted net finance costs

	Period ended 27 April 2024 £m	<i>Period ended 29 April 2023 £m</i>
Total net finance costs	18.5	6.4
Other interest	<u>(7.4)</u>	<u>1.3</u>
Adjusted net finance costs	<u>11.1</u>	<u>7.7</u>

A4 Adjusted tax credit

	Period ended 27 April 2024 £m	<i>Period ended 29 April 2023 £m</i>
Current Tax		
UK Corporation tax at 19.5% (2021/2022: 19%) - Adjusted	0.2	(2.0)
- Adjusting	<u>4.9</u>	<u>8.2</u>
	5.1	6.2
Deferred Tax		
Current year - Adjusted	5.1	-
- Adjusting	<u>(5.1)</u>	<u>-</u>
	-	-
Total tax expense	<u>5.1</u>	<u>6.2</u>
Adjusted income tax credit	<u>5.3</u>	<u>(2.0)</u>