Independent Auditor's report

To the members of Wickes Group Plc

1. Our opinion is unmodified

We have audited the financial statements of Wickes Group Plc ("the Company") for the 52 week period ended 28 December 2024 ("2024") which comprise the Consolidated income statement and other comprehensive income, Consolidated and Company balance sheet, Consolidated and Company statement of changes in equity, Consolidated cash flow statement and the related notes, including the accounting policies in note 2 to the Group financial statements and note C2 to the parent Company financial statements.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 28 December 2024 and of the Group's profit for the 52 week period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 6 March 2020 prior to the parent Company becoming a Public Interest Entity. The period of total uninterrupted engagement is for the four financial years ended 28 December 2024 as a Public Interest Entity, and six financial years in total. Prior to that we were also auditor to the Group's main trading subsidiary Wickes Building Supplies Limited, but which, being unlisted, was not a Public Interest Entity. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality:	£2.0m (2023: £2.4m)
Group financial statements as a whole	4.6% (2023: 4.6%) of adjusted profit before tax

Key audit matters		vs 2023
Recurring risks	Recoverability of store assets	▲
	Design & Installation revenue recognition	◀▶
Parent company	Recoverability of parent Company's investment in subsidiary	▲

Independent Auditor's report continued

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters unchanged from 2023, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Recoverability of store assets Store assets carrying values (£678.3 million, 2023: £666.4 million) and net impairment charge (£16.8; 2023: net impairment reversal of £1.0 million) Refer to page 100 (Audit Committee Report), page 138 (accounting policy) and page 147 (financial disclosures).	**Forecast based assessment:** Given the current macroeconomic environment, there is an increased risk of underperforming stores, or other performance related impairment triggers which would require the Directors to carry out an impairment assessment. Further, change in forecast store performance for stores that have previously been impaired may result in a trigger to reverse previous impairments. Each store is considered a CGU for the purposes of impairment. Recoverability of store assets relies on a number of assumptions, most notably forecast future cash flows including the store revenue growth rate, gross margin, the allocation of central costs and the discount rate, which all involve a high degree of estimation uncertainty. We performed an assessment of whether an understatement of the store impairment charge, and overstatement of store impairment reversals, identified through these procedures was material. Auditor judgement is required to assess whether the Directors' estimate of an individual store's recoverable amount falls within an acceptable range. The effect of these matters is that, as part of our risk assessment, we determined that the carrying value of store assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 16) disclose the sensitivity estimated by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: – **Historical comparisons**: We assessed the reasonableness of the forecasts by considering the historical accuracy of previous forecasts and the results currently being achieved; – **Test of details**: We independently recalculated the impairment outcomes, validated key inputs and assessed whether the allocation of central costs to individual CGUs is complete and is deemed appropriate based on the nature of the costs; – **Our sector experience**: We assessed whether assumptions used, in particular those relating to forecast store revenue growth rate and gross margin reflect our knowledge of the business and industry, including known or probable changes in the business environment; – **Benchmarking assumptions**: We challenged the key inputs used in the Group's calculation of the discount rate by comparing it to externally derived data, including available sources for comparable companies; – **Sensitivity analysis**: We performed our own sensitivity analysis on the forecasts, including a reduction in assumed growth rate, gross margin, the allocation of central costs, and discount rates; – **Assessing transparency**: We assessed whether the Group's disclosures regarding the sensitivity of the outcome of the impairment assessment to changes in key assumptions appropriately reflects the risks inherent in the recoverable amount of store assets. **Our results**: We found the store assets carrying values, and the related impairment charges and reversals to be acceptable (2023: acceptable).

Independent Auditor's report continued

2. Key audit matters: our assessment of risks of material misstatement continued

	The risk	Our response
Design & Installation revenue recognition Design & Installation revenue (£326.5 million, 2023: £364.7 million) Refer to page 100 (Audit Committee Report), page 135 (accounting policy) and page 139 (financial disclosures).	**Existence of Design & Installation revenue:** Professional standards require us to presume (unless rebutted) that the fraud risk from revenue recognition is a significant risk. In our view this risk is most prevalent in Design & Installation revenue, and judgement exists as to whether performance obligations (delivery and/or installation) have been satisfied. We consider the risk to relate to the existence of Design & Installation revenue recognised in respect of orders received in the final 16 weeks of the period, based on our risk assessment of the average time taken for the performance obligations on orders to be satisfied. The risk is specifically relating to the incentive for management to manipulate the results in order to achieve performance expectations, and the fraud risk factors specific to Wickes indicate there may be an incentive to accelerate income recognition in the current period.	We performed the detailed tests below rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls. Our procedures included: – **Test of details**: We performed an analysis of the order data and compared this to our expectation of: – the monthly order profile; – the revenue and deferral profile of orders; and – the revenue profile by order date; We corroborated any outliers from this testing. – **Tests of details**: We carried out sample testing of revenue recognised on Design & Installation orders received in the period we determined to relate to our significant risk, to assess whether they satisfied the criteria for recognising revenue in the financial period, including agreeing to delivery and/or installation documentation, where applicable. **Our results**: We considered the amount of Design & Installation revenue recognised in the financial year, to be acceptable (2023: acceptable).
Recoverability of parent Company's investment in subsidiary Investment in subsidiary carrying value (£556.8 million, 2023: £603.4 million) and impairment charge (£49.3; 2023: £nil) Refer to page 100 (Audit Committee Report), page 162 (accounting policy) and page 163 (financial disclosures).	**Forecast based assessment:** The carrying amount of the parent Company's investment in its subsidiary is significant and at risk of irrecoverability due to the current macroeconomic environment. The estimated recoverable amount of this balance is subjective due to the inherent uncertainty in forecasting trading conditions and cash flows used in the budgets. In addition to this, the market capitalisation of the group is significantly below the carrying value of the investment. The effect of these matters is that, as part of our risk assessment, we determined that the recoverable amount of the cost of investment in the subsidiary has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note C6) disclose the sensitivity estimated by the Company.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: **Benchmarking assumptions**: We challenged the assumptions used in the cash flows included in the discounted cash flow calculation, including forecast revenue growth rate and gross margin based on our knowledge of the Group and the markets in which it operates; **Historical comparisons:** We assessed the reasonableness of the cash flow forecasts by considering the historical accuracy of the previous forecasts; **Benchmarking assumptions**: We challenged the key inputs used in the Group's calculation of the discount rate by comparing it to externally derived data, including available sources for comparable companies; **Sensitivity analysis**: We performed our own sensitivity analysis on the forecasts, including a reduction in assumed revenue growth, gross margin, growth rate in the terminal value, and discount rates; **Our sector experience**: We evaluated the current level of trading, including identifying any indications of a downturn in activity, by examining the post financial year end management accounts, considering our knowledge of the Group and the market, and external expectations of future financial performance; **Comparing valuations**: We obtained and corroborated explanations regarding significant differences between market capitalisation and the carrying value of the investment; and **Assessing transparency**: We assessed whether the parent Company's disclosures regarding the sensitivity of the outcome of the impairment assessment to changes in key assumptions appropriately reflects the risks inherent in the recoverable amount of investment in subsidiary. **Our results**: We found the balance of the Company's investments in its subsidiary and the related impairment charge to be acceptable (2023: acceptable).

Independent Auditor's report continued

3. Our application of materiality and an overview of the scope of our audit

Our application of materiality

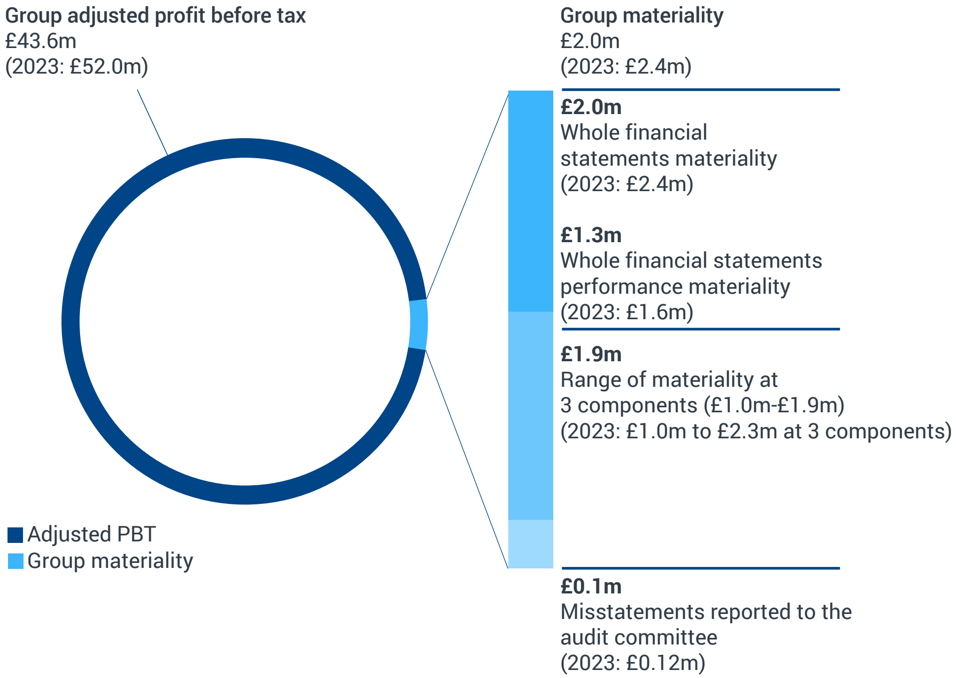
Materiality for the Group financial statements as a whole was set at £2.0m (2023: £2.4m), determined with reference to a benchmark of Group profit before tax, normalised to exclude adjusting items of £20.4m (2023: £10.9m) as disclosed in note 9, of which it represents 4.6% (2023: 4.6%). We adjusted for these items because they do not represent the continuing operations of the Group.

Materiality for the parent Company financial statements as a whole was set at £1.9m (2023: £2.3m), determined with reference to a benchmark of Company total assets, of which it represents 0.3% (2023: 0.4%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% (2023: 65%) of materiality for the financial statements as a whole, which equates to £1.3m (2023: £1.6m) for the Group and £1.2m (2023: £1.5m) for the parent Company. We applied this percentage in our determination of performance materiality based on the level of identified misstatements and control deficiencies during the prior period.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.1m (2023: £0.12m), in addition to other identified misstatements that warranted reporting on qualitative grounds.



Overview of the scope of our audit

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs"). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 6 components, having considered our evaluation of the Group's operational structure, the Group's legal structure, the existence of common information systems, the existence of common risk profile across entities and other audit specific factors and our ability to perform audit procedures centrally.

Of those, we identified 2 quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

We also identified 1 component as requiring special audit consideration, owing to Group risk relating to treasury residing in the component.

Accordingly, the audit procedures on 3 components including the audit of the parent Company were completed by the Group Auditor, who also performed procedures on those items excluded from adjusted profit before tax.

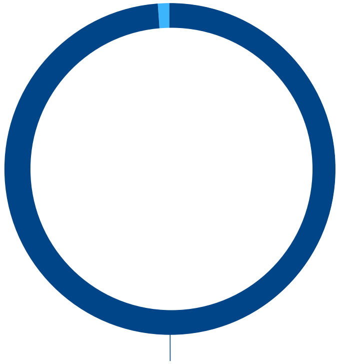
We set the component materialities, ranging from £1m to £1.9m, having regard to the mix of size and risk profile of the Group across the components.

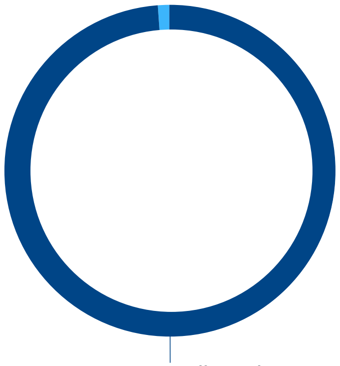
Our audit procedures covered 99% of Group revenue. We performed audit procedures in relation to components that accounted for 99% of Group adjusted profit before tax and 99% of Group total assets.

For the remaining components for which we performed no audit procedures, no component represented more than 1% of Group total revenue, Group adjusted before tax or Group total assets. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

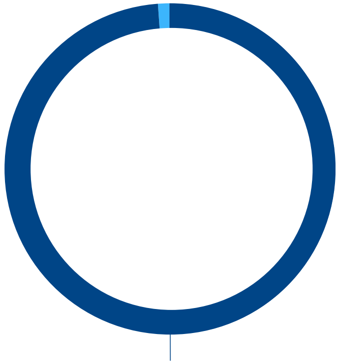
Independent Auditor's report continued

We performed audit procedures in relation to components that accounted for the following percentages of Group adjusted profit before tax and Group total assets:





Our audit procedures covered the following percentage of Group revenue:



Impact of controls on our group audit

We identified the central finance operating system to be the main IT system relevant to our audit. We used our IT auditors to assist us in obtaining an understanding of this IT system.

In our previous audit we identified IT control deficiencies in respect of this system. In the current period, as part of obtaining an understanding of the IT system, we identified that these deficiencies had not been fully remediated, and therefore we were not able to rely on general IT controls for this system in our audit. As a result, we expanded the scope of our substantive testing. As we were not able to rely on automated controls on journal entries, our work to respond to the risk of management override of controls considered both automated and manual journals.

In relation to some key transactional areas, including Design & Installation revenue (as set out in our Key Audit Matter in section 2 of our report) and Retail revenue, we took a fully substantive approach as we were unable to rely on manual controls in these areas.

For all other areas of the audit, except for inventory, we took a predominantly substantive approach considering the efficiency and effectiveness of approaches to gaining the appropriate audit evidence.

Given we did not rely upon controls in these areas, we performed additional substantive testing to respond to certain risks identified. This included direct manual testing over the completeness and reliability of data used in our data-orientated approach over testing journals, and retail revenue.

For inventory, we tested the operating effectiveness of and were able to rely on the Group's inventory cycle count controls and therefore were able to reduce the extent of our substantive procedures in this area.

4. The impact of climate change on our audit

We considered the impacts of climate change on the financial statements as part of our planning of the Group audit, including enquiries of the Directors to understand the extent of the potential impact of climate change risk on the Group's financial statements and the Group's preparedness for this. The key areas of our consideration included the Group's plan to be a net zero business by 2040, and to decarbonise various parts of the business.

We did not consider that any specific areas of the financial statements were materially affected by assumptions or commitments made in relation to climate change.

There was no significant impact of this on our key audit matters.

We also read the disclosure of climate related information in the front half of the annual report and considered consistency with the financial statements and our audit knowledge. We have not been engaged to provide assurance over the accuracy of these disclosures.

5. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and parent Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and parent Company's available financial resources over this period was the impact on the demand for the Group's products which may impact Group performance for the 2025 period end.

We also considered less predictable but realistic second order impacts, such as the current macroeconomic environment and the erosion of customer confidence, which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts.

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks, and related sensitivities.

Independent Auditor's report continued

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or parent Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- the related statement under the UK Listing Rules set out on page 77 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Directors and Audit Committee as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Considering remuneration incentive schemes and performance targets for management (including Directors) including the profit target for management remuneration.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group management may be in a position to make inappropriate accounting entries;
- the risk of bias in accounting estimates; and
- the risk that Design & Installation revenue is overstated through recording revenues in the wrong period in order to increase the likelihood of management meeting profit targets for the period.

We did not identify any additional fraud risks.

Further detail in respect of the Design & Installation revenue risk is set out in the key audit matter disclosures in section 2 of this report. We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by certain Executive Directors and unusual account pairings.
- Evaluate the business purpose of significant unusual transactions.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors and other management (as required by auditing standards) and discussed with the Directors and other management, policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, consumer rights act, corporate governance code, FCA listing rules and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: GDPR and UK data protection act, health and safety, fraud and antibribery, marketing and advertising regulations, employment law, anti-competition legislation, Modern slavery and human rights regulations, market abuse regulations, consumer credit law, and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor's report continued

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other information in the Annual Report & Accounts

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal risks and uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualification or assumptions.

We are also required to review the viability statement, set out on page 76 under the UK Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and parent Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review. We have nothing to report in this respect.

8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Independent Auditor's report continued

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 121, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. The purpose of our audit work and to whom we owe our responsibilities

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

Andrew Cawthray
Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

19 March 2025

Consolidated Income Statement and Other Comprehensive Income

(£m)	Notes	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Revenue	5	**1,538.8**	1,553.8
Cost of sales		**(972.2)**	(988.8)
Gross profit		**566.6**	565.0
Selling costs		**(364.9)**	(341.6)
Administrative expenses		**(154.4)**	(160.5)
Operating profit	6	**47.3**	62.9
Net finance costs	7	**(24.1)**	(21.8)
Profit before tax		**23.2**	41.1
Tax	10	**(4.8)**	(11.3)
Profit for the period and total comprehensive income		**18.4**	29.8
Attributable to:			
Owners of the parent		**18.1**	29.8
Non-controlling interest		**0.3**	–
Profit for the period and total comprehensive income		**18.4**	29.8
Earnings per share			
Basic	11	**7.7p**	11.8p
Diluted	11	**7.5p**	11.7p
Adjusted results [1]			
Adjusted gross profit	9	**565.1**	568.1
Adjusted operating profit	9	**67.4**	73.8
Adjusted profit before tax	9	**43.6**	52.0
Adjusted profit after tax	9	**33.9**	38.1
Adjusted basic earnings per share	11	**14.1p**	15.1p
Adjusted diluted earnings per share	11	**13.9p**	14.9p

(1) Defined in the summary of accounting policies (note 2)

Consolidated Balance Sheet

(£m)	Notes	As at 28 December 2024	As at 30 December 2023
Assets			
Non-current assets			
Goodwill	13	**12.6**	8.4
Other intangible assets	13	**10.0**	14.3
Property, plant and equipment	14	**113.3**	123.2
Right-of-use assets	15	**562.5**	537.1
Derivative financial instruments	30	**0.2**	–
Deferred tax asset	17	**29.8**	23.0
Total non-current assets		**728.4**	706.0
Current assets			
Inventories	19	**192.9**	195.5
Trade and other receivables	20	**70.6**	74.1
Derivative financial instruments	30	**0.7**	–
Cash and cash equivalents	21	**86.3**	97.5
Total current assets		**350.5**	367.1
Total assets		**1,078.9**	1,073.1

(£m)	Notes	As at 28 December 2024	As at 30 December 2023
Equity and Liabilities			
Capital and reserves			
Issued share capital	22	**24.2**	25.2
Capital redemption reserve	22	**1.8**	0.8
EBT share reserve	22	**(0.5)**	(0.7)
Other reserves	22	**(785.7)**	(785.7)
Retained earnings		**905.5**	923.7
Equity attributable to owners of the parent		**145.3**	163.3
Non-controlling interest		**1.1**	–
Total equity		**146.4**	163.3
Non-current liabilities			
Lease liabilities	15, 24	**624.9**	596.0
Long-term provisions	25	**1.4**	2.3
Total non-current liabilities		**626.3**	598.3
Current liabilities			
Lease liabilities	15, 24	**80.4**	79.8
Trade and other payables	26	**212.6**	219.1
Corporation tax		**3.5**	1.6
Derivative financial instruments	30	**–**	0.7
Short-term provisions	25	**9.7**	10.3
Total current liabilities		**306.2**	311.5
Total liabilities		**932.5**	909.8
Total equity and liabilities		**1,078.9**	1,073.1

The consolidated financial statements of Wickes Group Plc, registered number 12189061, were approved by the Board of Directors on 19 March 2025 and signed on its behalf by:

David Wood
Chief Executive Officer

Mark George
Chief Financial Officer

Consolidated Statement of Changes in Equity

(£m)	Notes	Issued share capital	Capital redemption reserve	EBT Share reserve	Other reserves	Retained earnings	Total equity
At 31 December 2022		26.0	–	(0.7)	(785.7)	924.8	164.4
Profit for the period and other comprehensive income		–	–	–	–	29.8	29.8
Dividends paid	27	–	–	–	–	(27.4)	(27.4)
Share buyback and cancellation	22	(0.8)	0.8	–	–	(10.1)	(10.1)
Purchase of own shares	22	–	–	(0.2)	–	–	(0.2)
Equity-settled share-based payments	28	–	–	0.2	–	5.4	5.6
Tax on equity-settled share-based payments		–	–	–	–	1.2	1.2
Owners of parent		25.2	0.8	(0.7)	(785.7)	923.7	163.3
Retained earnings attributable to non-controlling interest	12	–	–	–	–	–	–
At 30 December 2023		25.2	0.8	(0.7)	(785.7)	923.7	163.3
Profit for the period and other comprehensive income		**–**	**–**	**–**	**–**	**18.1**	**18.1**
Dividends paid	27	**–**	**–**	**–**	**–**	**(26.1)**	**(26.1)**
Share buyback and cancellation	22	**(1.0)**	**1.0**	**–**	**–**	**(15.1)**	**(15.1)**
Equity-settled share-based payments	28	**–**	**–**	**0.2**	**–**	**3.4**	**3.6**
Tax on equity-settled share-based payments		**–**	**–**	**–**	**–**	**1.5**	**1.5**
Owners of parent		**24.2**	**1.8**	**(0.5)**	**(785.7)**	**905.5**	**145.3**
Retained earnings attributable to non-controlling interest	12	**–**	**–**	**–**	**–**	**1.1**	**1.1**
At 28 December 2024		**24.2**	**1.8**	**(0.5)**	**(785.7)**	**906.6**	**146.4**

Consolidated Cash Flow Statement

(£m)	Notes	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Cash flows from operating activities			
Operating profit		**47.3**	62.9
Adjustments for:			
Amortisation of other intangible assets	13	**6.6**	6.6
Depreciation of property, plant and equipment	14	**22.3**	21.1
Depreciation of right-of-use assets	15	**76.7**	74.2
Impairment of property, plant and equipment	16	**5.8**	–
Impairment of right-of-use assets	16	**12.3**	2.7
Reversal of impairment of right-of-use assets	16	**(1.3)**	(3.7)
Losses on terminations of leases	6	**–**	0.1
Write-off of intangible assets	6	**–**	1.5
Losses on disposal of other intangible assets	6	**–**	0.3
Losses on disposal of property, plant and equipment	6	**0.3**	2.6
Derivative fair value (gains)/losses	9	**(1.5)**	3.1
Share-based payments	28	**3.5**	5.6
Operating cash flows		**172.0**	177.0
Movements in working capital:			
Decrease in inventories		**3.2**	6.1
Decrease in trade and other receivables		**4.0**	13.4
Decrease in trade and other payables		**(7.1)**	(18.6)
(Decrease)/increase in provisions		**(1.5)**	1.7
Cash generated from operations		**170.6**	179.6
Income taxes paid		**(8.6)**	(0.3)
Net cash inflow from operating activities		**162.0**	179.3

(£m)	Notes	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Cash flows from investing activities			
Purchases of property, plant and equipment		**(24.6)**	(32.1)
Development costs of computer software		**(1.5)**	(6.1)
Proceeds on disposal of property, plant and equipment		**6.3**	0.1
Acquisition of business net of cash acquired	12	**(2.3)**	–
Interest received		**7.4**	7.2
Net cash outflow from investing activities		**(14.7)**	(30.9)
Cash flows from financing activities			
Interest paid		**(1.4)**	(1.0)
Interest on lease liabilities		**(30.1)**	(28.2)
Payment of principal of lease liabilities		**(84.3)**	(84.3)
Lease incentives received		**0.9**	0.8
Own shares purchased for share schemes		**–**	(0.2)
Share buyback		**(15.1)**	(10.1)
Dividends paid to equity holders of the parent	27	**(26.1)**	(27.4)
Dividends paid to non-controlling interest	27	**(2.4)**	–
Net cash outflow from financing activities		**(158.5)**	(150.4)
Net decrease in cash and cash equivalents		**(11.2)**	(2.0)
Cash and cash equivalents at the beginning of the period		**97.5**	99.5
Cash and cash equivalents at the end of the period	21	**86.3**	97.5
Adjusting items			
Adjusting items paid included in the cash flow	33	**4.9**	10.4
Total pre-tax Adjusting items	9	**20.4**	10.9

Notes to the consolidated financial statements

1 General information and accounting policies

Overview

Wickes Group Plc (the 'Company') is a limited company in the United Kingdom, incorporated under the Companies Act 2006. The registered office of the Company is Vision House, 19 Colonial Way, Watford, WD24 4JL.

The consolidated financial statements represent the results of the Company and its subsidiaries (together referred to as the 'Group').

The principal activity of the Group is the operation of retail DIY stores across the United Kingdom.

Basis of accounting

The annual financial statements of the Group for the 52 weeks ending 28 December 2024 have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS standards) as issued by the IASB. The comparative financial period was 52 weeks to 30 December 2023.

The Company has elected to prepare its Parent Company financial statements in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; these are presented on pages 160 to 164.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except that certain financial instruments including derivative instruments, and certain share-based payments are stated at their fair value.

Going concern

Based on the Group's liquidity position and cash flow projections, including a forward looking severe but plausible scenario, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the duration of the going concern period, being the 12 month period following the date of approval of these financial statements, and accordingly they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements for the period ended 28 December 2024.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 26 to 29. The principal risks and viability statement of the Group are set out on pages 69 to 77. The Directors have considered these areas and how they may impact going concern.

The Directors do not consider going concern to be a critical accounting judgement. In determining this the Directors have taken into account the ongoing profitability and positive operating cashflow in 2024, despite the impacts of the economic environment in the UK. Although the Group saw some weakening of sales as a result of the ongoing cost of living crisis, and continuing cost pressures in the 2024 financial year, the Group continues to demonstrate the flexibility of Wickes' operational model, including a number of actions undertaken to both respond to more challenging market conditions and to continue to drive efficiencies within the business in 2025.

At 28 December 2024, cash and cash equivalents stood at £86.3m. In addition the Group had available an undrawn committed Revolving Credit Facility (RCF) of £80m which was extended after the year end, now expiring in March 2029, and which is not forecast to be utilised for a period of at least 12 months.

Lease liabilities of £705.3m included on the balance sheet under IFRS 16, with £80.4m due within one year: the Group has no other debt obligations.

Considering whether the Group's financial statements can be prepared on a going concern basis, the Directors have undertaken a detailed review which entails assessing the Group's current and projected financial performance and position, including current assets and liabilities, debt maturity profile, future commitments and forecast cash flows. In forming their outlook on the future financial performance, the Directors considered the risk of higher business volatility arising from the potential negative impact of the general economic environment driven by the cost of living crisis

The Directors' review also included a severe but plausible scenario to assess the impact of a sales reduction of 6% from 2024, a margin reduction of 1%, together with increases to energy costs and staff costs, reflecting the current economic uncertainty. Under this severe but plausible scenario the group retains a significant cash balance and does not assume utilisation of the RCF.

The Directors remain watchful of ongoing pressures on customers and suppliers given the current economic environment, and are aware that the Group is exposed to a number of risks and uncertainties, which could affect the Group's ability to meet its forecasts. The Directors believe that the Group has the flexibility to react to changing market conditions and is adequately placed to manage its business risks successfully.

2 Accounting Policies

Functional and presentational currency

The financial information is presented in Pounds Sterling, the currency of the primary economic environment in which the Group operates. All amounts in the financial statements have been rounded to the nearest £0.1m except where otherwise noted.

Transactions denominated in foreign currencies are recorded at the rates ruling on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Business segments

The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM"), which is considered to be the Executive Board of Directors, to assess performance and allocate capital. Management considers there to be one operating segment.

Notes to the consolidated financial statements continued

2 Accounting Policies continued

Alternative Performance Measures

The Group presents Alternative Performance Measures ("APMs") in addition to the statutory results of the Group. These are presented in accordance with the Guidelines on APMs issued by the European Securities and Markets Authority ("ESMA"). APMs used by the Group are set out in note 33 and the reconciling items between statutory and adjusted results are listed below and described in more detail in note 9. Adjusting items are those items of income and expenditure that, by reference to the Group, are material in size or unusual in nature or incidence and that in the judgement of the Directors should be disclosed separately to ensure both that the reader has an understanding of the Group's underlying trading performance and the separate impact of one off or unusual events in the year, and that there is comparability of financial performance between periods. Items of income or expense that are considered by the Directors for designation as adjusting items include, but are not limited to, significant restructurings, incremental costs relating to corporate transactions, significant write downs or impairments (or impairment reversals) of current and non-current assets, the net unrealised gains and losses on remeasurement of foreign exchange derivatives held at fair value, the effect of changes in corporation tax rates on deferred tax balances, and in the comparative period the associated costs of separating the business from Travis Perkins Plc's IT systems.

2.1 Impact of new standards and interpretations

The following standards and interpretations, which have not yet been applied in these consolidated financial statements, have been issued by the IASB but not yet adopted by the UK Endorsement Board:

- Amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures
- IFRS 18 - Presentation and Disclosure in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

The following standards have been adopted by the UK Endorsement Board but are not yet effective for the Group:

- Amendments to IAS 21 - Lack of exchangeability

Adoption of these standards in future periods is not expected to have a material impact on the financial statements.

2.2 Revenue

Revenue is recognised when the Group has satisfied its performance obligations to the customer and the customer has obtained control of the goods or services being transferred. Revenue is measured at the transaction price received or receivable less a deduction for actual and expected returns and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and value added tax.

Customers are entitled to return goods for a period after purchase. A right of return is not a separate performance obligation and the Group is required to recognise revenue net of estimated returns. A refund liability and a corresponding asset in inventory representing the right to recover products from the customer are recognised.

Services comprise kitchen, bathroom and solar installations and these are typically completed over a short period of time. The Group does not sell installation services separately from the sale of kitchen, bathroom and solar products. Control of installed kitchens, bathrooms and solar panels passes to the customer when the Group has fulfilled its obligations under the installation contract and revenue from the installation of kitchens, bathrooms and solar panels is recognised at this point.

2.3 Inventories

Inventories, which consist of goods for resale, are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price less the estimated costs of disposal.

Cost of inventories

In determining the cost of inventories the Directors have to make estimates to arrive at cost and net realisable value. Determining the net realisable value of the wide range of products held in many locations requires an assessment to be applied to determine the likely saleability of the product and the potential price that can be achieved. In arriving at any provisions for net realisable value the Directors take into account the age, condition and quality of the product stocked and the recent trend in sales. The Group does not consider that there is a significant risk of material adjustment arising within the next financial period as a result of this estimate.

2.4 Tax

The tax expense represents the sum of the tax payable and deferred tax.

Current tax

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

Deferred tax

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

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax laws and rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Notes to the consolidated financial statements continued

2 Accounting Policies continued

In respect of the deferred tax on IFRS 16 leases, as Wickes Buildings Supplies Limited prepares its accounts under FRS 102, tax deductions flow from the payment of rent, effectively the settlement of the lease liability. This gives rise to a deferred tax asset in respect of that lease liability, including any onerous lease element that might be required under FRS 102, and a deferred tax liability in respect of the corresponding Right-of-Use asset. No initial recognition exception was utilised in respect of these. They are presented as the net deferred tax asset/liability in the balance sheet and in the Lease section of the deferred tax note.

2.5 Goodwill and other intangible assets

Goodwill

Goodwill arising on acquisition represents the excess of the cost of acquisition over the share of the aggregate fair value of identifiable net assets (including intangible assets) of a business or a subsidiary at the date of acquisition. Goodwill is initially recognised as an asset and allocated to cash generating units or groups of cash generating units that are expected to benefit from the synergies of the combination and is then reviewed at least annually for impairment. Any impairment is recognised immediately in the income statement and is not reversed. Goodwill is accordingly stated in the balance sheet at cost less any provisions for impairment in value.

Other intangible assets

Other intangible assets consists primarily of software. The directly attributable costs incurred for the development of computer software controlled by and for use within the Group are capitalised and written off as an expense over their estimated useful lives, which range from 3 years to 10 years. Software operated under a 'Software as a Service' model is not considered to be controlled by the Group and is expensed directly to the Income Statement. No amortisation is charged on computer software under construction.

Costs relating to research, maintenance and training are expensed as they are incurred. Licence fees for using third-party software which is not controlled by the Group are expensed over the period the software is in use.

2.6 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value, adjusted for impairment reversals. Assets are depreciated to their estimated residual value on a straight-line basis over their estimated useful lives as follows

- Leasehold improvements – term of the lease
- Plant and equipment – 3 to 10 years
- Freehold buildings – over remaining useful life

The residual value and useful life of assets are reviewed annually.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds net of expenses and the carrying amount of the asset in the balance sheet and is recognised in the income statement.

2.7 Supplier income

Supplier income comprises fixed price discounts and volume rebates. Fixed price discounts and volume rebates received and receivable in respect of goods which have been sold are initially deducted from the cost of inventory and therefore reduce cost of sales in the income statement when the goods are sold. Where goods on which the fixed price discount or volume rebate has been earned remain in inventory at the period end, the cost of that inventory reflects those discounts and rebates.

Supplier income receivable is netted off against trade payables when there is a legally binding arrangement in place and it is management's intention to settle net, otherwise amounts are included in other receivables in the balance sheet.

2.8 Trade and other receivables

The Group's trade and other receivables at the balance sheet date comprises principally of amounts receivable from the sale of goods and related services, amounts due in respect of rebates and sundry prepayments.

Trade receivables, which are held at amortised cost, are subject to the expected credit loss model in IFRS 9 – Financial Instruments. The Group applies the IFRS 9 – Financial Instruments simplified approach to measuring expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the Group and the commencement of legal proceedings.

2.9 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation because of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be measured reliably. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value if the effect of the time value of money is material.

Should a provision ultimately prove to be unnecessary then it is credited back to the income statement. Where the provision was originally established as an adjusting item, any release is shown as an adjusting credit.

The Group's stores operate from a significant number of leased properties. Where necessary, a provision has been made for the residual commitments for rates, other payments, and expected dilapidations charges after taking into account existing and anticipated subtenant arrangements.

It is Group policy to insure itself using policies with a high excess against claims arising in respect of damage to assets, or due to employers or public liability claims. The nature of insurance claims means they may take some time to be settled. The insurance claims provision represents management's best estimate, based upon external advice, of the value of outstanding claims against it where the final settlement date is uncertain.

Notes to the consolidated financial statements continued

2 Accounting Policies continued

The Group provides a guarantee on showroom kitchen cabinets, doors, drawer fronts and showroom bathroom products. The Group provides for future estimated costs of providing this guarantee on kitchens and bathrooms that have been previously sold. The provision includes future costs for installation workmanship as well as product cost.

2.10 Trade payables and liabilities

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs and are measured at amortised cost. The Directors consider that the carrying amount of trade payables approximates to their fair value.

2.11 Employee benefits – pensions

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

2.12 Equity

Equity instruments represent the ordinary share capital of the Group and are recorded at the proceeds received, net of directly attributable incremental issue costs.

A description of the nature and purpose of each reserve is given below:

- EBT share reserves represent shares held by the Group in connection with the operations of the Group's share plans.
- The 'Other reserves' was created on the acquisition in March 2020 by Wickes Group Plc of Wickes Group Holdings Limited and by Wickes Group Holdings Limited of Wickes Building Supplies Limited and Wickes Finance Limited, via share for share exchanges, and represents the difference between the carrying value of the assets and liabilities of the acquired companies and the nominal value and premium of the shares issued.
- The capital redemption reserve represents the amounts transferred from share capital on the repurchase of issued shares.
- Retained earnings represents cumulative results for the Group.

2.13 Share repurchases

Shares purchased for cancellation are deducted from retained earnings. Share capital is reduced and credited to the capital redemption reserve once shares are cancelled.

2.14 Leases

IFRS 16 – Leases establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the Group has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for plant and equipment leases in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

For each lease or lease component, the Group follows the lease accounting model as per IFRS 16 – Leases, unless the recognition exceptions can be used.

Recognition exceptions

The Group has elected to account for lease payments as an expense on a straight-line basis over the lease term or another systematic basis for the following two types of leases:

(i) leases with a lease term of 12 months or less and containing no purchase options – this election is made by class of underlying asset; and

(ii) leases where the underlying asset has a low value when new – this election can be made on a lease-by-lease basis, for leases where the Group has taken short-term lease recognition exemption and there are any changes to the lease term or the lease is modified, the Group accounts for the lease as a new lease.

Lessee accounting

Upon lease commencement the Group recognises a right-of-use asset and a lease liability.

Initial measurement

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and includes an estimate of costs to restore the underlying asset or the site on which it is located, when an obligation is considered probable to arise, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the Group uses the incremental borrowing rate.

Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability and are initially measured using the index or rate as at the commencement date. Amounts expected to be payable by the lessee under residual value guarantees are also included. Variable lease payments that are not included in the measurement of the lease liability are recognised in the income statement in the period in which the event or condition that triggers payment occurs, unless the costs are included in the carrying amount of another asset under another accounting standard.

Subsequent measurement

After lease commencement, the Group measures right-of-use assets using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. Any impairment reversal reduces accumulated impairment previously recognised to the extent that the revised net book value does not exceed the amount that would have been recognised had no impairment occurred previously. An impairment reversal excludes any impact resulting from the passage of time.

Notes to the consolidated financial statements continued

2 Accounting Policies continued

The lease liability is subsequently remeasured to reflect changes in:

- the lease term (using a revised discount rate)
- the assessment of a purchase option (using a revised discount rate)
- the amounts expected to be payable under residual value guarantees (using an unchanged discount rate)
- future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate)

The remeasurements are matched by adjustments to the right-of-use asset. Additionally, direct costs incurred as part of obtaining an additional lease term are added to the right-of-use asset.

Depreciation
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted impairment reversals or for certain remeasurements of the lease liability.

Lessor accounting
When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises operating lease payments as income on a straight-line basis over the lease term as part of 'other income'. The Group recognises finance income over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment.

2.15 Borrowings

Interest bearing bank loans and overdrafts and other loans are recognised in the balance sheet initially at fair value and subsequently at amortised cost. Finance charges associated with arranging the undrawn revolving credit facility are recognised in the income statement over the life of the facility. All other borrowing costs are recognised in the income statement in accordance with the effective interest rate method.

2.16 Net debt

Net debt comprises cash and cash equivalents (being cash balances net of overdrafts) and the carrying value of lease liabilities. The carrying amount of these assets and liabilities approximates to their fair value.

2.17 Financial instruments classification

The Group classifies its financial instruments in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL); and those to be measured at amortised cost.

The classification depends on the business model for managing the financial instruments and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (FVOCI). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTPL or at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Impairment
The Group assesses on a forward looking basis the expected credit losses associated with debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9 – Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.18 Impairment

Impairment of tangible and intangible assets
The carrying amounts of the Group's tangible and intangible assets with a definite useful life are reviewed at each balance sheet date to determine whether there is any indication of impairment to their value. If such an indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. The Group has determined that each store is a separate CGU. The recoverable amount of an asset is the greater of its fair value less disposal cost and its value-in-use (the present value of the future cash flows that the asset is expected to generate). In determining value in use the present value of future cash flows is discounted using a pre-tax discount rate that reflects current market assessments of the time value of money in relation to the period of the investment and the risks specific to the asset concerned. The carrying value of CGUs includes right-of-use assets.

Where the carrying value exceeds the recoverable amount a provision for the impairment loss is established with a charge being made to the income statement. When the reasons for a write down no longer exist the write down is reversed in the income statement up to the net book value that the relevant asset would have had if it had not been written down and if it had been depreciated. An impairment reversal excludes any impact resulting from the passage of time.

Notes to the consolidated financial statements continued

2 Accounting Policies continued

For intangible assets that have an indefinite useful life the recoverable amount is estimated at each annual balance sheet date.

Measuring recoverable amounts

The Group tests goodwill for impairment annually or more frequently if there are indications that an impairment may have occurred. The recoverable amount of the goodwill is determined from value in use calculations.

2.19 Share-based payments

The Group issues equity-settled share-based payments to directors and certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, having been adjusted to reflect an estimate of shares that will eventually vest and for the effect of non market-based vesting conditions.

Fair value is measured by use of the Black-Scholes pricing model which is considered by management to be the most appropriate method of valuation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

2.20 Post balance sheet events

These accounts reflect events only up to the date on which the relevant underlying consolidated financial statements were approved.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions concerning the future that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These judgements are based on historical experience and management's best knowledge at the time and the actual results may ultimately differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying value of assets and liabilities are explained below.

Impairment or impairment reversal of store assets (significant estimate)

Determining whether store assets (right of use assets relating primarily to the lease of each individual store, and any associated property, plant and equipment) are impaired, or indicate an impairment reversal, requires an estimation of the value in use of the cash-generating units to which such fixed assets have been allocated. The value in use calculation requires estimation of future cash flows expected to arise from the CGU discounted at a suitable discount rate in order to calculate the present value. The significant estimates relate to the discount rate used, the store revenue and gross margin over the Five-Year Plan period, and the percentage of central costs allocated. Details of CGUs as well as further information about the assumptions made are disclosed in note 16.

4 Auditor's remuneration

During the period the Group incurred the following costs for services provided by the Company's auditors:

(£'000)	**52 weeks ended 28 December 2024**	52 weeks ended 30 December 2023
Fees payable to the Company's auditor for audit services:		
Audit of the Company's annual accounts	**100**	100
Audit of the Company's subsidiaries	**780**	710
Fees paid to the Company's auditor for other services:		
Review of the interim statement	**80**	80
	960	890

A description of how the Audit & Risk Committee ensures that auditor objectivity and independence is safeguarded when the auditor provides non-audit services is set out in the report on page 101.

5 Revenue

The Group has one operating segment in accordance with IFRS 8 - Operating Segments, which is the retail of home improvement products and services, both in stores and online.

The Chief Operating Decision Maker is the Executive Board of Directors. Internal management reports are reviewed by them on a regular basis. Performance of the segment is assessed based on a number of financial and non-financial KPIs as well as on profit before taxation.

The Group identifies two distinct revenue streams within its operating segment which are analysed below.

Both revenue streams operate entirely in the United Kingdom. The Group's revenue is driven by a large number of individual small value transactions and as a result, Group revenue is not reliant on a major customer or group of customers.

Revenue (£m)	**52 weeks ended 28 December 2024**	52 weeks ended 30 December 2023
Retail (product revenue)	**1,212.3**	1,189.1
Design & Installation (project revenue)	**326.5**	364.7
	1,538.8	1,553.8

Notes to the consolidated financial statements continued

5 Revenue continued

Revenue reconciliation and like-for-like revenue (£m)	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Revenue	**1,538.8**	1,553.8
Network change	**(21.4)**	(7.8)
Revenue generated by business acquired in the period (note 12)	**(10.0)**	–
Revenue (like-for-like basis)	**1,507.4**	1,546.0
Prior period revenue	**1,553.8**	1,559.0
Prior period network change	**(15.1)**	(8.0)
Prior period revenue (like-for-like basis)	**1,538.7**	1,551.0
(Decrease) / increase arising on a like-for-like basis	**(31.3)**	(5.0)
Like-for-like revenue (%)	**(2.0)%**	(0.3)%

Calculating like-for-like revenue enables management to monitor the performance trend of the business period-on-period. It also provides management with a good indication of the health of the business compared to competitors.

Like-for-like revenue is a measure of sales performance for two successive periods. Stores contribute to like-for-like revenue once they have been trading for more than twelve months, or for acquisitions once the results have been fully consolidated for 12 months. Revenue included in like-for-like revenue is for the equivalent times in both periods being compared. When stores close, revenue is excluded from the prior period figures for the months equivalent to the post closure period in the current period. These movements are explained by the Network change amounts. The Network change number varies year on year as it represents a different number of stores.

There are no adjusting items relating to revenue in the 52 weeks ended 28 December 2024 (52 weeks ended 30 December 2023: none). In the 52 weeks ended 31 December 2022, an output VAT claim of £3.4m was recognised as a credit to revenue within adjusting items, resulting in adjusted revenue of £1,559.0m and statutory revenue of £1,562.4m.

From the start of FY 2025, the Group's management will assess the performance of all kitchen and bathroom sales in one reported revenue category, Design & Installation Ranges. The existing presentation of revenue between Retail and Design & Installation will therefore change, but there will be no change to total revenue reported (note 33).

6 Operating profit

Operating profit is stated after charging/(crediting):

(£m)	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Realised net foreign exchange gains recognised in cost of sales	**(1.6)**	(1.6)
Derivative fair value losses/(gains) (note 9)	**(1.5)**	3.1
Depreciation of property, plant and equipment (note 14)	**22.3**	21.1
Depreciation of right-of-use assets (note 15)	**76.7**	74.2
Amortisation of internally-generated intangible assets (note 13)	**6.6**	6.6
Impairment of right of use assets (note 15 and 16)	**12.3**	2.7
Reversal of impairment of right-of-use assets (note 15 and 16)	**(1.3)**	(3.7)
Impairment of property, plant and equipment (note 14 and 16)	**5.8**	–
Losses/(gains) on termination of leases	**–**	0.1
Write-off of intangible assets	**–**	1.5
Losses on disposal of other intangible assets	**–**	0.3
Losses on disposal of property, plant and equipment	**0.3**	2.6
Income from subleasing right-of-use assets (note 15)	**(2.4)**	(3.2)
Staff costs (note 8)	**230.4**	234.3

7 Net finance costs

(£m)	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Finance income		
Interest receivable	**7.3**	7.5
	7.3	7.5
Finance costs		
Interest on lease liabilities (note 15)	**(30.1)**	(28.2)
Amortisation of loan arrangement fees	**(0.3)**	(0.3)
Commitment fee on revolving credit facility (RCF)	**(0.7)**	(0.7)
Revolving credit facility (RCF) amendment costs	**(0.3)**	–
Other interest	**–**	(0.1)
	(31.4)	(29.3)
Net finance costs	**(24.1)**	(21.8)

Notes to the consolidated financial statements continued

8 Staff costs

Average number of persons employed by the Group (including directors) during the period

(No.)	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Administration	591	555
Stores and distribution	7,183	7,364
	7,774	7,919

Average number of full-time equivalent persons employed by the Group during the period

(No.)	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Administration	583	547
Stores and distribution	5,531	5,659
	6,114	6,206

Aggregate payroll costs of these persons were as follow:

(£m)	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Wages and salaries	205.5	204.9
Social security costs	17.1	18.3
Other pension costs (defined contribution plans)	5.4	5.2
Share-based payments (equity-settled)	4.0	5.9
	232.0	234.3

There are wages and salaries and social security costs for the 52 weeks ended 28 December 2024 of £3.6m in adjusting items (52 weeks ended 30 December 2023: £0.5m).

All qualifying employees are able to contribute to the Wickes Group Pension Plan, a defined contribution pension scheme. A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions. The pension costs represent contributions payable by the Group.

The amounts charged to the income statement in respect of pension costs and other post-retirement benefits are the contributions payable in the period. Differences between the contributions payable in the period and those actually paid are shown as either accruals or prepayments in the balance sheet.

9 Reconciliation of alternative profit measures

As described in note 2, adjusted profit measures are an alternative performance measure used by the Board to monitor the operating performance of the Group. Adjusting items are those items of income and expenditure that, by reference to the Group, are material in size or unusual in nature or incidence and that in the judgement of the Directors should be disclosed separately to ensure both that the reader has a proper understanding of the Group's financial performance and that there is comparability of financial performance between periods.

Items of income or expense that are considered by the Directors for designation as adjusting items include, but are not limited to, significant restructurings, incremental costs relating to corporate transactions, significant write downs or impairments (and reversals) of current and non-current assets, the effect of changes in corporation tax rates on deferred tax balances, net unrealised gains and losses on remeasurement of foreign exchange derivatives held at fair value, and in the previous period the costs of separating the business from the former parent company Travis Perkins Plc's IT systems.

	52 weeks ended 28 December 2024			
(£m)	Gross profit	Operating profit	Profit before tax	Profit after tax
Statutory performance measures	566.6	47.3	23.2	18.4
Derivative fair value gains	(1.5)	(1.5)	(1.5)	(1.5)
Property, plant and equipment impairment charge	–	5.8	5.8	5.8
Right-of-use asset impairment charge	–	12.3	12.3	12.3
Reversal of impairment of right-of-use asset recognised in prior periods	–	(1.3)	(1.3)	(1.3)
Restructuring costs	–	4.0	4.0	4.0
Solar Fast acquisition costs	–	0.8	0.8	0.8
Revolving credit facility (RCF) amendment costs	–	–	0.3	0.3
Tax on adjusting items	–	–	–	(4.9)
Total adjustments to statutory performance measures	(1.5)	20.1	20.4	15.5
Adjusted performance measures	565.1	67.4	43.6	33.9

	52 weeks ended 30 December 2023			
(£m)	Gross profit	Operating profit	Profit before tax	Profit after tax
Statutory performance measures	565.0	62.9	41.1	29.8
Derivative fair value losses	3.1	3.1	3.1	3.1
Right-of-use asset impairment charge	–	2.7	2.7	2.7
Reversal of impairment of right-of-use asset recognised in prior periods	–	(3.7)	(3.7)	(3.7)
IT separation project costs	–	8.8	8.8	8.8
Tax on adjusting items	–	–	–	(2.6)
Total adjustments to statutory performance measures	3.1	10.9	10.9	8.3
Adjusted performance measures	568.1	73.8	52.0	38.1

Notes to the consolidated financial statements continued

9 Reconciliation of alternative profit measures continued

Derivative fair value movements

The Group recognises the potential for high levels of foreign exchange rate volatility and looks to mitigate its economic impact on financial performance by hedging planned future foreign currency purchases using foreign currency derivatives. The Group does not take advantage of the hedge accounting rules provided for in IFRS 9 since that standard requires certain stringent criteria to be met to hedge account, which, in the circumstances of the Group, are considered by the Board not to bring any significant economic benefit. As a result, IFRS requires that fair value gains or losses on these derivatives be recognised in the income statement.

In order to reflect the economic outcome of the forward contracts (derivatives), the impact of fair value movement on the derivatives has been removed in the underlying results. During the 52 weeks ended 28 December 2024 this adjustment was a net gain of £1.5m in cost of goods sold (52 weeks ended 30 December 2023: loss of £3.1m).

Right-of-use asset and property, plant and equipment impairment charges and reversals

In the period ended 28 December 2024, 27 stores were identified as impaired with a resulting impairment charge of £18.1m, £12.3m to right of use assets and £5.8m to property plant and equipment. Furthermore, one store was identified as having an impairment reversal of £1.3m all to right of use assets. Impairment charges are discussed in further detail in note 16.

In the period ended 30 December 2023, five stores were identified as impaired with a resulting impairment charge of £2.7m, and five were identified as having an impairment reversal of £3.7m, both to right-of-use assets.

Restructuring costs

In the period ended 28 December 2024, the Group undertook various restructuring programmes across the business to improve both operational efficiency and also its customer proposition. The incremental costs associated with the restructuring programme totalled £4.0m. Given the size and infrequent occurrences of such restructuring programmes by the Group, these have been recognised within adjusting items.

Solar Fast acquisition costs

In the period ended 28 December 2024, the Group acquired a 51% holding in Gasfast Limited, trading as Solar Fast (see note 12). As part of the acquisition, incremental fees directly associated with the acquisition were incurred by the Group. These were predominantly related to professional services and considered to be one-off in nature.

Revolving credit facility (RCF) amendment costs

In the period ended 28 December 2024, the Group incurred fees related to the completion of its “Amend and Extend” of its Rolling Credit Facility during the period, lengthening the term by a further two years to March 2028, with an option of an additional one year extension. The Group does not consider corporate transactions such as this to be required on a regular basis and thus have classified the fees as adjusting.

10 Taxation

(£m)	**52 weeks ended 28 December 2024**	52 weeks ended 30 December 2023
Current tax		
UK corporation tax expense	**12.3**	10.4
UK corporation tax adjustments in respect of prior periods	**(2.2)**	0.1
Total current tax charge	**10.1**	10.5
Deferred tax		
Deferred tax movement in period	**(5.7)**	(0.4)
Effect of change in tax rate	**(0.1)**	–
Adjustments in respect of prior periods	**0.5**	1.2
Total deferred tax charge	**(5.3)**	0.8
Total tax charge	**4.8**	11.3

The differences between the total tax charge and the amount calculated by applying the standard rate of UK corporation tax of 25.0% (52 weeks ended 30 December 2023: 23.5%) to the profit before tax for the Group are as follows:

(£m)	**52 weeks ended 28 December 2024**	52 weeks ended 30 December 2023
Profit before taxation	**23.2**	41.1
Tax at the standard corporation tax rate	**5.9**	9.7
Effects of:		
Depreciation of non-qualifying property	**0.4**	0.9
Tax effect of non-taxable income / non-deductible expenses	**–**	(1.2)
Adjustments to prior period	**(1.7)**	1.3
Effect of share based payments	**0.2**	1.1
Other	**–**	(0.4)
Impact of super deduction	**–**	(0.1)
Total tax charge	**4.8**	11.3

The effective tax rate for the period is 20.3% (52 weeks ended 30 December 2023: 27.5%). The effective tax rate was lower than the standard rate primarily due to capital allowance claims made in the period in respect of historical expenditure.

Notes to the consolidated financial statements continued

11 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the 52 week period ended 28 December 2024.

(£m)	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Profit attributable to the owners of the Parent	**18.1**	29.8
(No.)		
Weighted average number of ordinary shares	**245,621,601**	258,667,102
Adjustment for weighted average number of ordinary shares held in EBT	**(4,861,137)**	(6,163,934)
Weighted average number of ordinary shares in issue	**240,760,464**	252,503,168
Basic earnings per share (in pence per share)	**7.7p**	11.8p

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to include all dilutive potential ordinary shares arising from share options.

(£m)	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Profit attributable to the owners of the Parent	**18.1**	29.8
(No.)		
Weighted average number of ordinary shares in issue	**240,760,464**	252,503,168
Diluted effect of share options on potential ordinary shares	**3,714,321**	2,804,387
Diluted weighted average number of ordinary shares in issue	**244,474,785**	255,307,555
Diluted earnings per share (in pence per share)	**7.5p**	11.7p

The Directors believe that EPS excluding Adjusting items (Adjusted EPS) reflects the underlying performance of the business before the impact of unusual or one off events and assists in providing the reader with a consistent view of the trading performance of the Group.

Reconciliation of profit after taxation to profit after taxation excluding Adjusting items (Adjusted profit):

(£m)	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Profit attributable to the owners of the parent from continuing operations	**18.1**	29.8
Adjusting items before tax	**20.4**	10.9
Tax on adjusting items	**(4.9)**	(2.6)
Adjusting items after tax (note 9)	**15.5**	8.3
Adjusted profit attributable to the owners of the parent	**33.6**	38.1
Weighted average number of ordinary shares in issue	**240,760,464**	252,503,168
Weighted average number of dilutive ordinary shares in issue	**244,474,785**	255,307,555
Adjusted basic earnings per share (in pence per share)	**14.1p**	15.1p
Adjusted diluted earnings per share (in pence per share)	**13.9p**	14.9p

12 Acquisition of Gasfast Limited (T/A Solar Fast)

On 21 May 2024, the Group completed the acquisition of a 51% controlling interest in Gasfast Limited (Gasfast), the parent company of leading solar installations company Solar Fast (Solar Fast). Taking control of Gasfast will enable the group to expand its offering into the fast-growing market for home energy solutions, initially with solar and gas boilers and, in time, air source heat pumps and other services.

The group acquired the 51% equity stake from the Solar Fast founders based on a valuation for 100% of the Business of 7x EBITDA delivered in calendar year 2024, with a minimum valuation for 100% of the Business of £10.0m and a maximum of £36.0m (excluding adjustments for cash, working capital and debt).

The initial aggregate consideration for acquiring the 51% controlling interest amounted to £7.6m, representing £5.1m for the equity shares, less a £0.2m negative working capital adjustment, plus £2.7m for acquired cash, of which £2.5m cash was repaid by dividend post completion.

Since acquisition, Gasfast has contributed revenue of £10.0m and profit of £0.3m to the Group's results. Had the acquisition occurred at the start of the year, management estimates that consolidated revenue would have been £16.7m, and consolidated profit for the year would have been £0.8m. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred at the start of the year.

Contingent Consideration

Total consideration is based on the higher of £10.0m or 7x EBITDA achieved in 2024, subject to a maximum of £36.0m, as described above. As 7x EBITDA was lower than £10m, no further consideration was payable.

Notes to the consolidated financial statements continued

12 Acquisition of Gasfast Limited (T/A Solar Fast) continued

Acquisition Related Costs

The group incurred acquisition-related costs of £0.8m on legal fees and due diligence costs. These costs have been included in administrative expenses. As set out in note 2, these costs are not related to underlying trading and have therefore been treated as an adjusting item in the disclosed APMs.

Identifiable assets acquired and liabilities assumed

The following table summarises the fair value amounts of assets acquired and liabilities assumed at the date of acquisition.

£m	Fair values
Software	0.1
Brand	0.7
Property, plant and equipment	0.2
Inventories	0.7
Trade and other receivables	0.6
Cash and cash equivalents	5.3
Trade and other payables	(0.7)
Deferred tax liability	(0.2)
Total identifiable net assets acquired	**6.7**
Consideration	
Enterprise value of 51% shareholding	5.1
Acquired cash/net working capital adjustment[1]	2.5
Total consideration	7.6
Acquired assets (51%)	(3.4)
Goodwill	**4.2**

(1) £2.5m was subsequently repaid by way of dividend

The cash flow disclosure of 'Acquisition of business net of cash acquired' of £2.3m represents the £7.6m total consideration, less the Cash and cash equivalents at completion of £5.3m.

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Leasehold improvements, plant and equipment	Given the nature of these assets, a depreciated replacement cost approach has been taken, aligning to the groups capitalisation and depreciation policies.
Intangible assets	A relief from royalty method was applied to those revenues that Solar Fast is expected to generate independently over a 2 year period. The period selected and royalty rate applied reflect the relative immaturity of the Solar Fast business.
Inventories	The carrying value of these assets is considered to represent fair value, reflecting the estimated selling price, less estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.
Trade receivables	Trade receivables, representing amounts due from retail customers, totalled £0.4m. The carrying value of these assets is considered to represent fair value, and is stated after providing for £0.1m, which was estimated to be uncollectable at the acquisition date.

Goodwill

Goodwill arising from the acquisition reflects Solar Fast's established operations and assembled workforce which will allow the Group to enter a new market quickly, with lower execution risk, as well as to allow the Group to scale quickly in a segment considered to have a significant near term opportunity. Given the closeness of the acquisition date, the tax treatment of goodwill has not yet been determined and will be confirmed by its inclusion in the annual financial statements.

Notes to the consolidated financial statements continued

12 Acquisition of Gasfast Limited (T/A Solar Fast) continued

Measurement of non-controlling interest

For the purposes of the Group's consolidated balance sheet, the Group has elected to measure the 49% non-controlling interest, which at the acquisition date amounted to £3.2m as the proportionate share of Solar Fast's identifiable net assets.

Option to acquire the Non-Controlling Interest

The Group has an option to purchase the remaining 49% of the issued share capital of the Business. This call only option may be exercised during the five years by the Group following completion, in tranches of not less than 10% of the issued share capital, and is based on a valuation of 6x last twelve months EBITDA at the time.

The EBITDA multiple pricing of the option is considered by the Directors to be at fair market value, and therefore is not considered to have any intrinsic value at the date of acquisition or at the reporting period.

Agreements are in place which would reduce the purchase price of the non-controlling interest by 25% in the event that the employee shareholders were to leave the business over the option period. Given the Group has no contractual obligation nor obligation through economic compulsion to exercise the option and there is no expectation in practice that the leaver provisions will be called upon, the potential discount is not considered to represent a remuneration expense.

13 Goodwill and other intangible assets

(£m)	Goodwill	Software	Total
Cost or valuation			
At 31 December 2022	8.4	37.3	45.7
Additions	–	6.1	6.1
Write-offs	–	(1.5)	(1.5)
Disposals	–	(0.6)	(0.6)
At 30 December 2023	8.4	41.3	49.7
Additions	**4.2**	**2.3**	**6.5**
Write-offs	**–**	**–**	**–**
Disposals	**–**	**–**	**–**
At 28 December 2024	**12.6**	**43.6**	**56.2**
Amortisation			
At 31 December 2022	–	20.7	20.7
Charged in the period	–	6.6	6.6
Disposals	–	(0.3)	(0.3)
At 30 December 2023	–	27.0	27.0
Charged in the period	**–**	**6.6**	**6.6**
Disposals	**–**	**–**	**–**
At 28 December 2024	**–**	**33.6**	**33.6**
Net book value			
At 28 December 2024	**12.6**	**10.0**	**22.6**
At 30 December 2023	8.4	14.3	22.7

The goodwill held by the Group arose on the acquisition of Focus DIY stores in 2007 & 2011, which are treated as two separate CGUs.

At the beginning and end of the financial periods the recoverable amount of CGUs to which the goodwill, with indefinite useful life, is allocated was in excess of its book value. In the absence of a binding agreement to sell the assets and active reference market on which fair value can be determined, the recoverable amount of the CGU was determined according to value in use. The Directors' calculations have shown that no impairments have occurred.

In the period to 28 December 2024, the acquisition of a 51% holding in Solar Fast (note 12) has resulted in goodwill. Solar Fast is treated as a separate CGU for the purposes of goodwill impairment testing. The recoverable amount of the CGU was determined according to value in use. The Directors' calculations have shown that no impairments have occurred. Details of impairment test are shown in note 16.

Notes to the consolidated financial statements continued

14 Property, plant and equipment

(£m)	Land and buildings	Leasehold improvements	Plant and equipment	Total
Cost				
At 31 December 2022	6.1	133.4	186.9	326.4
Additions	–	17.2	14.9	32.1
Disposals	–	(3.0)	(6.2)	(9.2)
Impairments	–	–	–	–
At 30 December 2023	6.1	147.6	195.6	349.3
Additions	**–**	**13.4**	**11.2**	**24.6**
Disposals	**(6.1)**	**(3.0)**	**(7.9)**	**(17.0)**
Impairments	**–**	**(5.8)**	**–**	**(5.8)**
At 28 December 2024	**–**	**152.2**	**198.9**	**351.1**
Accumulated depreciation				
At 31 December 2022	0.1	62.6	148.8	211.5
Charged in the period	0.1	8.0	13.0	21.1
Disposals	–	(1.4)	(5.1)	(6.5)
At 30 December 2023	0.2	69.2	156.7	226.1
Charged in the period	**0.1**	**12.6**	**9.6**	**22.3**
Disposals	**(0.3)**	**(2.6)**	**(7.7)**	**(10.6)**
At 28 December 2024	**–**	**79.2**	**158.6**	**237.8**
Net book value				
At 28 December 2024	**–**	**73.0**	**40.3**	**113.3**
At 30 December 2023	5.9	78.4	38.9	123.2

£5.8m of impairment was recognised in the period (52 weeks ended 30 December 2023: £nil) on stores where the remaining cash flows from the store are not expected to support the carrying value of the asset.

During the year the Group sold one property (30 December 2023: none) for total proceeds of £6.2m as part of a sale and leaseback transaction (note 15).

15 Right-of-use assets

The Group leases many assets including land and buildings and vehicles, the weighted average remaining lease term of all leases is 9.6 years (30 December 2023: 9.4 years). Information about leases for which the Group is a lessee is presented below.

At 28 December 2024, the Group had no material leases committed to but not yet commenced (30 December 2023: nil). The Group does not enter into turnover rent agreements or have material variable payments. It holds 23 property leases which contain termination options and, given there is not an economic incentive to exercise the option given the performance of the related stores, the extended period is included within our IFRS 16 calculations. The Group does not have any significant extension options in its lease agreements.

During the year the Group sold one property (30 December 2023: none) for total proceeds of £6.2m which was leased back for a lease term of 20 years, included in additions. There was no gain or loss on the sale and leaseback transaction.

The modifications relate predominantly to increases in lease terms within the store portfolio.

Net carrying value (£m)	Land and buildings	Plant and equipment	Total
At 31 December 2022	530.2	12.2	542.4
Additions	11.6	10.6	22.2
Modifications	45.9	0.1	46.0
Terminations	(0.2)	(0.1)	(0.3)
Depreciation	(67.8)	(6.4)	(74.2)
Impairments	(2.7)	–	(2.7)
Reversal of previous impairments	3.7	–	3.7
At 30 December 2023	520.7	16.4	537.1
Additions	**38.1**	**22.8**	**60.9**
Modifications	**53.0**	**–**	**53.0**
Terminations	**–**	**(0.8)**	**(0.8)**
Depreciation	**(67.6)**	**(9.1)**	**(76.7)**
Impairments	**(12.3)**	**–**	**(12.3)**
Reversal of previous impairments	**1.3**	**–**	**1.3**
At 28 December 2024	**533.2**	**29.3**	**562.5**

Notes to the consolidated financial statements continued

15 Right-of-use assets continued

Lease liabilities (£m)	As at 28 December 2024	As at 30 December 2023
Maturity analysis – contractual undiscounted cash flow		
Less than one year	**112.3**	109.7
One to two years	**111.1**	107.4
Two to five years	**285.4**	406.1
Five to ten years	**253.7**	155.3
More than ten years	**105.7**	49.0
Total undiscounted lease liabilities	**868.2**	827.5
Lease liabilities included in the balance sheet		
Current	**80.4**	79.8
Non-current	**624.9**	596.0
	705.3	675.8

Amounts recognised in the income statement (£m)	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Interest expense on lease liabilities	**30.1**	28.2
Expenses related to short-term leases	**0.3**	0.1
Expenses related to low-value assets	**0.8**	–
Depreciation	**76.7**	74.2
Net impairment charge/(reversal)	**15.7**	(1.0)

The weighted average incremental borrowing rate applied to property leases is 4.3% (30 December 2023: 4.3%), and for fleet leases is 6.9% (30 December 2023: 4.9%). Incremental borrowing rates for property leases are calculated from Group debt costs modified for retail property yields across the UK. Incremental borrowing rates for fleet leases are calculated from hire-purchase rates.

Sublet income

The Group leases space in some of its stores to third parties. Property rental income earned during the period in respect of these properties is disclosed in note 6.

At the balance sheet date, the Group had contracts with lessees for the following undiscounted future minimum lease payments:

(£m)	As at 28 December 2024	As at 30 December 2023
Within one year	**3.4**	2.3
One to five years	**10.6**	5.9
After five years	**14.2**	2.4
Total	**28.2**	10.6

16 Impairment testing

Measuring recoverable amounts

For impairment testing purposes, the Group has determined that each store is a separate CGU. 'Click and collect' sales and an allocation by store of delivered online sales are included in store cash flows to reflect the contributions stores make to fulfilling such orders.

CGUs are reviewed for indicators of impairment at each reporting date to determine if an impairment review is required: initially this typically requires a review of each store's performance to identify loss making or low profitability stores, after taking account of an appropriate proportion of central costs, over the period of the Board approved Five-Year Plan. In some particular cases, other factors are also considered including stores with recent losses or proportionately higher asset values, as well assessing whether any stores are exposed to risks, including specifically those related to climate change, that could indicate that it will not be able to remain open to the end of its lease, or result in any non-property assets having reduced useful lives. Where management consider there to be adverse factors which could impact a wider population of stores, for example a weak macroeconomic environment, all stores are treated as having an indicator of impairment.

The Group's goodwill balance is monitored for impairment testing purposes. The brought forward balance arose in relation to the acquisition of two tranches of stores formerly operating under the Focus brand in 2007 and 2011. Each tranche of stores is treated as a separate CGU, against which impairment (including the related goodwill) is considered. The carrying amounts of each CGU (including the related goodwill) is considered. The carrying amount of each CGU (including goodwill) is £16.7m and £38.1m respectively.

In the period ended 28 December 2024, the acquisition of a 51% holding in Solar Fast (note 12) generated goodwill of £4.2m, which is monitored against the business as one CGU. The carrying value of the CGU including goodwill is £5.1m for the 51% holding. The Group tests goodwill balances for impairment annually as well as for interim reporting if there are indications that an impairment may have occurred.

In accordance with accounting standards, the recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Recognising that a value in use approach will reflect the valuation premium arising from both the Group's store network and fulfilment model, as well as the significant investment made centrally to support its key growth drivers, which should be excluded when calculating fair value, value in use has been used when calculating recoverable amount.

For store impairment testing and goodwill relating to the acquisition of two tranches of stores, the recoverable amount of each CGU is determined from value-in-use calculations, derived from the Board approved Five-Year Plan. The carrying value represents each store's specific assets, as well as the IFRS 16 right-of-use asset, plus an allocation of corporate assets (and related cash flows) where these assets can be allocated on a reasonable and consistent basis. The total value of these assets attributable to stores is £678.3m (30 December 2023: £666.4m).

For goodwill relating to the acquisition of the 51% holding in Solar Fast, the recoverable amount of the CGU is determined from value-in-use calculations, derived from the Board approved Five-Year Plan.

Notes to the consolidated financial statements continued

16 Impairment testing continued

Key assumptions

The estimation of future cash flows is derived from the Board approved Five-Year Plan, which is developed from a variety of sources including store performance, competitor activity, and consumer and market outlook. The key assumptions underpinning the value in use model include revenue growth and gross margin in the Board approved Five-Year Plan, and an allocation of a percentage of central costs.

The table below identified the key assumptions related to store impairment testing and goodwill related to the acquisition of two tranches of stores.

	2024	2023
Pre-tax discount rate	**13.4%**	13.7%
Revenue growth rate	**4% - 7%**	2% – 7%
Gross margin	**40% - 46%**	36% – 48%
Central cost allocation	**61.2%**	61.1%

Management determined the values assigned to these financial assumptions as follows:

- The pre-tax discount rate is derived from the Group's weighted average cost of capital, which has been calculated using the capital asset pricing model, the inputs of which include a UK risk-free rate, equity risk premium, Group size premium and a risk adjustment (beta).
- Revenue growth rates and gross margin in the Five-Year Plan period are after removing the impact of new stores, refits, and cost saving programmes that are yet to be enacted at the period end, but include the impact of all known ESG commitments and risks. These rates change each year based on both external and internal factors: the lower revenue growth rates in the near term, arising from the current economic uncertainty, are forecast to improve in the later years, reflecting the anticipated recovery in the UK economy and the continuing successful execution of the Group's growth strategy.
- Central costs are reviewed to identify amounts which are necessarily incurred to generate the CGU cash flows. Costs are allocated by category using appropriate volumetrics. A proportion of stewardship costs are allocated to CGUs, excluding those costs which are incurred solely due to the listed nature of the Group.
- Cash flows beyond the Five-Year Plan period (2030 and beyond) have been determined using an appropriate long-term nominal growth rate.

For goodwill related to the 51% acquisition of Solar Fast, the primary assumptions relate to a pre-tax discount rate at 23.15%, which is a derivation of the Group's weighted average cost of capital, as noted above, with a risk premium tailored to the size of the Solar Fast business, revenue growth rates of 23% - 51% and gross margin of 41% to 45%.

Whilst the directors consider their assumptions to be realistic, including those for market changes, the estimated future cash flows derived from the Board approved Five-Year Plan require the achievement of company specific growth initiatives. Should actual results be different from expectations, for instance due to worsening of the UK economy, then it is possible that the value of non-current assets included in the balance sheet could be further impaired.

Impairment of goodwill

At 28 December 2024 the recoverable amount of CGUs to which the goodwill is allocated was in excess of its book value and therefore no impairment has been recognised. The impairment review was not sensitive to changes in the assumptions used in the value-in-use model.

For goodwill related to Solar Fast, the impairment review was carried out using the assumptions and methodology disclosed in this note, with no impairment recognised. For goodwill related to the acquisition of two tranches of stores, of the impairment results noted on right-of-use assets, £nil relates to right-of-use assets for stores associated with some goodwill.

Impairment of store related right-of-use assets and fixed assets

Due to the continued softer UK macro-economic environment and economic outlook in 2024, all stores were tested for impairment.

The impairment reviews were carried out using the assumptions and methodology disclosed in this note. The impairment review identified 27 stores that should be impaired resulting in £18.1m (30 December 2023: £2.7m) of impairment charge, split as £12.3m (30 December 2023: £2.7m) relating to right-of-use assets and £5.8m (30 December 2023: £nil) relating to property, plant and equipment. Of these 27 stores, 8 have closed or are in the process of closing, with 19 remaining operational, some of which are not yet mature. The review also identified one store where a reversal of previous impairment to right-of-use assets should be recognised, resulting in £1.3m (30 December 2023: £3.7m) of impairment credit. Both the impairment charge and credit are recognised within selling costs.

Given the size of the total store impairment charge, and that fact a key contributory to the existence of the charge is the broader UK macro-economic events impacting many retail businesses, and not solely the underlying performance of the Group's individual stores, this impairment charge is included within adjusting items as disclosed in note 9.

The carrying amount of non-current assets attributable to the stores that have been impaired, after impairment, is £52.1m (30 December 2023: £13.7m). The impairment sensitivities set out below are calculated with reference to all stores.

Impairment sensitivities

It is possible that a materially different impairment would have been identified if the key assumptions were changed in the value-in-use calculations for store impairment testing. The impact on the net impairment recognised for store impairment testing from reasonably possible changes in assumption, all other assumptions remaining the same, are shown in the table below.

Assumption

(£m)	Decrease/(increase) in net impairment
Store revenue increases/(decreases) by 2%	£7.5m – £(9.9)m
Gross margin increases/(decreases) by 1%	£8.8m - £(12.6)m
Percentage of central costs allocated decreases/(increases) by 10%	£5.3m - £(6.3)m
Discount rate decreases/(increases) by 100 basis points	£3.8m - £(4.0)m

Note, for Solar Fast goodwill, a 10% sensitivity to revenue and similar sensitivities to those above for gross margin and discount rates do not have a material impact on headroom. For both Solar Fast goodwill and store impairments, reasonably possible changes of the other assumptions, including halving the growth rate past the Five-Year Plan period, would not result in a material increase to the impairment charge.

Notes to the consolidated financial statements continued

17 Deferred tax

The following are the major deferred tax assets and (liabilities) recognised by the Group and movements thereon during the current and prior reporting periods.

	Tax losses	Provisions	Capital Allowance	Share-based payments	Leases	Total
At 31 December 2022	–	–	(8.5)	0.2	31.0	22.7
(Charge)/credit to the Income statement	(0.4)	–	(1.4)	1.1	1.0	0.3
Charge to equity	–	–	–	1.2	–	1.2
Prior period adjustment	0.4	1.5	(0.2)	–	(2.9)	(1.2)
Change in tax rates	–	–	(0.1)	–	0.1	–
At 30 December 2023	–	1.5	(10.2)	2.5	29.2	23.0
(Charge)/credit to the Income statement	**(1.8)**	**0.2**	**0.8**	**0.1**	**6.4**	**5.7**
Credit to equity	**–**	**–**	**–**	**1.5**	**–**	**1.5**
Prior period adjustment	**1.7**	**(0.7)**	**1.7**	**(1.7)**	**(1.5)**	**(0.5)**
Change in tax rates	**0.1**	**–**	**0.1**	**(0.1)**	**–**	**0.1**
At 28 December 2024	**–**	**1.0**	**(7.6)**	**2.3**	**34.1**	**29.8**
Disclosed within non-current assets	**–**	**1.0**	**(7.6)**	**2.3**	**34.1**	**29.8**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted, or substantively enacted, at the balance sheet date. The Group has separately calculated the tax rates applicable in respect of Adjusting items for the period as well as the tax rate change as a result of the increase in the rate of UK corporation tax effective from 1 April 2023 from 19% to 25%. The legislation enacting this rate increase was substantively enacted on 24 May 2021.

At 28 December 2024, the Group had unused capital losses of £37.6m (30 December 2023: £37.6m) available for offset against future capital profits. No deferred tax asset has been recognised because it is unlikely that future taxable profits will be available against which the Group can utilise the losses.

18 Investments

As at 28 December 2024, these consolidated financial statements of the Group comprise the Company, Wickes Group Plc, and the following subsidiaries which are all incorporated in the United Kingdom.

Incorporated in England and Wales and registered at Vision House, 19 Colonial Way, Watford, WD24 4JL	Principal activity	% interest held	Class of share
Wickes Group Holdings Limited	Holding company	100%	Ordinary
Wickes Building Supplies Limited*	Home improvement retailer	100%	Ordinary
Gasfast Limited*	Solar installations	51%	Ordinary
Wickes Finance Limited*	Dormant	100%	Ordinary
Wickes Holdings Limited*	Dormant	100%	Ordinary

* indirect shareholding

19 Inventories

(£m)	**As at 28 December 2024**	As at 30 December 2023
Inventories	**192.9**	195.5

Inventories consist of goods for resale. Inventories are stated after provisions for impairment of £3.7m (2023: £3.7m) and includes a deduction to account for rebates earned on purchases and held in inventory at year end of £8.4m (2023: £7.3m).

Cost of sales for the 52 weeks ended 28 December 2024 includes inventory recognised as an expense amounting to £844.4m (52 weeks ended 30 December 2023: £857.8m).

	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Movement in stock provisions		
Opening provision	**3.7**	5.0
Provision utilisation	**(11.9)**	(14.1)
Provision increased	**11.9**	12.8
Closing provision	**3.7**	3.7

20 Trade and other receivables

(£m)	**As at 28 December 2024**	As at 30 December 2023
Trade receivables	**31.1**	33.4
Allowance for expected credit losses	**(0.9)**	(1.0)
	30.2	32.4
Other receivables	**25.1**	26.4
Prepayments and accrued income	**15.3**	15.3
Total current trade and other receivables	**70.6**	74.1

Trade receivables primarily represent amounts receivable following the delivery of goods purchased through finance agreements or completion of a Design & Installation project installation and electronic payment transactions with customers that were not received into the bank at the year end. Cash received from third parties providing finance to the Group's customers is recognised in the Cash Flow Statement as an operating cash flow.

The ageing of trade receivables is shown below. A provision for expected credit losses has been recognised at the reporting date through consideration of the ageing profile and the risk of non-recovery. The carrying amount of trade receivables, net of expected credit losses, is considered to be an approximation to its fair value.

Notes to the consolidated financial statements continued

20 Trade and other receivables continued

Trade receivables on financed sales are ordinarily settled by financing providers; the Group does not retain consumer credit risk in respect of these sales. In a small number of cases, despite the Group having fulfilled its obligations under the installation contract, there may be a technical delay in receiving final settlement from the finance partner. The Group assesses whether these delays may result in amounts ultimately not being received and establishes a credit loss accordingly. Credit risk on credit card transactions is retained by the card issuer.

The loss allowance for trade receivables was determined as follows:

Saturday 28 December 2024	**Current**	**1-30 days**	**31-60 days**	**61-120 days**	**More than 120 days**	**Total**
Expected loss rate	**2.9%**	-	-	-	-	**2.9%**
Carrying amount of trade receivables (£m)	**31.1**	-	-	-	-	**31.1**
Loss allowance (£m)	**(0.9)**	-	-	-	-	**(0.9)**

Saturday 30 December 2023	Current	1-30 days	31-60 days	61-120 days	More than 120 days	Total
Expected loss rate	1.5%	–	–	100.0%	80.0%	3.0%
Carrying amount of trade receivables (£m)	32.5	0.1	0.2	0.1	0.5	33.4
Loss allowance (£m)	(0.5)	–	–	(0.1)	(0.4)	(1.0)

The Group assesses expected credit losses associated with the trade receivable on a forward looking basis by considering actual credit loss experience and whether there has been a significant increase in credit risk.

The movement in the allowance for impairment in respect of trade receivables during the period was as follows:

(£m)	**As at 28 December 2024**	As at 30 December 2023
At the beginning of the period	**1.0**	1.3
Provided in the period	**0.4**	0.2
Released during the period	**(0.5)**	(0.5)
At the end of the period	**0.9**	1.0

Trade receivables are written off when there is no longer a reasonable expectation of recovery. This is primarily where settlement is not received from the finance partners and an alternative payment plan cannot be agreed with the customer directly, or where a payment plan exists and the customer has failed to make contractual payments for a period greater than one year past due.

When assessing credit losses, trade receivables are grouped according to shared characteristics (payor/payor type) and the days past due. Given the primary settlors of trade receivables are consumer credit providers that have stable credit ratings, the Group has concluded that historical debt performance of the portfolio during the last three reporting periods provides a reasonable approximation of the future expected loss rates for each payor age category.

Other receivables primarily represent amounts due from suppliers to the Group for rebates of £23.7m (30 December 2023: £24.1m).

21 Cash and cash equivalents

(£m)	**As at 28 December 2024**	As at 30 December 2023
Cash at Bank	**4.4**	6.0
Short-term deposits	**81.9**	91.5
	86.3	97.5

Cash and cash equivalents comprise cash balances, short-term deposits and other short term highly liquid investments (including money market funds) with maturities not exceeding three months from the date of acquisition placed with investment grade counterparties which are subject to an insignificant risk of change in value.

22 Capital and reserves

	10 pence ordinary shares	
The Group and Company	Shares	£m
Authorised, issued and fully paid		
At 31 December 2022	259,637,998	26.0
Shares cancelled	(7,512,623)	(0.8)
At 30 December 2023	252,125,375	25.2
Shares cancelled	(10,059,076)	(1.0)
At 28 December 2024	**242,066,299**	**24.2**

The Group and Company have 242,066,299 allotted and fully paid ordinary shares of 10 pence each. There is a single class of ordinary shares and all shares rank equally with regard to the Company's residual asset. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

No shares were issued during the current financial year in relation to share options.

During the 52 weeks ended 28 December 2024, 10.1 million (52 weeks ended 30 December 2023: 7.5 million) shares were purchased from the market and also cancelled, as part of the share buyback programme. The total consideration of £15.1m (52 weeks ended 30 December 2023: £10.1m) was charged to retained earnings including £0.1m for stamp duty and commission (52 weeks ended 30 December 2023: £0.1m). The aggregate nominal value of shares cancelled and transferred to the capital redemption reserve was £1.0m (52 weeks ended 30 December 2023: £0.8m).

Notes to the consolidated financial statements continued

22 Capital and reserves continued

EBT share reserves

The Wickes Employee Benefit Trust and Equiniti Share Plan Trustees Limited (together "the Trusts") have been put in place to further the interests of the Company by benefitting employees of the Group. The Trusts are treated as an extension of the Group and the Company.

Where the Trusts purchase the Company's equity share capital the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. As at 28 December 2024, 4,778,750 shares (30 December 2023: 5,918,098 shares) were held by the Trusts in relation to the Company's Share Incentive Plan. The EBT share reserves balance as at 28 December 2024 was £0.5m (30 December 2023: £0.7m).

(number of shares)	**As at 28 December 2024**	As at 30 December 2023
At the beginning of the period	**5,918,098**	6,818,863
Own shares purchased for share schemes	**-**	170,000
Shares released to participants	**(1,139,348)**	(1,070,765)
At the end of the period	**4,778,750**	5,918,098

Other reserves

The Other reserves balance as at 28 December 2024 of £785.7m (30 December 2023: £785.7m) was created on the acquisition in March 2020 by Wickes Group Plc of Wickes Group Holdings Limited and by Wickes Group Holdings Limited of Wickes Building Supplies Limited and Wickes Finance Limited, via share for share exchanges, and represents the difference between the carrying value of the assets and liabilities of the acquired companies and the nominal value and premium of the shares issued.

23 Borrowings

Bank borrowings

On 23 March 2021, the Group entered into a three-year £80.0m Revolving Credit Facility (RCF) with a syndicate of banks. The Revolving Credit Facility is intended to be used for general corporate purposes and was undrawn as at 28 December 2024 (30 December 2023: undrawn). In March 2022 and again in March 2023, one year extensions were obtained on the revolving credit facility, ultimately extending the expiry date to March 2026. In March 2024, the Group completed an "Amend and Extend" of its revolving credit facility (RCF), extending the maturity to March 2028 with an option for a further year. After the year end, a further one year extension was obtained, extending the expiry date to March 2029 (note 32).

The group does not have an overdraft facility as at 28 December 2024 (30 December 2023: no facility).

At the period end, the Group had the following borrowing facility available:

(£m)	**As at 28 December 2024**	As at 30 December 2023
Undrawn facilities:		
4-year committed revolving credit facility (expires March 2028)	**80.0**	80.0
	80.0	80.0

Lease liabilities

Obligations under finance leases

The Group has entered into lease agreements in respect of retail stores, warehouses, vehicles and office equipment. The leases are secured on floating charges over both the present and future assets of material subsidiaries in the Group. Leases, with a present value liability of £705.3m (30 December 2023: £675.8m), expire in various years to 2044 and carry an average incremental borrowing rate of 4.4% (30 December 2023: 4.3%). Rent in respect of retail stores leases are reviewed by the landlord periodically, subject to assorted floors and caps. Except for these reviews, cash flows and charges are expected to remain in line with the current period.

The discount rates used are calculated at inception of the lease on a lease by lease basis, and are based on estimates of incremental borrowing rates.

Changes in lease liabilities arising from financing activities are detailed in note 24.

In the period, the Group recognised charges of £1.1m (30 December 2023: £0.1m) of lease expenses relating to short term and low value leases for which the exemption under IFRS 16 has been taken.

See note 15 for more detail on the depreciation of the Right-of-use (ROU) assets and note 7 for more detail on the interest expense relating to leases.

24 Movement in lease liability net debt

(£m)	Cash and cash equivalents	Lease liability	Total
At 31 December 2022	99.5	(691.3)	(591.8)
Decrease in cash and cash equivalents	(2.0)	–	(2.0)
Repayment of lease liabilities	–	112.5	112.5
Discount unwind on lease liability	–	(28.2)	(28.2)
Lease additions	–	(22.2)	(22.2)
Lease modifications	–	(46.0)	(46.0)
Lease incentives received	–	(0.8)	(0.8)
Lease terminations	–	0.2	0.2
At 30 December 2023	97.5	(675.8)	(578.3)
Decrease in cash and cash equivalents	**(11.2)**	**–**	**(11.2)**
Repayment of lease liabilities	**–**	**114.4**	**114.4**
Discount unwind on lease liability	**–**	**(30.1)**	**(30.1)**
Lease additions	**–**	**(60.7)**	**(60.7)**
Lease modifications	**–**	**(53.0)**	**(53.0)**
Lease incentives received	**–**	**(0.9)**	**(0.9)**
Lease terminations	**–**	**0.8**	**0.8**
At 28 December 2024	**86.3**	**(705.3)**	**(619.0)**

Notes to the consolidated financial statements continued

24 Movement in net debt continued

Balances (£m)	As at 28 December 2024	As at 30 December 2023
Cash and cash equivalents	86.3	97.5
Current lease liabilities	(80.4)	(79.8)
Non-current lease liabilities	(624.9)	(596.0)
Net debt	**(619.0)**	(578.3)

25 Provisions

(£m)	Property	Warranty	Insurance	Total
At 31 December 2022	2.1	2.9	5.9	10.9
Charge to income statement	1.7	2.8	1.0	5.5
Utilisation	–	(2.4)	(1.4)	(3.8)
At 30 December 2023	3.8	3.3	5.5	12.6
Charge to income statement	0.2	3.5	1.2	4.9
Utilisation	(2.1)	(2.5)	(1.8)	(6.4)
At 28 December 2024	**1.9**	**4.3**	**4.9**	**11.1**

(£m)	As at 28 December 2024	As at 30 December 2023
Current	9.7	10.3
Non-current	1.4	2.3
	11.1	12.6

Property provisions primarily arise where there is an expectation that a store will close and where there is an obligation to fulfil rate, insurance and dilapidation payments under the lease contract, or if there is other evidence that enables a dilapidation provision to be reliably estimated. The provision will be revised in future periods should the lease be terminated early or a subtenant found.

The insurance claims provision represents management's best estimate of the value of outstanding claims against the Group, using an expected value approach in line with IAS 37. There are no individually material claims and the potential settlement dates and amounts vary widely based on the portfolio of insurance claims provided for. The Group has no material self insured claims.

All provisions as at 28 December 2024 other than £1.4m of property provisions (30 December 2023: £2.3m of property provisions) are considered to be current and expected to be utilised within the next twelve months.

26 Trade and other payables

(£m)	As at 28 December 2024	As at 30 December 2023
Trade payables	120.7	119.4
Social security and other taxes	16.9	11.6
Other payables	17.3	17.0
Deferred income	26.2	33.2
Accrued expenses	31.5	37.9
Trade and other payables	**212.6**	219.1

The trade payables balance includes a deduction for amounts due from suppliers to the Group for associated rebates of £8.7m (30 December 2023: £8.9m).

The deferred income balance represents amounts received directly from customers for goods and services where the Group has not fulfilled its performance obligations, including upfront deposits received. Under the terms of the relevant contracts, sales made where third parties have provided finance to the customer (not including the upfront deposit) do not give rise to deferred income. Of the total deferred income balance, £22.6m (30 December 2023: £28.5m) related to Design & Installation deferred income.

Revenue of £54.4m was recognised in the 52 weeks ended 28 December 2024 which had been included in the deferred income balance at the beginning of the period (52 weeks ended 30 December 2023: £44.4m).

27 Dividends

(£m)	As at 28 December 2024	As at 30 December 2023
Amounts recognised in the financial statements as distributions to equity shareholders are shown below:		
– final dividend for the 52 weeks ended 30 December 2023 of 7.3 pence (52 weeks ended 31 December 2022: 7.3 pence)	17.6	18.3
– interim dividend for the 52 weeks ended 28 December 2024 of 3.6 pence (52 weeks ended 30 December 2023: 3.6 pence)	8.5	9.1
Total dividend	**26.1**	27.4

A final dividend of 7.3p is proposed in respect of the 52 weeks ending 28 December 2024. It will be paid on 6 June 2025 to shareholders on the register at the close of business on 25 April 2025 (the Record Date). The shares will be quoted ex-dividend on 24 April 2025.

Shareholders may elect to reinvest their dividend in the Dividend Reinvestment Plan (DRIP). The last date for receipt of DRIP elections and revocations will be 15 May 2025.

In the post-acquisition period, a dividend was paid by Gasfast Limited of £2.4m to its non-controlling interest.

Notes to the consolidated financial statements continued

28 Share-based payments

The Group operates a number of share-based payment schemes for Executive Directors and other employees, all of which are classified as equity settled. The Group has no legal or constructive obligation to repurchase or settle any of the options in cash.

The total cost in respect of LTIPs, Transition Awards, SAYE and Free Shares recognised in the income statement was £4.0m in the period ended 28 December 2024 (period ended 30 December 2023: £5.9m). Of this charge, £3.6m (period ended 30 December 2023: £5.6m), which is the amount net of Employer's National Insurance, is credited to equity. Employer's National Insurance (including Apprenticeship Levy) is being accrued on the balance sheet, where applicable, at the rate of 15.5%, which management expects to be the prevailing rate at the time the options are exercised, based on the share price at the reporting date. The total National Insurance charge for the period was £0.4m (period ended 30 December 2023: £0.3m).

The total cost between each of the relevant schemes, together with the number of options outstanding are shown below:

Charge (£m)	**52 weeks ended 28 December 2024**	52 weeks ended 30 December 2023
Long Term Incentive Plan	**2.8**	3.8
Transition Awards	**–**	0.3
Save As You Earn (SAYE)	**0.9**	1.2
Free Shares	**0.3**	0.6
	4.0	5.9

Number of options (thousands)	**As at 28 December 2024**	As at 30 December 2023
Long Term Incentive Plan	**8,254**	6,359
Transition Awards	**–**	100
Save As You Earn (SAYE)	**11,080**	10,768
Free Shares	**348**	488
	19,682	17,715

A summary of the main features of the schemes are detailed below:

Scheme	Scheme name	Grant date	Vesting date	Number of options granted	Vesting criteria	Eligibility	Scheme type
Long Term Incentive Plan (LTIP)	RSP	31/03/2023	31/03/2025	827,045	A performance underpin	Executive Directors, designated senior managers	Nil-cost options
		31/03/2023	31/03/2024	711,237			
	LTIP 24	30/09/2024	30/09/2027	23,902	EPS (60%), TSR (30%) & ESG (10%) targets		
		27/03/2024	27/03/2027	3,366,432			
	LTIP 23	25/09/2023	25/09/2026	29,735	EPS (60%), TSR (30%) & ESG (10%) targets		
		31/03/2023	31/03/2026	3,448,605			
	LTIP 22	28/09/2022	28/09/2025	666,396	EPS (70%) & TSR (30%) targets		
		31/03/2022	31/03/2025	1,998,542			
	LTIP 21	28/09/2021	28/09/2024	1,795,194			
	Buyout Award	28/09/2022	9/9/2023 & 25/03/2024	148,114	n/a	Mark George, CFO	
Transition Awards		28/09/2021	28/04/2022 & 28/04/2023	1,616,863	A performance underpin for Executive Directors	Executive Directors, designated senior managers	Nil-cost options
Save As You Earn (SAYE)	SAYE 23	17/10/2023	17/10/2026	2,543,884	Continued saving for 3 years	All Employees	SAYE options
	SAYE 22	18/10/2022	18/10/2025	9,475,353			
	SAYE 21	19/10/2021	19/10/2024	5,433,646			
Free Shares		28/06/2021	28/06/2024	881,940	n/a	All Employees	Nil-cost options

In addition to the scheme specific vesting criteria detailed above, for each scheme vesting is ordinarily dependent on the continued employment of recipients. Further features of the individual schemes are detailed below:

Notes to the consolidated financial statements continued

28 Share-based payments continued

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) 21, LTIP 22, LTIP 23 and LTIP 24 awards are made at the discretion of the Remuneration Committee, with vesting subject to market and non-market performance criteria measured over a period of three years. The criteria are set by the Remuneration Committee, and are aligned with the long-term strategic objectives of the Group and shareholder value creation.

The Buy-out award is in respect of an award granted to Mark George on his appointment as CFO, following the decision to buy-out some of the incentive awards forfeited by him from his previous employer, The Gym Group.

The Group granted RSP options with the intention of replacing the majority of the existing LTIP 21 and LTIP 22 awards.

In accordance with IFRS 2, if an award is granted as a replacement for a pre-existing award then modification accounting is applied, whereby the incremental fair value of the RSP over the LTIP, determined at the date of RSP grant, is spread over the vesting period of the RSP.

The charge in the period for LTIP includes an accrual of £0.7m (period ended 30 December 2023: £0.8m) for the Group's Deferred Share Bonus plan in respect of the bonus payable in shares for the period ended 28 December 2024.

Save As You Earn

The Save As You Earn (SAYE) scheme is open to all Wickes Group employees. A maximum monthly contribution of £500 is permitted under the option scheme. Upon vesting, the options will remain exercisable for 6 months.

Free Shares

Free Shares are free Wickes Shares which were allocated to all full-time and part-time employees at demerger and had a market value of £300 or £150 respectively.

Fair value of options

The Black-Scholes option-pricing model is used to calculate the fair value of the options and the amount to be expensed. Judgements including the probability of the performance conditions being achieved, the number of employees who may leave the Group or the scheme, and dividend yields, are included in the fair value calculations.

The following information is relevant to the determination of the fair value of the awards granted under the schemes for the 52 weeks ended 28 December 2024 and the 52 weeks ended 30 December 2023. The information is expressed as weighted averages where relevant:

	52 weeks ended 28 December 2024	
The Group and Company:	**LTIP (nil cost options)**	**SAYE**
Share price at grant date (pence)	**150.4**	**163.6**
Option exercise price (pence)	**–**	**140.0**
Option life (years)	**2.3**	**3.0**
Expected dividends as a dividend yield (%)	**n/a**	**7.2%**
Risk free interest rate (%)	**n/a**	**3.9%**
Volatility (%)	**n/a**	**31.0%**

	52 weeks ended 30 December 2023	
The Group and Company:	LTIP (nil cost options)	SAYE
Share price at grant date (pence)	135.3	133.6
Option exercise price (pence)	–	116.0
Option life (years)	2.6	3.0
Expected dividends as a dividend yield (%)	n/a	8.0%
Risk free interest rate (%)	n/a	4.6%
Volatility (%)	n/a	33.3%

As the LTIP awards have a nil exercise price the risk free rate of return, the dividend yield and the volatility do not have any effect on the estimated fair value.

If the LTIP options remain unexercised after a period of 10 years from the date of grant, these options expire. SAYE options expire 3½ years after the date of grant.

The risk-free interest rate of return is the yield on zero-coupon UK Government bonds on a term consistent with the vesting period. Dividends used are based on actual dividends where data is known and future dividends using the Group's Five-Year Plan.

Volatility is based on historic share prices over the period since the demerger date, when Wickes Group Plc joined the London Stock Exchange. Option life used in the model has been based on the option vesting period.

Notes to the consolidated financial statements continued

28 Share-based payments continued

Income statement charge, shares granted and outstanding at the end of the period

A description of the share schemes operated by the Group is contained in the remuneration report on pages 106 to 117. The number of share options granted and the estimated fair values of the shares under option granted under the Group's share schemes in both 2024 and 2023 are shown below:

Grant date - scheme	Expiry date	Exercise price (pence)	Share options (thousands)	Fair value for the Group (£m)
15/10/2024 – Save As You Earn plan	15/04/2028	140.0	2,244	0.3
30/09/2024 – Long Term Incentive Plan	30/09/2034	–	24	–
27/03/2024 – Long Term Incentive Plan	27/03/2034	–	3,366	2.5
17/10/2023 – Save As You Earn plan	17/04/2027	116.0	2,544	0.5
25/09/2023 – Long Term Incentive Plan	25/09/2033	–	30	–
31/03/2023 – Long Term Incentive Plan	31/03/2033	–	3,449	2.4
31/03/2023 – Restricted Stock Plan	31/03/2033	–	1,538	2.1

The aggregate number of share awards outstanding for the Group and their weighted average exercise price is shown below:

	52 weeks ended 28 December 2024			52 weeks ended 30 December 2023		
	Weighted average exercise price (pence)	Number of options (thousands)	Number of nil price options (thousands)	Weighted average exercise price (pence)	Number of options (thousands)	Number of nil price options (thousands)
Outstanding at the beginning of the period	70	10,769	6,948	75	10,727	5,845
Granted during the period	56	2,244	3,390	39	2,544	5,017
Exercised during the period	9	(99)	(967)	8	(67)	(855)
Forfeited during the period	104	(1,834)	(320)	111	(2,435)	(246)
Cancelled during the period	–	–	(449)	–	–	(2,813)
Outstanding at the end of the period	67	11,080	8,602	70	10,769	6,948
Exercisable at the end of the period	–	708	348	–	–	100

Details of the share options outstanding at 28 December 2024 are shown below:

	52 weeks ended 28 December 2024			52 weeks ended 30 December 2023		
	LTIP	Transition Awards	SAYE and Free Shares	LTIP	Transition Awards	SAYE and Free Shares
Range of exercise price (pence)	–	–	nil–196	–	–	nil–196
Weighted average exercise price (pence)	–	–	115	–	–	110
Number of shares (thousands)	8,254	–	11,428	6,359	100	11,256
Weighted average expected remaining life (years)	1.5	–	1.3	1.7	–	1.9
Weighted average contractual remaining life (years)	8.6	–	1.7	9.0	7.8	2.4

29 Commitments

Consignment stock

At 28 December 2024, the Group held consignment stock on sale or return of £5.6m (30 December 2023: £6.6m). The Group is only required to pay for the goods it chooses to sell and therefore this stock is not recognised as an asset.

Capital commitments

Capital commitments comprise amounts payable under capital contracts which are duly authorised and in progress at the consolidated balance sheet date. They include the full cost of goods and services to be provided under the contracts through to completion. The Group has rights within its contracts to terminate at short notice and, therefore, cancellation payments are minimal.

Capital commitments at the end of the period are shown below:

(£m)	As at 28 December 2024	As at 30 December 2023
Contracted but not provided for in the accounts	9.3	12.6

Notes to the consolidated financial statements continued

30 Financial instruments

The carrying value of categories of financial instruments

(£m)	Note	As at 28 December 2024	As at 30 December 2023
Financial assets:			
Cash and cash equivalents	21	**86.3**	97.5
Trade and other receivables at amortised cost	20	**55.3**	58.8
		141.6	156.3
Financial Liabilities			
Trade and other payables at amortised cost	26	**138.1**	136.4
Lease liabilities	24	**705.3**	675.8
		843.4	812.2

Credit risk and impairment

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financing institutions.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group's exposure to credit risk from trade receivables is considered to be low because of the nature of its customers and policies. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

Amounts due are mainly financed by large reputable financing institutions, which have high credit worthiness.

Where the group is exposed to potential credit loss an impairment allowance is made for individual exposures as well as for an Expected Credit Loss (ECL) component established using rates reflecting historic information for payor groups, and forward looking information. The total provision as at 28 December 2024 is £0.9m (30 December 2023: £1.0m).

Trade and other receivables exclude prepayments and accrued income of £15.3m (30 December 2023: £15.3m).

Trade and other payables

Trade and other payables excludes taxation, social security, accruals and deferred income amounts totalling £74.6m (30 December 2023: £82.7m).

Fair value of financial instruments

Financial assets/liabilities designated at fair value through profit and loss comprise foreign currency forward contracts, where the fair value of the contracts is measured by comparing the contract value using quoted forward exchange rates with the value using the exchange rates prevailing at the period end.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There were no transfers between levels during the period. There are no non-recurring fair value measurements.

The Group held financial instruments measured at fair value as shown in the table below:

(£m)	As at 28 December 2024	As at 30 December 2023
Included in assets		
Level 2		
Foreign currency forward contracts at fair value through profit and loss	**0.9**	–
Included in liabilities		
Level 2		
Foreign currency forward contracts at fair value through profit and loss	**–**	(0.7)
	0.9	(0.7)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group is exposed to interest rate risk arising from fluctuations in market rates. This affects future cash flows from money market investments and the cost of variable rate borrowings such as the Revolving Credit Facility which is currently undrawn. The Group did not have any loans or overdrafts facility during the 52 weeks ended 28 December 2024 (52 weeks ended 30 December 2023: none).

Notes to the consolidated financial statements continued

30 Financial instruments continued

Currency forward contracts

The Group acquires goods for sale from overseas, which when not denominated in sterling are paid for principally in US dollars. The Group has entered into forward foreign exchange contracts (all of which are less than eighteen months in duration) to buy US dollars to manage the exchange rate risk arising from these anticipated future purchases. At the balance sheet date the total notional value of contracts to which the Group was committed was US$64.3m (30 December 2023: US$47.6m). The fair value of these derivatives was a £0.9 asset and a £nil liability (30 December 2023: £nil asset and £0.7m liability). These contracts are not designated as cash flow hedges, however given fair value accounting for these forward contracts does not reflect the intended economic outcome (i.e. to provide a level of certainty over future foreign currency purchases), the net unrealised gains and losses on remeasurement of the contracts are treated as adjusting items in the Group's adjusted profit measures (see notes 2 and 9 for further detail).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity analysis

The following table details the Group's liquidity analysis for its other financial liabilities. The Group's contractual maturities, as at the balance sheet date, of financial liabilities are as follows:

		Maturity analysis				
(£m)	Note	Carrying amount	Contractual cash flows	Within one year	Between one and five years	More than five years
At 28 December 2024						
Trade and other payables at amortised cost	26	**138.1**	**138.1**	**138.1**	**–**	**–**
Lease liabilities	15	**705.3**	**868.2**	**112.3**	**396.5**	**359.4**
		843.4	**1,006.3**	**250.4**	**396.5**	**359.4**
At 30 December 2023						
Trade and other payables at amortised cost	26	136.4	136.4	136.4	–	–
Lease liabilities	15	675.8	827.5	109.7	513.5	204.3
		812.2	963.9	246.1	513.5	204.3

31 Related party transactions

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. They include the Board, as identified on pages 80-81.

Key management compensation

(£m)	52 weeks ended 28 December 2024	52 weeks ended 30 December 2023
Salaries and other short-term employee benefits	**2.2**	2.2
Post-employment benefits	**0.1**	0.1
Share-based payments	**1.0**	1.1
	3.3	3.4

Further information about the remuneration of individual Directors is provided in the audited section of the Directors' Remuneration Report on page 110.

The Group has a related party relationship with its subsidiaries and with its Directors. There have been no related party transactions with Directors other than in respect of remuneration.

32 Events after the reporting period

Revolving credit facility

After the year end the Group completed an extension of its credit facility, lengthening the term by a further year to March 2029. Total commitments on the facility remain at £80m, as well as retaining the £20m accordion.

EBT share purchase programme

After the year end the Group recommended Equiniti Trust (Jersey) Limited, in its capacity as trustee of the Wickes Employee Benefit Trust, purchases 7.1m ordinary shared of the Company in the market. These shares will be held on an unallocated basis for use in satisfying both current and future awards under the Company's various share schemes from time to time.

Share buyback programme

The Group has approved a new £20m share buyback programme, following the successful completion of the £25m buyback in September 2024. The Group is planning to start the share buyback in April 2025.

Notes to the consolidated financial statements continued

33 Alternative Performance Measures

Stock turn

Stock turn is defined as the cost of goods sold divided by the average of year start and year end inventory. It is a measure of how effective we are in converting our stock into sales.

Stock turn is calculated as follows:

(£m)	28 December 2024	30 December 2023
Cost of goods sold	**844.4**	857.8
Opening stock	**195.5**	201.6
Closing stock	**192.9**	195.5
Average stock	**194.2**	198.6
Cost of goods sold divided by average stock	**4.3**	4.3

Like-for-like sales

The use of like-for-like (LFL) sales and why they are useful is discussed in detail in note 5. Additionally, further LFL calculations, which are useful for the same reason, are calculated as follows:

Like-for-like sales – Retail and Design & Installation

Like-for-like sales are further broken down into Retail and Design & Installation related sales to enable further visibility of the relative performance of the two areas.

Like-for-like sales - Retail (£m)	52 weeks ended 28 December 2024
Revenue	**1,212.3**
Network change	**(13.7)**
Revenue (like-for-like basis)	**1,198.6**
Prior period revenue	**1,189.1**
Prior period network change	**(8.8)**
Prior period revenue (like-for-like basis)	**1,180.3**
Increase arising on a like-for-like basis	**18.3**
Like-for-like revenue (%)	**1.5%**

Like-for-like sales - Design & Installation (£m)	52 weeks ended 28 December 2024
Revenue	**326.5**
Network change	**(7.7)**
Revenue generated by business acquired in the period	**(10.0)**
Revenue (like-for-like basis)	**308.8**
Prior period revenue	**364.7**
Prior period network change	**(6.3)**
Prior period revenue (like-for-like basis)	**358.4**
Decrease arising on a like-for-like basis	**(49.6)**
Like-for-like revenue (%)	**(13.9)%**

Free cash flow

The use of free cash flow and why it is useful is discussed on page 24. It is calculated as follows:

(£m)	28 December 2024	30 December 2023
Cash generated from operations	**170.6**	179.6
Add back cash impact of adjusting items	**4.9**	10.4
Adjusted cash inflow from operating activities	**175.5**	190.0
Less: payment of principal of lease liabilities, net of lease incentives received	**(83.4)**	(83.5)
Less: interest on lease liabilities	**(30.1)**	(28.2)
Less: purchases of property, plant and equipment, and development costs of computer software	**(26.1)**	(38.2)
Less: income taxes paid	**(8.6)**	(0.3)
Add: proceeds on disposal of property, plant and equipment	**6.3**	0.1
Less: sale and leaseback transaction	**(7.4)**	–
Add: interest received	**7.4**	7.2
Less: interest paid	**(1.4)**	(1.0)
Free cash flow	**32.2**	46.1

Notes to the consolidated financial statements continued

33 Alternative Performance Measures continued

IFRS 16 net debt leverage

IFRS 16 net debt leverage is the ratio of our net debt balance to our adjusted EBITDA (as calculated above). This enables us to assess whether the profit we generate will be sufficient to pay our debt obligations.

(£m)	As at 28 December 2024
Adjusted operating profit	67.4
Add back depreciation of property, plant and equipment	22.3
Add back depreciation of right-of-use assets	76.7
Add back amortisation	6.6
Adjusted EBITDA	**173.0**

(£m)	28 December 2024
Net debt	619.0
Adjusted EBITDA	173.0
Leverage ratio	**3.6**

Revenue presentational change FY 2025

Currently, sales of Wickes Lifestyle Kitchens which include a design element are classified as Design & Installation revenue, whereas self-serve purchases of the Wickes Lifestyle Kitchen range are classified as Retail. From the start of FY 2025, the Group is changing the presentation of the two revenue streams currently within its operating segment from ‘Retail’ and ‘Design & Installation’, to ‘Retail’ and ‘Design & Installation Ranges’ respectively.

This is to align the presentation with how revenue streams will be monitored internally from FY 2025, and to bring all kitchen and bathroom sales into one reported revenue category, Design & Installation Ranges. Given how customer projects increasingly include products from different ranges within Kitchens and Bathrooms, principally Bespoke and Lifestyle, the historical distinction between the two is becoming less relevant. Note, Design & Installation Ranges will continue to include the sale of solar panels.

Details are provided in the Financial Review on pages 26-29.

Company Balance Sheet

(£m)	Notes	As at 28 December 2024	As at 30 December 2023
Assets			
Non-current assets			
Investment	C6	**556.8**	603.4
Total non-current assets		**556.8**	603.4
Current assets			
Other receivables	C8	**–**	15.1
Total current assets		**–**	15.1
Total assets		**556.8**	618.5
Equity and Liabilities			
Capital and reserves			
Issued share capital	22	**24.2**	25.2
Capital redemption reserve		**1.8**	0.8
EBT share reserve	22	**(0.5)**	(0.7)
Retained earnings		**530.7**	593.2
Total equity		**556.2**	618.5
Current liabilities			
Other payables	C8	**0.6**	–
Total current liabilities		**0.6**	–
Total liabilities		**0.6**	–
Total equity and liabilities		**556.8**	618.5

The loss attributable to the owners of the Company for the period ended 28 December 2024 was £24.6m (30 December 2023: profit of £53.5m).

The company's financial statements of Wickes Group Plc, registered number 12189061, were approved by the Board of Directors on 19 March 2025 and signed on its behalf by:

David Wood
Chief Executive Officer

Mark George
Chief Financial Officer

Company Statement of Changes in Equity

(£m)	Issued share capital	Capital redemption reserve	EBT share reserve	Retained earnings	Total equity
At 31 December 2022	26.0	–	(0.7)	571.8	597.1
Profit for the period and other comprehensive income	–	–	–	53.5	53.5
Dividends Paid	–	–	–	(27.4)	(27.4)
Share buyback and cancellation	(0.8)	0.8	–	(10.1)	(10.1)
Purchase of own shares	–	–	(0.2)	–	(0.2)
Equity-settled share-based payments	–	–	0.2	5.4	5.6
At 30 December 2023	25.2	0.8	(0.7)	593.2	618.5
Loss for the period and other comprehensive income	**–**	**–**	**–**	**(24.6)**	**(24.6)**
Dividends paid	**–**	**–**	**–**	**(26.1)**	**(26.1)**
Share buyback and cancellation	**(1.0)**	**1.0**	**–**	**(15.1)**	**(15.1)**
Purchase of own shares	**–**	**–**	**–**	**–**	**–**
Equity-settled share-based payments	**–**	**–**	**0.2**	**3.3**	**3.5**
At 28 December 2024	**24.2**	**1.8**	**(0.5)**	**530.7**	**556.2**

Notes to the Company financial statements

This section contains the notes to the Company financial statements. The issued share capital and EBT share reserves are consistent with the Wickes Group Plc Group Consolidated financial statements. Refer to note 22 of the Group financial statements.

C1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (“FRS 102”) in conformity with the Companies Act 2006 and on an historical cost basis. The financial statements are presented in pounds sterling and all values are rounded to the nearest million pounds (£0.1m), except when otherwise indicated.

See note 1 for general information about the Company.

The Company has used the exemption granted under s408 of the Companies Act 2006 that allows for the non-disclosure of the income statement of the Parent Company.

As the consolidated financial statements of the Group headed by the Company are prepared in accordance with International Financial Reporting Standards as adopted by the UK and include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Cash Flow Statement and related notes
- Key Management Personnel compensation
- Certain disclosures required by FRS 102.26 Share Based Payments
- Certain disclosures required by FRS 102.11 Basic Financial Instruments in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1

The Company did not have items to be reported as other comprehensive income; therefore, no statement of comprehensive income was prepared.

C2 Significant accounting policies in this section

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Investment in subsidiaries

The Company’s investments in subsidiaries are carried at cost less provisions resulting from impairment. Investments are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in operating profit in the profit or loss as a charge to administrative expenses.

In testing for impairment, the carrying value of the investment is compared to its recoverable amount, being its value-in-use.

Where indicators exist for a decrease in a previously recognised impairment loss, the prior impairment loss is tested to determine whether a reversal is required. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Share-based payments

The financial effect of awards by the Company of options over its equity shares to employees of subsidiary undertakings is recognised by the Company in its individual financial statements as an increase in its investment in subsidiaries with a credit to equity equivalent to the cost in subsidiary undertakings. The subsidiary, in turn, will recognise the cost in its income statement with a credit to equity to reflect the deemed capital contribution from the Company.

C3 Key estimates and assumptions in this section

Impairment testing of investments in subsidiaries

The Company’s investments in subsidiaries have been tested for impairment by comparison against the underlying value of the subsidiaries’ assets based on a value-in-use calculation. The value in use calculation requires estimation of future cash flows expected to arise from the subsidiary discounted at a suitable discount rate in order to calculate present value. The significant estimates relate to the Group’s profitability over the Five-Year Plan period, the longer term growth rate, and the discount rate used.

C4 Staff costs and Directors’ remuneration

The Company had no employees during the year, except for the Directors. The information on compensation for the Directors, being considered as the key management personnel of the Company, is disclosed in note 31.

C5 Auditor’s remuneration

Amounts receivable by the Company’s auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company’s financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the Group consolidated financial statements.

Notes to the Company financial statements continued

C6 Investment in subsidiaries

(£m)	Subsidiary undertakings
Cost	
At 31 December 2022	893.0
Additions - share based payments	4.5
At 30 December 2023	897.5
Additions - share based payments	**2.7**
At 28 December 2024	**900.2**
Impairment	
At 31 December 2022	(294.1)
Impairment	–
At 30 December 2023	(294.1)
Impairment	**(49.3)**
At 28 December 2024	**(343.4)**
Net book value	
At 28 December 2024	**556.8**
At 30 December 2023	603.4

Details of the Company's subsidiaries at the balance sheet date are in note 18 to the Group consolidated financial statements. In accordance with accounting standards the Company's investments must have an impairment review if there is an indicator of impairment. The recoverable amount of an asset is the greater of its value in use and its fair value less cost to sell: the value in use of the investment is derived from the Group's Five-Year Plan on a pre-IFRS 16 basis and management believe that this represents a higher value than a potential fair value valuation.

Key Assumptions

The estimation of future cash flows is derived from the Board approved Five-Year Plan, consistent with the basis discussed in note 16 to the Group consolidated financial statements. The key assumptions underpinning the value in use model include revenue growth, gross margin, discount rate, and long term growth rate.

	2024	2023
Pre-tax discount rate	**16.2%**	15.8%
Revenue growth rate	**4% - 7%**	2% - 7%
Gross Margin	**41.0%-41.4%**	42.2% – 42.3%
Long term growth rate	**3.5%**	3.5%

Management determined the values assigned to these financial assumptions consistently with the basis discussed in note 16 to the Group consolidated financial statements.

In light of the challenges of performing Value in Use calculations in respect of an Equity Investment on a post-IFRS 16 basis, both the 2023 and 2024 impairment reviews were performed on a pre-IFRS 16 basis. The discount rate disclosed is therefore higher than that disclosed in note 16 of the Group consolidated financial statements (as a pre-IFRS 16 discount rate does not incorporate the cost of debt and lease liabilities).

In the 52 weeks ended 28 December 2024, the Group acquired a 51% holding in Solar Fast (note 12 of the Group consolidated financial statements). The value in use calculation therefore includes a value related to Solar Fast. No reasonably possible change in assumptions would result in a materially different outcome for the value in use relating to Solar Fast. As such, no key assumptions nor sensitivities specific to Solar Fast have been disclosed.

Impairment

An impairment review was therefore performed, with an impairment charge of £49.3m recognised in the period ended 28 December 2024 (30 December 2023: £nil impairment charge). The impairment reflects the weakening of the UK macro-economic environment and economic outlook in 2024, with an impact on the retail sector as a whole.

Impairment sensitivities

A sensitivity analysis was performed using changes in assumptions applied to the value in use calculation that management consider to be reasonably possible. It is possible that a material movement in the impairment charge would have been identified in the impairment review if the key assumptions were changed in the value in use calculations. The impact on impairment from these reasonably possible changes in assumptions, with all other assumptions remaining the same, are shown below.

Assumption	Change in impairment charge
Pre-tax discount rate increases or decreases by 0.5%	£(21.6)m - £24.0m
Revenue increases or decreases by 2%	£57.3m - £(57.3)m
Gross margin increases or decreases by 1%	£135.3m - £(135.3)m
Long term growth rate increases or decreases by 0.5%	£16.9m - £(15.2)m

C7 Capital management and financial instruments

The capital structure of the Company comprises issued capital, reserves and retained earnings as disclosed in the Company statement of changes in equity totalling £556.2m as at 28 December 2024 (30 December 2023: £618.5m).

Credit risk

As at 28 December 2024, the Company had short-term receivables of £nil (30 December 2023: £15.1) owed by subsidiary undertakings, which are repayable on demand and bear no interest. The Directors do not perceive that the recovery of this debt poses any significant risk to the Company given its size in relation to the Company's net assets.

Notes to the Company financial statements continued

C7 Capital management and financial instruments continued

Liquidity risk

The Company finances its activities through its investments in subsidiary undertakings.

The Company anticipates that its funding sources will be sufficient to meet its anticipated future administrative expenses and dividend obligations as they become due over the next 12 months.

Market risk

As at 28 December 2024, the Company had short-term payables of £0.6m (30 December 2023: £nil) owed to subsidiary undertakings, which are repayable on demand and bear no interest.

Distributable reserves

The distributable reserves of the Company approximate to the accumulated profits, under Reporting Standard FRS 102, after deducting equity settled share based payments and investments in own shares, resulting in distributable reserves of £517.5m (30 December 2023: £582.5m). When required the Company can receive dividends from its subsidiaries to further increase the distributable reserves.

In the 52 weeks ended 28 December 2024, the Company received £28.0m of dividends from its subsidiaries (52 weeks ended 30 December 2023: £57.0m) to pay to its equity shareholders of the Parent.

C8 Related party transactions

The Company's subsidiaries are listed in note 18 of the Group consolidated financial statements. The following table provides the Company's balances that are outstanding with subsidiary companies at the balance sheet date:

(£m)	**As at 28 December 2024**	As at 30 December 2023
Amounts owed (to)/from subsidiary undertakings – Wickes Building Supplies Limited	**(0.6)**	15.1
	(0.6)	15.1

The amounts outstanding are unsecured and repayable on demand.

The following table provides the Company's transactions with subsidiary companies recorded in profit for the year:

(£m)	**52 weeks ended 28 December 2024**	52 weeks ended 30 December 2023
Amounts invoiced by subsidiaries	**(2.4)**	(2.4)
Dividend received from subsidiaries	**28.0**	57.0
	25.6	54.6

Amounts invoiced to/by subsidiaries relate to general corporate purposes.

Directors' remuneration

The remuneration of the Directors of the Company is set out below. Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration report on page 110.

(£m)	**52 weeks ended 28 December 2024**	52 weeks ended 30 December 2023
Salaries and other short term benefits*	**2.2**	2.2
Post-employment benefits*	**0.1**	0.1
Share-based payments*	**1.0**	1.1
	3.3	3.4

* Emoluments and share-based payment charges for the Executive Directors are borne by a subsidiary company, Wickes Building Supplies Limited, and recharged to Wickes Group Plc. Please refer to note 28 of the Group consolidated financial statements.

Directors' interests in share-based payment schemes

Refer to note 28 to the Group consolidated financial statements for further details of the main features of the schemes relating to share options held by the Executive Directors and Senior Management Team.

Other transactions

During the period, the Company did not make any purchases in the ordinary course of business from an entity under common control.

C9 Events after the reporting period

Revolving credit facility

After the year end the Group completed an extension of its credit facility, lengthening the term by a further year to March 2029. Total commitments on the facility remain at £80m, as well as retaining the £20m accordion.

EBT share purchase programme

After the year end the Group recommended Equiniti Trust (Jersey) Limited, in its capacity as trustee of the Wickes Employee Benefit Trust, purchases 7.1m ordinary shared of the Company in the market.

Share buyback programme

The Company has approved a new £20m share buyback programme, following the successful completion of the £25m buyback in September 2024. The Company is planning to start the share buyback in April 2025.